

# Facts about “FERC”

*As the brightest prospect on Alaska’s economic horizon, the Natural Gas Pipeline deserves every Alaskan’s full attention and advocacy. The pipeline’s revenue-generating potential for Alaska is a once-in-a-lifetime opportunity for Alaska’s economy to continue to prosper and grow. The issuance of a FERC permit is a critical step in the process of building the Gas Pipeline. Many Alaskans have heard about “FERC” but many of us are still in the dark about what it is, and why it’s so important to our Gas Pipeline’s future.*

**Fact One:** The Federal Energy Regulatory Commission (FERC) is responsible for regulating the location and construction of interstate natural gas pipelines.

**Fact Two:** FERC is responsible for issuing the permit required before the gas pipeline can be built, and serves as the “lead agency” in the federal permitting process. This means that FERC is responsible for preparing the Environmental Impact Statement, coordinating the public participation process, and serving as the lead in working with the other federal governmental entities which also play a permitting role (such as BLM and Fish & Wildlife Service).

**Fact Three:** A key element in moving the Denali or AGIA\* (Alaska Gasline Inducement Act) projects forward is a successful open season. The open season process is one in which shippers make long term, binding commitments to reserve capacity on the pipeline. The Alaska Gas Pipeline project includes special rules enforced by FERC.

\* The Alaska Gasline Inducement Act (AGIA) is a funding arrangement in return for the licensee’s commitment to certain terms and conditions. In other words, an AGIA license is not a requirement for constructing a gas pipeline in Alaska.

**To learn more about FERC – and other informative facts about Alaska’s economy, go to [FNBAlaska.com](http://FNBAlaska.com) and click on the three-legged stool.**

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