

FEUD OVER PIPELINE BREAKS

Panty Hose Even Enters the Picture

By HOWARD ROCK
Times Editor

FAIRBANKS—"Yes, you would be able to manufacture panty hose for women and on top of that, they could be made heavy duty for cold weather wear," so said David H. Rainey, director of State Governmental Affairs for the El Paso Natural Gas Company.

Earlier, the Executive Vice President, George D. Carameros, Jr., of the company had told the meeting last Saturday of the Fairbanks community leaders at the West Goldroom of the Traveler's Inn, that if his firm built the Trans-Alaska Gas Pipeline, manufacture of petrochemical products would be made possible by the new energy installation.

Rainey indicated, however, that the establishment of the panty hose facility would be very expensive.

Carameros made an extensive appeal to the community leaders, some 150 of them, for support of his company's project. He told the gathering that the tax base for the state would virtually double with that of the construction of a gas liquefaction facility.

He said the approximate investment of the gas pipeline would be about \$2 billion along with additional \$1 billion for the construction of a gas liquefaction facility.

Carameros estimated that the state stands to realize \$45 million yearly in taxes and an additional \$25 million in royalties, also yearly.

The 42-inch line would be constructed almost all the way

alongside the Alyeska oil pipeline but it would branch out at the south end to a facility where the El Paso liquified natural gas (LNG) plant would be located.

The liquified energy would then be shipped by six LNG marine carriers each capable of carrying 125,000 cubic meters to a West Coast receiving and regasification plant, probably in San Francisco, Calif., where it would be made available throughout the United States by displacement through existing El Paso pipeline system.

George Carameros argued that the facilities would be entirely

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under the control of the United States at the same time utilizing American labor thereby benefiting U.S. economy.

He said this would not be true if Canadian Arctic Gas pipeline were to be built and that Alaska would benefit much sooner with the construction of El Paso line.

Carameros projected that the Trans-Alaska Gas Pipeline would begin construction around the completion time of the Alyeska oil pipeline.

Some 5,500-man labor force that will have been working on the oil line would then be transferred over to the El Paso project and work for additional two to three years construction period.

He indicated that the line would be buried underground probably almost all the way due to the fact that it would be chilled before it is transported.

Carameros also pointed out that the El Paso pipeline and the liquefaction facilities would create 600 permanent jobs for Alaskans from the expected 25 year-plus operation of pumping gas from Prudhoe Bay.

He said this projection was based on a previously announced 26 trillion cubic feet of proved reserves available on the North Slope. He added that if additional and substantial reserves were announced in the future, the 42-inch pipeline now in the plans would be increased to 48 inches.

At the end of the meeting, George Caramaros and several other officials of the El Paso Natural Gas Company expressed confidence that they had gained support for their project.

Last Sunday, Alaska Governor William A. Egan indicated support of the El Paso gas pipeline during a televised debate between two high officials of two companies.

The two men were Howard Boyd, El Paso chairman of the board and Robert Ward, president of the Alaska branch of the Canadian Arctic Gas study group.

After the debate, Ward expressed disappointment saying that Gov. Egan and the public should wait until El Paso and the Arctic Gas made their for-

mal application to the Federal Power Commission before expressing support one way or the other.

At any rate, the gas reserve pie of Alaska's North Slope is not for the taking as yet because the El Paso Natural Gas Co. and the Canadian Arctic Gas have much to do to convince the FPC, the Congress, the Lower 48 states as well as the State of Alaska before one or the other is allowed to develop the huge Alaskan Arctic resource.

The sudden prominence of the argument of the two firms at this time did surprise a lot of people in the state.