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TransAlaska Pipeline Hearings, August 29-30, 1969, Patty Gym, University of Alaska

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The recording continues from 02-00-61A CD 1 with Harry Porter speaking. He is discussing the plan to bring railroads to Dawson City, west to Fairbanks, West to Nome, and north to the North Slope. Mr. Porter tells the panel that he hopes they do not have political influences when making decisions and then is told by Mr. Secretary that he has used up 15 minutes and is asked to conclude. Mr. Porter mentions Billy Mitchell, Steese, Eilsen, Richardson, the Wiens, Elliot, Stephenson, Cook are mentioned as people who have made differences in Alaska. Mr. Secretary asks the panel if they have any questions. A man says thank you to the mayor and wants clarification on the reference to "a study" and 3,100,000 dollars in that connection. He says he was away when the later came and is unfamiliar with its contents. He says he thinks the matter of concern is regarding the 12th of August when he appeared before the Senate Interior Committee at their request to explain the budget needs of the Department of the Interior in connection with the planning and construction of the pipeline. He says at that time he gave the committee his best estimate that they needed approximately \$3 million 100 and 25 thousand in the year 1970 for the construction, not for a new study. Mr. Porter says that he only has the news announcements to go on in this area. Mr. Porter says he couldn't tell how funds would be allocated based on what he heard from the hearing today. He says he was under the impression that the hearings would be force to determine the transportation needs of Alaska. A man on the panel says he believes the Department of Transportation is seeking a sum which may be an excess of 3 million for a study of a transportation system. He says Northern Alaska can't be served with one single corridor, there needs to be a network of transportation. Another member of the panel says he does have the original copy of his state of the Senate Interior Committee that there may have been confusion about in the press. Mr. Secretary asks Mr. Porter to make arrangements that the reporter gets the correct spelling of the names that he listed during the speech. Mr. Porter's remarks are deemed exhibit 27.

At 7:23 of the recording Mr. Albert C. Swalling is introduced as the Chairman of the North Commission, State of Alaska. Mr. Swalling acknowledges Mr. Secretary and the panel. He says the North Commission was created by the legislature of Alaska. He says they are charged with the development of a transportation system for the Northern area of Alaska for developing the resources of the area. He says he fully realizes that the hearing was called primarily for considering the application of the pipeline from Prudhoe Bay to Valdez. The North Commission is convinced that a right of way will be granted and a pipeline will be built. he says the commission is convinced that a railroad will be built to service the area north and west of Fairbanks the loss of revenue to the federal and state government in subsequent lease sales because of the lack in cheap all year all weather surface transportation will be repeated over and over again within the life of development of natural resources in that area will conceivably last 50 years. The efficiency of rail transportation in moving large tonnages year round regardless of weather

will place a ceiling on the cost of moving such tonnages both north and south. The construction of a railroad will make possible the economical development of other minerals known to exist both north and south of the Brooks Range. A construction of a pipeline will require a series of haul roads. The north commission welcomes these additions to the transportation systems of Alaska. The commission earnestly petitions the committee in granting a right of way obtain the necessary insurances that the information generated in the surveys be made available for further transportation studies. He thanks the chairman and walks from the microphone. He says he would like to leave the statement and copy of the law and they will be reported as exhibit 28.

At 12:30 the next witness is Philip Douglas, Executive Secretary of the Sport Fishing Institute operating in Washington D.C. Mr. Douglas acknowledges the Chairman, the panel, and the examiner. The institute is a national non-government professional staff fish conservation organization dedicated in providing better sport fishing opportunities around the world. He says he is currently a member of an ADHOC Committee of the Natural Resources Council of American which is a group of some 35 dedicated national conservation organizations. He says the ADHOC is working with the panel along with Senator Henry M. Jackson's interior committee staff and the TAPS representatives from Atlanta Richfield, Humble Oil, and British Petroleum to achieve goals in the construction of the 800 mile pipeline. For the several months of the joint pursuit for knowledge they have enjoyed the open door policy of the panel's office. The number one outdoor sport of fishing already has 60 million enthusiastic participants. Alaska provides an opportunity to expand the satisfactory of fishing. He sees the opening of a new natural frontier with the pipeline construction in the North Slope. Properly planned and programmed, access to the vast area in the north will open up a great outdoor activity potential. Proper safeguards must be implemented to the pipeline project before it is commenced. His written statement details major important points for the sport fishing involved with the project. Gravel requirements for roads and stations as submitted by TAPS in their application the BLM in June 1969 were estimated to be greater than 13 million cubic yards. The gravel sources are designated only by township and ranges. He feels they should be specifically pinpointed at least by sections. His understanding is that tremendous volume is gravel is to act as a form of insulation. If a railroad bed is laid as well as landing strips, more gravel will be required. He says we need to know what water ways will be involved in the gravel procurement. The gravel procurement will be one of the most disturbing parts of the pipeline. By disturbing he means to the environment. To a degree, gravel procurement can possibly be timed to offset sedimentation and erosion effects. He begins discussing timber removal can also disrupt stream banks and lakeshores to further erosion problems. He says there is some doubt in his mind with regard to the right away to provide the haulage and access road during construction. They are most interested in the route and plans for highways construction for many hot springs in the north to the Yukon River. As he understands the current situation the state of Alaska is now permitting TAPS to proceed with the construction which he witness the other day to be well underway. The chief of the habitat development's division is most capable and firmly believes the 11 stipulations to protect environment are adequate. If TAPS follows the stipulations at every level the initial phase of road access to the north from Livengood to the Yukon River. He believes that the state or federal government ride close herd during the construction period to make sure the contractors follow licenses to the letter. He says twice in the TAPS letter from June 19, 1969 to Secretary Hickel that TAPS responsibility ends with the

