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**ALASKA HIGHWAY PIPELINE ALIVE AND WELL**

WHITEHORSE –Yukon’s Minister of Energy Mines and Resources Scott Kent is dismissing suggestions that the Alaska Highway Natural Gas Pipeline (AHP) is dead.

“That is just wishful thinking for those who insist on promoting their own agendas at the expense of northern development,” said Kent. “The project continues to enjoy strong business and political support. Support that will be sustained and demonstrated as U.S. energy legislation and other initiatives move forward this fall.”

Kent was responding to media reports today that because the proposed tax incentives for an Alaska Gas Pipeline may not be included in U.S. energy legislation the project may be shelved.

Kent pointed out that the North American market will need gas from the Yukon, Alaska, the Northwest Territories and elsewhere to meet the combination of rising demand and declining supply in North America.

“There remains strong bipartisan support for the Alaska Highway project in the U.S., and it is also widely supported in Canada by those who understand the enormous economic benefits of northern gas development,” said Kent.

Kent also expressed surprise that some proponents of a Mackenzie Valley pipeline remain distracted by the perceived threats of a Alaska Gas project, when the Mackenzie Valley project faces far more serious problems at home. They include a widening gap between the interests of explorers and producers, supporters and non-supporters of the Aboriginal Pipeline Group, and a confusing assessment and permitting process that could take more than four years to complete.

Kent also called on the federal government to respect Canadian law and regulatory processes. “Threatening to delay projects by manipulating law for political purposes is unbecoming of a G8 nation,” said Kent. “Northern gas pipeline proponents should focus their energies on creating a positive investment climate for northern pipeline projects.”

Yukon has always maintained that market demand will support two northern pipelines in the long run, and continues to support that view.

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