

STATEWIDE IN ALASKA

Highlights: Although much attention has been focused upon the vast amount of oil in the vicinity of Prudhoe Bay, the area is also thought to contain some of the most prolific reserves of natural gas in North America. As with oil from the area, geographic remoteness makes getting the gas to market a problem. Currently a number of separate studies are under way to determine precisely how this can best be accomplished. Most of these envision a pipeline through Canada. Little, if any, consideration is being given to a natural gas pipeline across Alaska. The reason no such pipeline is seriously considered is the fact that the main market for natural gas is in the Midwestern United States. In addition, a pipeline through Canada would make it easier to tap large reserves of natural gas believed to exist in that Country's arctic.

Cost of construction of a natural gas pipeline across Canada would at least equal and probably surpass figures quoted for the Trans Alaska Pipeline. The Alberta Gas Trunk Line Co. Ltd. of Canada has proposed a 1,550 mile pipeline to run from Prudhoe Bay through the Yukon and Northwest Territories and connect with the company's gas pipeline system in Alberta. Cost for the project would be around \$1.5 billion. Another pipeline proposal currently under study by a group of American and Canadian interests would run 2,500 miles from Prudhoe Bay to Emerson, Manitoba and would be the longest pipeline in the Free World. Cost of this project would be around \$2.5 billion.

The fact that such a project is under study is in itself an indication of the possible magnitude of North Slope gas reserves. To justify the cost of construction of the 2,500 mile line, oil industry sources have estimated that 20 trillion cubic feet of recoverable reserves of natural gas would have to exist on the North Slope.

When gas could begin flowing to market varies depending upon which project is considered. The Alberta Gas Trunk Line Company's pipeline could be operational by 1974 if work were to begin immediately. The other pipeline probably could not be completed before 1976. However, due to geologic factors, gas from Prudhoe Bay must be recovered in conjunction with oil from the area. Hence, completion of any natural gas pipeline must wait until petroleum production is begun.

North Slope Development Plans Revealed: An indication of oil industry plans for development of North Slope Hydrocarbon reserves was revealed recently. These plans envision that on the North Slope three major fields will ultimately be brought into production. Operation of the fields will be highly automated with electronic computers controlling all major operations, from the actual extraction of oil from the ground to loading it on tankers at the terminus of the Trans Alaska Pipeline. Probably no more than three or four hundred persons will be employed on the North Slope in connection with production activities. These will be highly trained technicians, whose function will be to monitor the system and take corrective action in the event of a major equipment failure or emergency.

Because of the highly automated nature of oil production activities, most oil related employment opportunities for Alaskans will occur during the development phase when substantial amounts of construction are in progress. Major projects will include the Trans Alaska Pipeline and construction of North Slope production facilities.

Statewide in Alaska

July, 1970

The one petroleum industry activity in which there is likely to be continuing employment for which residents would qualify is oil exploration. Oil Industry sources indicate that once North Slope fields are brought to production levels, there will be an upsurge of exploration activity as operators move to locate new reserves to augment fields already in production. There has already been some success in training disadvantaged Alaskans for this type of work. In training programs conducted by Western Geophysical Company and United Geophysical Company, rural Alaskans were trained in unskilled and semi-skilled areas relating to geophysical exploration. In view of oil industry skill requirements, augmentation and expansion of such training seems a good bet to provide long range petroleum related job opportunities for Alaskan residents.

Massive Oil Industry Sealift To Alaska: The largest single ocean shipment ever to go to Alaska is presently en route to Prudhoe Bay from Seattle. The shipment, consisting of 185,000 tons of oilfield supplies and construction materials, is being transported by a flotilla of 21 ocean tugs and 41 oceangoing barges. Included in the cargo are 117,000 tons of pipe for the Trans Alaska Pipeline, 45,000 tons of assorted oilfield equipment and supplies, and 125,000 barrels of petroleum for fuel and other uses. This shipment alone is more than double the total tonnage of freight shipped by water to Prudhoe Bay during 1969. As of this writing, the fleet had made the 3,200 mile journey from Seattle to Point Barrow and was awaiting the break up of sea ice in the area. Once break up occurs, the vessels will make the 160 mile run through the Beaufort Sea to Prudhoe Bay.

