

FAIRBANKS: BULLISH ON NORTHERN ALASKA

Northern Alaskans are especially proud of their Region this Bicentennial year. The people of the 300,000-plus square mile Northern Region, and its principal city of Fairbanks, have just completed two years of extraordinary success in the fields of economic and community development, areawide planning, and the construction of the Trans-Alaska Oil Pipeline.

The Northern Region of Alaska is about 10 percent of the entire U.S. landmass. The potential energy resources of the upper half of Alaska are tremendous and are yet to be fully explored. According to the Alaska Department of Natural Resources, almost half of the state's total estimated oil potential of 86.6 billion barrels is located in northern Alaska. In 1968, the U.S. crude oil demand was 3.3 billion barrels of oil per year. Current forecasts of the demand for oil by the year 2000 are estimated at around 11.8 billion barrels per year. The Prudhoe Bay fields in the extreme Northern Region will soon be in their productive stage, providing an estimated 2 million barrels per day to the port of Valdez through the oil pipeline. A peak production of 730 million barrels per year is forecast to occur by the year 1983. To further determine the magnitude of North Slope oil, exploratory drilling is in progress in Naval Petroleum Reserve No. 4 (Pet 4) to the west of the Prudhoe fields, the Beaufort Sea, and the Kandik Basin on the Upper Yukon River near the Alaska-Canada border.

The proposed Trans-Alaska Gas Pipeline could deliver between 1.5 and 3.5 billion cubic feet per day of Alaska natural gas from Prudhoe Bay alone to the "lower 48", if this route is approved by the Federal Power Commission (FPC) and eventually by the U.S. Congress. Construction of the Trans-Alaska natural gas pipeline may create an estimated yearly average of 2,657 jobs at its peak. The Canadian alternative to the Trans-Alaska gas pipeline would deliver about 2.25 billion cubic feet of natural gas per day to the U.S. or about 1/3 less than the proposed Alaska system.

Coal in the Northern Alaska Region and the Nenana Coal Field is estimated by the Alaska Department of Natural Resources to underline some 30,800 square miles and comprise 90 percent of Alaska's

total estimated coal reserves. Along with other potential mineral developments such as copper, mining may become an important industry in the future. However, there are many roadblocks in the way of full scale production. Until the Native Land Claims are settled, the ownership of much of the land known to have potential mineral deposits (including oil) will remain in question and thus may hinder development. Another major problem to be overcome is the lack of any overland access to known mineral deposits. Providing land access to mineral deposits has long been a stumbling block to the development of mining in much of the northern region. The oil pipeline haul road has opened much of the north to land transportation, however, the high cost of building roads to the sites of mineral deposits may prevent the development of some of these deposits for the near future.

Hydro-electric power remains largely undeveloped in Alaska. Although electrical energy is not a readily exportable product, the development of hydro-power in Alaska could provide the State with much needed generative capacity, freeing oil and gas presently used in electrical generation for other needs. The Army Corps of Engineers, at the direction of Congress is studying the feasibility of developing hydro-electric power on the Upper Susitna River. The majority of public testimony on this project favored the development of the Upper Susitna. If the project is built, one possible configuration could provide 6.9 billion kilo-watt hours of electrical energy and would save 12.1 million barrels of oil per year. Growth in electrical energy demands in the State's "Railbelt" area between Anchorage and Fairbanks is so dramatic that all of this power could be consumed in that area.

Other natural resources include some 3.6 million acres of potential agricultural land in the Tanana River Valley that may be suitable for intensive crop and livestock production, and 6.2 billion board feet of merchantable timber (5.2 billion feet of spruce and 1.0 billion board feet of hardwood, mostly birch).

A new petroleum refinery is under development in North Pole, an incorporated city on the new Richardson Highway 15 miles from Fairbanks. The refinery will be fed from the Trans-Alaska Oil

Pipeline, and is estimated to lower the cost of some fuel in the Northern Region by 6 or 7 cents a gallon.

Surface transportation connects Fairbanks with all parts of the State. This surface transportation system includes roads, riverways and the Alaska Railroad. Highways link Fairbanks to Canada and the "lower 48", to the city and port of Anchorage, to the parts of Seward, Valdez and Whittier, and to the Arctic Ocean at Prudhoe Bay. The Yukon River with its tributaries bisects the northern half of the state, and provides important waterway corridors for tow boat and barge traffic. New technologies in surface transport systems, particularly air cushion vehicles, have proved successful in the northern region on its many river systems. The Alaska Railroad provides surface connections between Fairbanks and the ice-free ports of Anchorage, Seward and Whittier. The Alaska Railroad also links Fairbanks with river, road and air transportation from the city of Nenana, 42 air-miles to the southwest on the Tanana River.

Air transportation in the north has seen significant growth in recent years. Pan-American World Airways recently upgraded its service to Fairbanks with 747 jet freight and passenger service. Alaska Airlines and Wien Air Alaska operate a considerable number of daily flights between Fairbanks and other northern Alaska communities utilizing Boeing 727 and 737 model aircraft. In 1975, 661,871 passengers were handled at the Fairbanks International Airport, an amount 10 times greater than the population of the Fairbanks area.

The Fairbanks North Star Borough may inaugurate bus transportation during late summer 1976. The public transit system should provide reliable transportation for workers in all weather to most areas of the Borough, and improve air quality and relieve congestion in Fairbanks. Both private and commercial traffic should benefit.

Health care in the Fairbanks North Star Borough area has grown substantially in the last few years, augmented by the opening of the Fairbanks Memorial Hospital, which was built and paid for in a large part by the community. The 127 bed hospital is entirely debt free. The number of physicians in Fairbanks has grown tremendously as well, with more than 70 doctors currently practicing in the area. Fairbanks is in the upper 1/3 of the nation when comparing the number of doctors to the population in each state.

The average monthly wage for all nonfarm industries in the Fairbanks area was \$1,592, according to the Alaska State Department of Labor's Statistical Quarterly Report for the fourth quarter 1974. A major factor leading to high wage rates is the high cost of living. Most of the food and manufactured items are imported into the area from the other 49 states, and the colder winters require better built homes and commercial buildings. The winters also cause a higher consumption of heating fuel and electricity, and require warmer and more costly clothing for workers and their families.

Alaska's Northern Region, like the State itself, is no longer a "land of destiny". Progress is being made to bring the Region's substantial agricultural, timber and recreational potentials on-stream during the decade of the 1980's. Alaska Native Regional and Village Corporations, who are becoming major land and resource owners, are already involved in financing and providing a labor supply in their development process. No doubt, they will continue this important role into the future.

Fairbanks is a relatively new community, founded in 1901, and still has substantial amounts of prime undeveloped land. Although an essential part of the overall character of Fairbanks, the city's mystique as the "last frontier" is becoming less prominent. A Comprehensive Development Plan has been adopted recently as an ordinance by the Fairbanks North Star Borough. The "Comp. Plan" should be a valuable tool in setting forth guidelines for the area's future development. The plan is proving of great value to both the private and public sectors in making logical and coordinated land use and capital investment decisions.

ALASKA'S LABOR MARKET IN JANUARY

NOTE: The data shown for the revised December and preliminary January employment are based on a new benchmark, and are not comparable, in some cases, with data for the preceding months of 1975. At the present time only statewide data has been benchmarked. However, the Anchorage and Fairbanks Labor Market Areas are in the process of being benchmarked, and estimates based on the new level will be published in the April Trends. For a better historical perspective of the newly benchmarked data the April Trends will also contain the benchmarked data by month for calendar year 1975 for the State, Anchorage and Fairbanks.