

inaugurated a new LNG shipping route. Known as the Northern Sea Route, it enables vessels to reach Asia in 15 days via the Bering Strait, compared with 30 days using the conventional route through the Suez Canal. The journey can be made between May and November, when the ice is thin enough to navigate. This feat is only possible thanks to a new breed of versatile LNG carriers, which feature ice-breaking technology.

The Yamal project's entire LNG production of eventually 34 million tons per year, will all be carried to customers both in Asia and in Europe via the Northern Sea Route.

Alaska Set for Arctic Development

by Marcia Baker

Jan. 27—Alaska Governor Bill Walker proclaimed Jan. 24 that the stars are aligned on Arctic development. Alaska is second to West Virginia in the size of its 2017 Memorandum of Understanding with China, for energy infrastructure and gas sales development—\$43 billion over the coming years. Governor Walker met in Fairbanks on Jan. 24 with his cabinet and local mayors, and spoke optimistically about what's ahead, with plans for an 800-mile gas pipeline from the North Slope to Kenai Peninsula. Pledged sales of 75% of the gas is to go to China. Walker was the only governor in the Trump delegation to go to Beijing last November. Walker then hosted President Xi Jinping in Anchorage last May, on Xi's return trip home from Florida.

Walker made a point of praising the support he is getting from the White House. "I could go on for hours about all the different—how things are so different now. . . . I have a call with the White House about every two weeks, directly with the White House, about this project. . . . It's astounding, absolutely astounding, to have that kind of relationship with the White House on this project. And then with the market, the producers—the stars are absolutely aligned on this," said Walker, according to a report on Fairbanks' NBC TV affiliate Newscenter 11.

Alaska, working with China, is set to figure prominently in Arctic gas development, as well as the newly opened Yamal, Russia, LNG operations. China covers the principles involved, in its new "Arctic Policy" White Paper, which states explicitly that this is part of its Belt and Road Initiative: China wishes to "advance Arctic-related cooperation under the Belt and Road Initiative in accordance with the basic principles of respect, cooperation, win-win results and sustainability." The document, released Jan. 26, also states specifically under its section "IV. China's Policies and Positions on Participating in Arctic Affairs," that, "China respects the sovereign rights of Arctic States over oil, gas and mineral resources" in the region, and "encourages them to participate in the exploitation of oil, gas, and mineral resources in the Arctic, through cooperation in various forms, on the condition of properly protecting the eco-environment of the Arctic."

Meanwhile, in West Virginia this week, optimistic statements were also made about what's to come from China's commitment to work with the state on gas infrastructure and industry development in Appalachia. At the Jan. 22-23 Economic Development Council Legislative Conference in Charleston, representatives of the major economic associations spoke out on this.

Concretely, announcements are awaited from the governor and Commerce Department on what will be the first projects (regarding a site for a gas hub, for one or more cracker plants, for pipelines, and related infrastructure). No word is out yet on West Virginia Commerce Secretary Woody Thrasher's latest trip to China, which began Jan. 13. Thrasher personally signed the Memorandum of Understanding with China Nov. 9, 2017 in Beijing, for a Chinese commitment of \$83.7 billion over 20 years.

The possibilities "are limitless," for West Virginia, said the West Virginia Manufacturers Association President Rebecca McPhail, if China Energy follows through.

The Independent Oil and Gas Association's Executive Director, Charlie Burd, said: "We're very excited to be at the leading edge of what could be a huge economic engine. It's going to be a very exciting time for West Virginia, we believe. It's not going to be overnight. But over the next 5-10 years the landscape of West Virginia has the potential to change dramatically."