

H78-58-01/02
Charles Elder
Fairbanks, Alaska
February 19, 1974

Unidentified speaker explains that Charles Elder was invited back to Fairbanks to answer more questions about the possible leasing of Fort Wainwright by Alyeska. Charles Elder said that he didn't have a prepared statement, but invited the audience to ask questions. He was still interested in using Fort Wainwright, Alaska for the base of their operations in Fairbanks. He feels that the use of the base would lessen the impact of the project. He said they were interested in the support of people in Fairbanks.

Mr. Carlson asked about the proposal submitted to the army and if they are still waiting for their reply. Charles Elder said they submitted a letter to the army at the end of January asking for the use of certain buildings at Fort Wainwright. They had been told prior to that time that the army could lease the facilities. The army published the fact that the buildings were available for leasing. They are preparing to submit their formal answer to the army. The army will then go through their administrative procedure, open up for anyone to lease and will give them the terms by which they will be leased. They do not have information about how much they will pay. It will end up in Washington, D.C. for the final approval. They understand that the army has the facilities to lease, but they do not know the final terms. Mr. Langon asked about the way the army will be putting out a bid, will it be leased by building or will the entire facilities be involved? Charles Elder said that when the army goes on the market they have certain procedures to follow. He said they named an interest in all the buildings that are available and they would need the whole works. Their position would be an all or nothing bid. Charles Elder commented about taxes. They are not going to Fort Wainwright to avoid taxes within the community. If city services are furnished then the city would be entitled to payment for those services. Charles Elder talked about being charged for utilities at the going rate. He talked about using the telephone service. He hopes that they do not have to supply residential housing on the base. His figures are for his people. Unidentified person asked about the lawsuit. Charles Elder said it could be a fairly serious disruption of their plans. Unidentified person asked about Bechtel and Fluor Corporation relationship with Alyeska and the leasing plans. Charles said that the Alyeska Pipeline Service Company is owned by seven different oil companies. Alyeska exists as a corporation because it has a contract to act as their agent for the design, construction and operation of the pipeline. Alyeska plans to be an operating company after the completion of the project. They determined that Bechtel and Fluor Corporation had the personnel to supply the talent as construction management contractors. Both Bechtel and Fluor will be the direct interface with the execution contractors. They will administer the execution contracts with Alyeska personnel at their side. They have a management contract and not a prime contract for construction. Fairbanks will see many more Bechtel people than Alyeska people. There won't be any sizable turn-key contracts with this project. John Carlson asked if there would be separate contracts to lease Fort Wainwright. Charles Elder said no. Question about making housing on Fort Wainwright instead of off base if housing could not be found. Charles Elder said they do not want to put housing on Fort Wainwright and there would be a strong possibility that they might do that off base. They are still looking at about 350

families coming in with Alyeska, Fluor and Bechtel. There's a group that is working on this problem and looking at a forecast of family housing. Mr. King and Alex Baker have met with the Alyeska group and talked about housing needs. Unidentified speaker asked about using the airstrip at Fort Wainwright. Charles Elder said all of the chartered and personnel needs will fly through the International airport at Fairbanks. The use of the airstrip at Fort Wainwright will be for convenience of the engineers flying out to the field. It would be light aircraft operation. They may also move commissary supplies out to camps. What there will not be is an appreciable impact on the pipeline traffic operating out of the Fairbanks airport. Frank Murkowski asked about the use of the railroads. Charles Elder said they can't discount the use of the railroad. An unidentified speaker asked about payment of taxes for government services. Charles Elder said that if they go to the base and they are not using city services then they won't be paying in lieu of taxes. A question about the impact on the community and the services that will be required. Charles Elder said that if there is a service provided then they will recognize that in some manner. Mayor Carlson said any private enterprise on federal land is subject to taxes and talked about services that might be provided by the city and the borough. Charles Elder said he would not object in the event that the government came with a bill and taxes. He can't speculate what the arrangement might be for procedures. He would rather wait to see a government proposal about the services that will be needed. He said he wasn't familiar with the taxation if they lease. A question about the construction camp at Fort Wainwright. Charles Elder said it will be a construction camp but they know there will be differences at Fort Wainwright. He talked about the security of the camp. A violation of a law will have to be dealt with by the troopers. They do plan on keeping camp rules. It could be done at Wainwright. A comment about the number of people coming into Fort Wainwright being that close to town and what problems may develop. Mr. Poland asked about the people looking for homes and when do they expect people to be arriving. Charles Elder said they were expecting people in the spring, but they may not be bringing their families. They were interested in finding good places for their people to live. Next year they were expecting their peak year. They had indications that there were plans for about 100 new homes to be built. There were about fifty homes available at this time. A question about awarding contracts for trucks in Anchorage and why Fairbanks wasn't allowed to bid. Charles Elder said it might have been pure oversight. It is the intent of Alyeska to give local business people a chance to participate and bid on providing equipment. A question about the lawsuit with Alyeska and the Arctic Slope Regional Corporation. Charles said he did not want to discuss a case in litigation. It may impact finishing the road in 1974. He talked about local interest and using local supplies. The management people should be arriving shortly and will deal more closely with the locals. Alyeska has a policy that the state of Alaska will be involved in participating in the project as much as it is economically feasible to do. A comment from the audience about local contractors believing that they have better approaches to doing things. Charles Elder said it has been a new experience for everyone involved in this project. A question about construction people dealing with the unique aspects of the local conditions. Charles Elder said they have not selected contractors yet, but many of them have worked in arctic conditions. He said the builders are not even on the job yet. They are just getting down to the logistics now. Question about the third party contractors. Charles Elder said they have had to prove every part of the engineering of the project. There are many standards of

safety with the government active in all of this. The government said they are requiring a third party review of the design and the inspection of the installation. The government has hired MRI to review and assure that the installation is correct. Comment about Fluor and Bechtel hiring local people. Question about the problem on Anaktuvuk Pass because of the case that has been filed. Charles Elder said they need road equipment to get to the other side of the Pass and the need to get it there by March or April. If an injunction is issued then that will delay the whole project.