

# ARCO Alaska Inc. withdraws from natural gas pipeline project

ARCO Alaska Inc. has withdrawn from a proposed multi-billion dollar pipeline project to bring natural gas from Alaska's North Slope through Canada to the Midwest and West Coast of the United States.

William E. Wade, Jr., president of ARCO, said the Alaska Natural Gas Transportation System is uneconomic and that gas system certificates and permits issued years ago have no value at ARCO.

"In fact, market conditions do not currently warrant implementing any large gas sales project," he said.

ANGTS was selected by then President Jimmy Carter in 1977 to bring North Slope natural gas to the Lower 48 states through a pipeline system stretching 4,800 miles, including a 745-mile segment in Alaska.

In 1980, three major North Slope gas producers — ARCO, Exxon Corp. and Standard Oil Co. (Ohio) — agreed to finance 50 percent of a design, engineering and planning study for the Alaska segment of the gas delivery system. The balance of the financing was to come from a partnership of pipeline firms led by Northwest Alaska Pipeline Company.