



## The Canada-United States Agreement on Principles Applicable to a Northern Natural Gas Pipeline and the *Northern Pipeline Act*

- In the early 1970s, Canada and the United States began contemplating major pipelines designed to transport Alaskan and northern Canadian gas to southern markets.
- A Commission of Inquiry led by Justice Thomas Berger concerning the construction of a pipeline up the Mackenzie Valley concluded, in 1977, that all routes through northern Yukon should be rejected for environmental reasons and recommended that a Mackenzie Valley pipeline be delayed for 10 years. He also determined that a southern Yukon route would be acceptable.
- Meanwhile, the National Energy Board (NEB) was considering several proposals for an Arctic natural gas pipeline, including two Mackenzie Valley routes and an Alaska Highway route through southern Yukon (the Alcan project) proposed by Foothills Pipe Lines Ltd. (Foothills) in August 1976.
- In July 1977, after 214 days of hearings, the NEB found that the Foothills project, although requiring further engineering design, environmental and socio-economic information, offered the generally preferred route for transporting Alaska natural gas.
- The recommended route, the Alaska Highway Gas Pipeline (the Pipeline), became the subject of the 1977 Canada-United States Agreement on Principles Applicable to a Northern Natural Gas Pipeline (the Treaty).
- Canada's *Northern Pipeline Act* (the Act) of 1978 created the Northern Pipeline Agency and gave effect to the bilateral agreement in Canada. Under the Act,

Certificates of Public Convenience and Necessity (CPCNs) were deemed issued pursuant to the *National Energy Board Act*. These certificates are subject to general terms and conditions set out in Schedule III of the Act, which can be amended or replaced by more specific conditions along different segments of the route.

- The main objectives of the Act are to
  - facilitate the efficient and expeditious planning and construction of the Pipeline, taking into account local and regional interests, the interests of the residents, particularly of Aboriginal people, and recognizing the responsibilities of the Government of Canada and other governments, as appropriate, to ensure that any Aboriginal claim related to the land on which the Pipeline is to be situated is dealt with in a just and equitable manner
  - facilitate, in relation to the Pipeline, consultation and coordination with the governments of the provinces, Yukon and the Northwest Territories



- maximize the social and economic benefits from the construction and operation of the Pipeline while at the same time minimizing any adverse effect on the social and environmental conditions of the areas most directly affected by the Pipeline
- advance national economic and energy interests and maximize related industrial benefits

### **For more information**

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Cat. No. M134-27/2011E (Print)  
ISBN 978-1-100-18954-3

Cat. No. M134-27/2011E-PDF (On-line)  
ISBN 978-1-100-18955-0

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