construction of the pipeline. He says buried pipeline will solve some of the caribou problems on the North Slope. More than ever care must be taken in such waterways such as the Big Sag River to time pipeline drilling as to minimize damage to fish there. The Sport Fishing Institute does not attempt to block inevitable process. He thanks Mr. Chairman and says he has a statement he would like to present and it is marked as exhibit 29.

At 23:10 David M. Hickok, assistant to the Chairman of the Federal Field Committee for Development Planning in Alaska, begins his portion of discussion. It is encouraging to him that the meeting is being held. For over two years he has been engaged in raising many of the issues for environmental tolerance which is in part related to the development proposals of the pipeline. He says in part because he feels strongly the pipeline proposal which is only one facet of the overall situation has received an undue amount of attention largely out of context with major planning issues at hand. The undue amount of attention has cost a lot of the allocation of money at the expense of issues regarding the North Slope itself. Hickok quotes the National Science Foundation including the movement of societies and resources. He says in Alaska is experiencing the change mentioned by the National Science Foundation in a way that is visible to everyone. We can all see the effects of man's intrusion into the fragile arctic wilderness. Elsewhere in the nation much greater environmental changes are taking place in complex structures and these are difficult to perceive. In Alaska the issues are simple; will Alaska have balanced management of ecosystems along with constructive exploitation of resources? There must be cooperation so adequate guidance on environmental change is used. He says he would like to develop two themes: first the necessity to develop available knowledge and second the imperative of deploying government resources to priority matters. The 20,000 acre pipeline, which he compares to a tree trunk, is supported by 7-9 million acres of roots. In his view the public has the right to expect that the industry and its use of federal and state public lands openly cooperate with government in joint planning to make sure that the industrial development are harmonious with public values and other public services. He says he hasn't seen any evidence with the exception of occasional platitudes that the industry of a whole is willing or internally able to make commitments to the public guaranteeing the enhancement of any values other than their own. He says it is clear to him that the state and federal government have failed to exercise the joint leadership required to get the job done and he says he accepts part of the failure as his responsibility. Neither the physical nor biological environment can withstand a helter skelter planning of the project.

30:15 Mr. Hickok asks for some water.

For the pipeline itself he says there are political, environmental, and social problems associated with the project. His colleague in the Federal Field Committee, Dr. Arlan Tussing, will comment on some economic matters next. The oil economist have at least proven to his satisfaction the margin of profit associated with North Slope Oil is more than sufficient to absorb such costs as maybe associated with good environmental practice in construction with the line. For months he has been concerned with the engineering technology and the ecological considerations involved. He has become convinced that the pipeline can be constructed with minimal environmental disturbance if available science is used technology. He thinks the TAPS people are doing this and it is clear that the research being pursued by the University of Alaska and elsewhere in Alaska is being paid for the TAPS. He is convinced that the

operators in the North Slope are not using current environmental and engineering knowledge. This is manifested in the types of water supply and sanitation systems employed as well as building and road designs. He says the other segments of the industry are not supporting the environmental gathering of data. He says the federal government also is not supporting adequate research. He says he is specifically concerned with the lack of research and investigation of arctic waters and mammal populations in the arctic. He says the subjects are acutely brought up through the voyage of the Manhattan. He says the granting of any permits for offshore drilling at this time without knowledge of marine life cycles in arctic waters is incredible. Much more research is required and industry and government need to accelerate the efforts.

