



## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

MAR 10 1972

Dear Mr. Wright:

In reply to your recent letter concerning the Stipulations for the proposed trans-Alaska pipeline, we would like to assure you that all the matters raised by the Alaska Federation of Natives have received the most careful consideration by the Department. We have carefully reviewed the suggestions made by you both in your March 8, 1971 supplement for the record and in your oral testimony. In addition, we have considered carefully the suggestions of all others speaking on behalf of Native interests, including those representing the Arctic Slope Native Association, and the D.N.H. Development Corporation. This consideration has been continuing over the past ten months as one part of our review of the over 12,000 pages comprising the hearings record.

With regard to your suggestion that we place in any permit we may issue a condition providing that the Permittee is liable, without regard to fault, to third parties for damages connected with the pipeline, including economic loss, it should be noted that the Stipulations contain a number of provisions relating to the Permittee's responsibilities for its operations. If oil should be discharged from the pipeline for any reason, the Permittee must totally remove, dispose of and clean up the oil, wherever it may be found. Further, the Permittee must reconstruct, repair and rehabilitate any structure, property, land, fish and wildlife habitat or other resource, whether federally, state or privately owned.

Finally, the Stipulations also provide that the Permittee is liable in accordance with applicable law for damage suffered by third parties. One of the purposes of the bond which the Permittee must continually maintain at full face value is the payment of any final judgment recovered against the Permittee for damages to third parties. Thus, the Permittee would be fully liable and responsible for any damage that might result from its fault.