

EMPLOYMENT OPPORTUNITIES OF THE U.S. BORAX PROJECT

By Jeff Hadland

The U.S. Borax Quartz Hill molybdenum mine near Ketchikan has the potential for becoming the largest single private employer in Southeastern Alaska and the largest metal mine in the state. Because the impacts of this project could be felt very soon the Alaska Department of Labor has been actively disseminating project information and encouraging the development of training programs which will maximize the opportunities for Alaskans. The Department's Research and Analysis Section has provided technical support in the area of data collection to assure that baseline socioeconomic information for Ketchikan acquired by Entercom, Inc., a U.S. Borax contractor, was consistent with established procedures. This information confirmed high levels of unemployment in Ketchikan, which could be positively affected by the addition of new year round, long term jobs. Diversification of the regional economy, which currently depends on the timber and fisheries industries, would also result from this addition to the economic base.

In 1974, U.S. Borax discovered the molybdenum deposit at Quartz Hill, about 45 air miles from Ketchikan. To date the company has invested about \$40 million on the find. The mine will cost about \$1.5 billion (1987 dollars) to develop. Total molybdenite ore reserves are estimated at more than 1.5 billion tons, making it one of the largest deposits in the world. The ore will be extracted at the rate of 60,000 tons per day giving the mine a 70 year life. Extraction and on-site processing of the ore provide the bulk of the jobs. The open pit mine requires use of large trucks and shovels while the removal of

the molybdenum concentrate from the ore requires the use of crushers, flotation equipment, and filters and the disposal of pulverized waste rock. The workers will be housed either at a new townsite on location or will be transported by water from Ketchikan to a campsite at the mine.

U.S. Borax expects to have the Final Environment Impact Statement for a bulk sampling road approved by August, 1982. Bulk sampling involves the removal of substantial amounts of rock in order to determine the type of process to be used and to substantiate the mineral reserves. Construction of a road for bulk sampling could begin during 1982 with bulk sampling to occur in 1983. Assuming that all financial and environmental hurdles are overcome construction of the mine facilities could begin in 1984 with operation of the mine to begin in 1987. Because the facility is within the Misty Fjords National Monument future environmental delays could affect the time frame of the project. In addition, the current world market for molybdenum, an additive to steel, is very poor. U.S. Borax believes the markets will improve by the end of the decade, although a lower level of ore production is possible during the early years of operation.

During the three and one-half year construction period starting in 1984, approximately 1,000 direct jobs will be available at the mine site. Operations employment will directly employ over 800 workers, excluding townsite or campsite support services. The bulk of the jobs at the mine will be related to production of ore and maintenance and repair of equipment. Heavy equipment operators, mechanics and filter and crusher operators are the major specific occupational titles included in the mine plan. A large number of professional, technical and clerical positions will be needed as well. Clearly, a large amount of training and education will be required for many of the positions needed at this new mining facility.

Depending upon whether the workers are housed at a new townsite or transported from Ketchikan, we would expect that there could be as many as 1,500 new jobs in the Ketchikan area. This includes all direct, indirect and income-induced employment. With current monthly employment in the Ketchikan census division averaging over 5,500, these new jobs will create a substantial economic impact. During March of 1982 nearly 12% of the Ketchikan labor force was unemployed, about 1,000 workers. Although this is a seasonal high, poor timber market conditions and future fisheries uncertainty make the interest in the U.S. Borax project high and the

opportunities for improving the regional economic condition a genuine prospect. Not only will mining jobs result, but also employment from the entire spectrum including transportation, trade, services and government will likely occur. There are clearly not a sufficient number to secure positions. In addition, upward mobility, reduced out-migration and more opportunities for the young (an idea expressed by Ketchikan residents in Entercom's resident survey) are likely results of the growth.

These opportunities present challenges to the Department of Labor and to other agencies as well. Current programs, such as the Alaska Career Information System (AKCIS), a cooperative program of the Departments of Labor and Education, could be utilized to provide information on job descriptions and opportunities to high school and other job seekers. The Alaska Career Information's Occupational Data System (ODS) currently being developed is designed to help administrators and planners keep abreast of state and regional labor market information that is usable in program planning. Information for, initially, 100 of the 240 AKCIS occupations or occupational groups will include current occupational employment estimates and projections, wage rate information, a supply/demand analysis, educational requirements, and major industries where employment occurs. The current status of statewide and regional labor market indicators and their recent trends will be included. The ODS could be a useful link between occupational needs of the molybdenum project and vocational training planning. Utilization of training programs will allow planners and jobseekers to make more informed decisions.

As the training requirements and plans become more firm the Department of Labor plans to continue to provide information and encourage programs that will ameliorate the negative effects of the project. The extent to which Alaskans benefit from this project may in part be determined by the amount of information provided, the level of training support and the quality of that training.