At 33:40 of the recording he says he would like to discuss the pipeline itself. The basic problem is to achieve or retain basic soil stability in varying ice content soils and to locate the pipeline so it will not be affected by natural geomorphic movement. He says his years in professional fish and wildlife management lead to him to support their views but he believes the best protection to the biological and total environment will come from structural stability of the pipeline and the soil. He says communication between all the parties involved in the pipeline is the greatest deficiency in the development and review process of the proposal. Soil stability along the pipeline route varies greatly and many of the variations occur in relatively short distances. He says he sees nothing wrong with the contractor making changes to design of short stretches without government approval. He says people must realize that the construction of the pipeline is one of the greatest engineering undertakings of the century. Many of the concepts associated with other environments have to be abandoned. He says the safest route for the pipeline is within live streambeds, not on adjacent terraces and slopes. There are two stretches of the pipeline route where massive geomorphic movements dictate pipeline location, in the Dietrich and Atigun Canyons. When slides take place in the canyon walls they laterally move, they don't just fall. He contends that in the Dietrich, Atigun, and Sagavanirktok River placement of the pipeline within the streambed will not cause stream bed damage. Additional siltation of the rivers during construction will not be an adverse factor to the fishery. Finally he has one comment about the corridor concept for a single transportation route to the arctic. He urges that the plan be abandoned because each mode of transport requires different construction technique; there is no one location that will practically permit the construction of all transportation. Mr. Secretary tells Mr. Hickok that his 15 minutes is up at 39:27 of the recording. Mr. Hickok says he has one more comment; he would like to say that the BLM and the fish and wildlife service deserve a great deal of credit. His only regret is that the geological survey's entrance into the project has been so late. He thanks the group and states that the Federal Field Committee for Developing Planning in Alaska is a presidential commission for economic and resource planning in Alaska with the charge to coordinate federal government planning in the state and to work cooperatively for the same ends for the state of Alaska. He has a brief editorial entitled "Use the Knowledge We Have" which he would like to add to the statement. The statement is marked as exhibit 30 and the editorial is marked as exhibit 31.

One panel member says he would like to compliment the witness on his thorough statement. He asks Mr. Hickok to extend his views of offshore drilling in the Beaufort Sea area. He says he believes that there are permits in process within the federal and state government for exploratory well drilling for

both oil and for the stability of possible offshore docking arrangements. He thinks that at this time it would be an incredible decision to grant permits until we know more about the life zone under the ice. The panel member says he is not aware of any permit for exploratory drilling for petroleum. The panel member says he is aware of permit to study sand and gravel to determine what the character of the sea bottom is and would do minimal damage because the drilling conditions would be controlled. Mr. Hickok discusses the characteristics of the Beaufort Sea being important for further research. Another panel requests Mr. Hickok provide a little more explanation of his suggestion that his pipeline be laid in the Sag River bottom itself. Hickok says from an engineering standpoint he has built many dykes, many roads, and built in marshes and swamps. He says the Sag River varies in that some places are high in gravel, some places are virtually dry and there's no question that drag lines on mats could operate on the stream and sections where ditchers could work at. He says there is less damage if it is in the river then if it is on the terrace adjacent. He discusses what happens when a pipeline is put on a terrace. Mr. Hickok says what the effect is thermally for the water is a good question. Given the characteristics of the river, Mr. Hickok says that the best place is the river bed for the pipeline.

At 46:40 Arlon Tussing is introduced. Tussing is from the Federal Field Committee for Development Planning in Alaska. Tussing is an economist for the FFCDPA. Before taking his current position in July 1968 he was associate professor of economics at the University of Alaska, who is he currently on leave from. This is his fifth year in Alaska. The majority of his time has been focused on economic development. His appearance today is addressed to the principles and procedures that should be followed in the disposition of land for oil development and construction. He says most of his remarks are applicable to Federal and State policy. He says he will conclude with information about the division of responsibility between Federal and State governments. He says the Industry of Community Representatives central themes of benefits delayed are benefits lost should be applied to the pipeline scenario. Tussing says that people can expect some of the testimony for rapid development to overstate the benefits and understate the costs and dangers of proceeding headlong into intensive mineral development and into pipeline construction on a meager information base. The value of lands affected by the pipeline project is discussed. The total cost of the project also includes the cost of government services such as those to the Federal Aviation Commission. He says he is aware of an argument that production of arctic slope oil is a national interest so that construction of the pipeline justifies the free use of public land and services. Geological surveys and engineering experience conducted on the North Slope of Alaska by the U.S. Navy and the United States Geological Survey are discussed. The costs of the surveys are \$50-\$100 million dollars. Tussing believes there is no doubt that the revenues from the oil can cover the costs of the most stringent forms of environmental protection. Tussing says he is including as an appendix to his testimony, excerpts from Professor M.A. Adelman's analysis from the Alaska Science Conference earlier in the week. According to Tussing, Adelman is probably the world's foremost oil economic specialist. Adelman estimates the cost of producing oil from the North Slope to the Puget Sound area at about 75 cents per barrel plus royalty and state severance package. Adelman's estimate for the east cost is about \$1.10. Doubling the cost of the TransAlaska Pipeline from its estimated \$1.5 billion dollars would add about 45 cents to each of the figures. Present postings from the east coast markets range from about \$3 dollars to more than \$4 dollars. There would be an enormous net return for the companies. Greg Erickson of the University of Alaska has used

