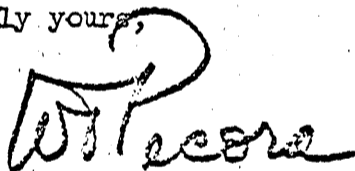


We do not believe it would be proper, however, for us to place the provision in the Stipulations that you suggest. Whether liability should be imposed upon the Permittee in circumstances where it is not at fault is, under our system of jurisprudence, a question relegated primarily to State law; it should be dealt with by the courts or the legislature of Alaska. We do not believe it is proper for the Interior Department, a Federal administrative agency charged with land management responsibilities, to attempt to impose by contract such a liability on the Permittee.

The responsibility to monitor the construction of the pipeline, if a permit therefor should be granted, is one which, by virtue of the Mineral Leasing Act, Congress has imposed upon this Department; this responsibility may not be delegated or shared by us. Similarly, other Federal and state agencies that would have supervisory or regulatory duties regarding the pipeline may not delegate or share them. Therefore we can not adopt your suggestion concerning the participation by the Alaska Natives in the supervision and monitoring of pipeline activities.

Although we can not adopt the two specific suggestions made by your March 8 supplement for the hearing record, we do greatly appreciate the testimony you and other Alaskan Natives presented for the record. It is most helpful to us in our continuing review and consideration of the proposal.

Sincerely yours,



Acting Secretary of the Interior

Mr. Donald R. Wright
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