Good Season For Kuskokwim River King Salmon Fishery: According to preliminary figures released by the Alaska Department of Fish and Game, 1970's commercial king salmon catch in the lower Kuskokwim River totaled nearly 38,000 fish. The largest catch was in 1969 when 44,000 fish were taken. A total of 361 fishermen, virtually all residents, participated in gill-netting operations. Even more fish would probably have been caught had not the commercial season been closed early to insure preservation of the run.

NYC Program Expanded: One hundred and seventy-eight additional work opportunities will be created for disadvantaged Alaskan youths as the result of a Statewide supplemental appropriation for the Neighborhood Youth Corps Program. The project, which is administered by the Rural Development Agency of Alaska, will extend over a period of eight weeks. Trainees will be paid at the rate of \$1.75 per hour. The program's goal is to encourage disadvantaged youths to stay in school by providing them with work experience, wages and supportive services.

AFN To Sponsor Job Training Program: In a manpower project sponsored by the Alaska Federation of Natives, 100 jobless or underemployed Alaskans will be provided with on-the-job training. Instruction is to be given by private industry with Federal Government reimbursement for instructor fees and the cost of instructional materials. Total Federal investment in the project will be \$143,000. The length of training will vary over a nine month period according to individual needs and the type of training to be accomplished. Trainee wages are to be paid by employers during periods of training.

Smaller Communities Program To Be Expanded: In an effort to expand and intensify employment services for rural Alaskans, three manpower specialists will be added to the staff of the Smaller Communities Program. Their main duties will be to develop job opportunities for Alaskans living in remote areas of the State. As

Statewide in Alaska

July, 1970

a result they will spend a majority of their time in Alaska's smaller towns and villages. When necessary they will assist individuals in increasing their employability through training programs at the Alaska Skill Center at Seward and at other locations.

Total Employment: Total estimated employment rose by 6,300 over the month, propelled by seasonal hires in most areas. Industries showing the largest increases were construction, manufacturing and government. Over the year employment was substantially ahead as a result of large gains in trade, construction and manufacturing.

Mining: Employment in mining continued to fall during June. The summer thaw in the far north, combined with the current state of limbo surrounding the pipeline project are two of the major factors causing the relative inactivity in the dominant petroleum sector of the industry. The current lull in oil drilling will probably continue until October or November when the winter freeze-up again makes vehicular movement across the tundra possible. Even then, drilling will probably not exceed and may not even equal 1969's winter levels.

Construction: Even though a relatively small amount of oil industry related construction is presently in progress, Alaska's construction industry is apparently still having a good year. Employment hit 8,400 in June, a gain of 1,400 over the month and 800 over the year. Contributing to the high employment levels are substantial amounts of federally aided highway construction throughout the State and the continuing brisk building activity in Anchorage. Preliminary indications are that employment in the industry will continue to exceed year ago levels for the rest of the season.

Manufacturing: Employment in manufacturing rose sharply over the month due to heightened activity in the food processing sector as canneries expanded salmon processing operations. Cannery employment was also substantially ahead of last year. The major contributor to the advance was large early runs of salmon both in Western and Southcentral Alaska. July figures, when they are available, should also reflect a substantial over the year employment increase among canneries. This is because of the large salmon run which occurred in Bristol Bay during the last part of June and the first two weeks of July. As of this writing, total catch figures were approaching 20 million fish and might have been even higher had it not been for catch limits imposed on fishermen by buyers. The limits were imposed due to the canneries inability to process all of the fish available to be caught.

In the logging, lumber and pulp sector of manufacturing, employment remained the same over the month while falling by 200 from last year's June figure. July figures should reflect a decline in timber industry employment as a result of a strike against the Ketchikan Pulp Company plant in Southeast Alaska. The strike probably will not effect pulp and paper employment since its total duration was only about a week during the last part of June. However, as a secondary effect of the walkout, several hundred loggers were put out of work in camps supplying logs to Ketchikan Pulp Company. Rehiring by these camps was not expected to have occurred until the latter half of July, causing logging employment to be lower than normal for that month.

Transportation, Communications and Public Utilities: Employment in the industry as a whole rose both over the month and over the year. Trucking and warehousing