production and costs figures presented by the Atlantic Richfield Company to the Alaska State Legislature March 3rd, 1969 to calculate the net discounted rate of return expected by Humboldt, Atlantic Richfield, and British Petroleum on their North Slope investment. Tussing has included his statement of assumptions to appendix two of his paper. Under present tax rates, the anticipated rate of return of the companies together would be about 43%. Doubling pipeline costs would reduce the rate of return on their investment to 36%. The interior Department's restriction imposition is discussed. Tussing says it is not rationale to spend a million dollars to preserve a \$50,000 resource. Nor is it rationale to spend \$1 million dollars to avoid a 10% chance of a million dollar accident. Tussing says that some kinds of damage cannot be avoided by any kind of stipulation if oil is to be produced or a pipeline is to be built at all, the companies out to pay for these costs. Tussing believes that there is an option of producing a list that assesses charges for different kinds of environmental service and damage in the oil fields and along the segments of the pipeline. The list would allow the companies to assess the cost of damage, the degree of risk, and the cost of the remedy. He is convinced that TAPS will do an excellent job minimalizing the internal costs of the pipeline. They will take appropriate notice of environmental risk which would cost them money. The engineering job would be done more efficiently by the companies alone instead of the Department of the Interior.

At 59:44 the recording stops.

The recording continues with a man speaking at 59:46. He is discussing progress and transport systems. He says the systems that have been developed and that are currently in use have been expensive but have been effective in providing accomplishment. He says all transportation systems in use thus far will continue to be useful in the future. Railroads, pipelines, and tanker vessels are discussed. He says the transportation technology takes up about only 4% of the area of northern Alaska. He says the majority of the vast expansive barren land will be undisturbed. He begins discussing the Arctic Slope. He discusses paths that have been made by equipment from previous projects and says these things can be described by the "Homely Phrase: 'white man been here.'" He discusses the presence of noncombustible materials chiefly empty field drums. This type of detrimental activity can be controlled through proper planning and application controls of transport to winter season. He says he believes the state government is capable of taking all proper precautions to insure that non mineral resources are protected. As a Native Alaskan he tends to view with a jaundice eye the efforts of nonresident would be managers to prohibit or delay the rapid development of mineral resources of the Alaskan arctic. He is unsympathetic to their motives; he thinks providing remedies for environmental problems in the Lower 48 are a task that could rightfully absorb all of their efforts. He discusses some projects for cleaning the Mississippi River that could take all of their energies for a number of years. Mr. Secretary tells Mr. Dalton thank you. He says that the panel will mark that as exhibit number 47.

At 1:06:00 the next witness, Don Hopkins, is introduced. Hopkins says he resides at 264 Bentley Drive East Fairbanks Alaska. He says he is a comprehensive public planner and has been since 1956. He has helped with the state development programs in Hawaii, New Mexico, Wisconsin and Massachusetts. He has been a planning consultant to the housing and home finance agency. He came to Alaska in 1963 as director of planning and research for the state and was in that position for two and half year. He has since worked as the planning director the Fairbanks North Star Borough for 2 and half years and has

been a consultant for the city of Fairbanks. He is concerned that there is no overall development plan for the state of Alaska. The state and the federal government have not had one despite there is a federal field committee for the state of Alaska. He says he must share some of the responsibility for the failures. He says a comprehensive plan is still in the cards for Alaska. He says this hearing is an example of an emergency created because adequate planning was not done in the past. It may result in the delay of the construction of the pipeline. As an example of project planning that's going on today, there is a study of a transportation corridor running north and south through Alaska 800 miles. The Canadians are also doing planning; they are exploring 4 alternate rail routes from existing rail heads north to Dawson City. They are considering the economic effect of a connection to the Alaska system. Secretary Volpe [John A.] has indicated that the study of the Alaska corridor will not include any consideration of the Alaska rail system ... [The recording stops].