KLEINFELD: All of us on the Community Impact Planning Panel are looking forward to this session as a chance to exchange information about the effects that pipeline construction has had on communities in Alaska. We asked several people who were doing research in this field to submit some questions they thought would be key to understanding the impact of oil and gas development on Alaskan communities. I consolidated these questions into three major areas which are of concern to Alaska.

The first area has to do with a look at the balance sheet at this point. What are the short term costs and benefits of oil and gas development? We have heard, for example, stories about increased rates of crime. We have heard horrendous stories about child neglect and child abuse. We know the divorce rate is skyrocketing. But how much of this is fact and how much of this is overblown, sensationalist journalism? We really don't know, but, hopefully, we will begin to get some good information on these sorts of short term effects.

In addition to the short term costs and benefits, we want to look at some of the long term changes that have been set in motion in Alaska by oil and gas development. There is a huge population...
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of newcomers who are coming to the state. Are they different from the old Alaskans? Do they bring with them new values, new agendas for public discussion that are going to change the character of the state? Or, as some people suggest, has nothing really changed? Sure, we've got a few new roads, more people, more businesses. But Alaska is as it always has been and will remain about the same. That's another key question we want to get into, long term change.

The third is the crucial area of the policy implications of both the short and long term changes. How can negative effects be mitigated? How can new opportunities be taken advantage of? The impact here from oil and gas pipeline construction is not the first that's hit Alaska. In fact, if you go into some of the newspaper clippings from the 1930's, you can find the same sorts of impact from the defense installations and the building of the Alaska highway. Obviously, it's not going to be the last. We have Pet-4 (Naval Petroleum Reserve No. 4) development to look forward to and the outer continental shelf (OCS) leasing program. An understanding of what's gone on in the communities that have been rocked by pipeline construction, an early impact of oil and gas development, is critical to understanding what's going to happen in other communities. It also provides information on what policies governments or private organizations can develop to better respond to and cope with change.

That's our agenda. We have a series of questions panel members have suggested. If any of you have questions that you'd like the panel to respond to, jot them down on a piece of paper. We'll go through them and select some of special interest to finish off with.

Let me introduce some of the panel members. Jack Kruse is a member of the Institute of Social and Economic Research. Jack has just completed a major survey of the Fairbanks area under the Institute's Man in the Arctic Program to explore pipeline impact on Alaska's urban population. He has just gotten his data from the computer. Everybody has been sort of looking over his shoulder and asking, Who are these newcomers and who has been paying the costs of development? We're eager to find out what happened.

Sue Fison is the new Director of the Fairbanks Impact Information Center. She has taken the Center along some very interesting new avenues, especially related to the impact of pipeline construction on the welfare rolls. She has examined the hypothesis that welfare would actually increase in an economic boom because so many people move into the state, that this would place a tremendous burden on the state. The alternative hypothesis, of course, is that increased employment opportunities would decrease the welfare rolls.

The alternative hypothesis, of course, is that increased employment opportunities would decrease the welfare rolls. This is more likely true in an economic boom because so many people move into the state, that this would place a tremendous burden on the state. The alternative hypothesis, of course, is that increased employment opportunities would decrease the welfare rolls.

Mim Dixon is the former Director of the Impact Information Center. One of her special interests was the effects of development on families, on divorce rates, on child welfare, and on child neglect. There are problems with collecting statistics in these areas and I am looking forward to, if not conclusions, then to a discussion of how we can do better next time. Mim is currently writing a book on what's happened in Fairbanks under a grant from Community and Regional Affairs.

Next we have Larry Naylor, whom I will introduce with Larry Gooding, since their project is a joint one. They had the initiative to walk up to Alyeska and say, give me your tapes on native employment on the pipeline, and Alyeska did. They have some data which everyone has been eagerly looking forward to hearing about. What has been the effect of oil and gas development on Alaska's native population? How many natives have actually been employed on the pipeline? For how long? How much money, presumably, is going into native communities. From their broader disciplinary perspectives (Larry Naylor is a professor of anthropology and Larry Gooding, of sociology), they are going to comment on some of the more subtle aspects of impact. These relate to changes in culture and lifestyle that are occurring with changes in employment patterns.

Finally, Jerry Smetzer, who is the Executive Director of the Fairbanks Town and Village Association, brings a more practical policy perspective to all the researchers. He's just come back from a conference on boom towns and their policy implications. The Rural Impact Information Center was under his office as well. This office has made a good start towards analyzing some pipeline effects on rural communities. Of course, these are much, much more difficult to define than urban impacts since collected statistics are not as available.

Let's lead off with a look at the balance sheet. I'm going to ask Jack Kruse to begin with what the immediate benefits of pipeline construction have been in such pipeline corridor communities as Fairbanks and Valdez. Does your data support the hypothesis that Mim Dixon suggested awhile back, that the benefits are there, but that they're all coming to individuals; that at the community and family levels, things aren't so good?

KRUSE: I think it's very wise of Judy to start off with the benefits, in the sense that we all think of pipeline impact as being negative. The connotation is there that whatever is going to happen is going to be bad, at least on the short term. In a sense, that's partially true. The social and economic characteristics in the community are likely to be initially negatively impacted.
Has the pipeline impact been positive or negative? I can assure you that most people say it has been negative. But there is more to it than that and I think that now is where all of us can begin to add other questions. Where has it been positive and where has it been negative, and in what different areas and in what individuals?

I'd like to start off by just giving a bit of an overview from our survey of some of the findings, emphasizing where people have mentioned positive change. First, in an overall assessment of community change, 14% of the population felt Fairbanks had changed for the better. That can be compared with a much larger percentage which said it changed for the worse, but it's interesting that there are a group of people who would evaluate the change overall as for the better. Still more, 25%, feel that they are among those who are receiving the benefits of pipeline impact. I thinks this speaks to what Mim was saying a number of months ago, that as you step down from a community assessment to an individual assessment, the benefits become more apparent, for the obvious reasons of income change and so forth, which we'll get into later. Further, toward the positive and even speaking more clearly to the point of community versus individual impact, 45% of the people whom we interviewed said that they had personally gained. They're more optimistic about their personal careers but they're less optimistic about the community's future; they're clearly agreeing with the statement that, I've gained, but I feel like my community's lost. It's a hard trade-off to make, I think, and people are realizing that they are making that trade-off. As we go on today, I'd be interested in pursuing that point.

Perhaps one of the most dramatic indicators of positive change has been in personal income. We measured household income from 1973 through an estimated 1976. For example, those families that earn over $40,000 have changed from 8% of the population in 1973 to 29% of the population in estimated 1976 income. Of course, we have to deflate that by the annual inflation figure, but you can see that's still quite a jump. The lower income families have also gained. For the purpose of Fairbanks we defined low income as $12,000. In 1973, 35% of the families in Fairbanks earned less than $12,000; in estimated 1976 income, these dropped to 9% of the population. It appears as if the positive income effects of the pipeline construction have, perhaps, more equally distributed income and allowed some people to escape the trap of a low income in Alaska.

I think other indicators of positive change mentioned by our respondents are interesting. We include the obvious ones of more stores, different kinds of stores in the sense of shopping centers and so forth; better housing; and, most of all, the opportunity to do something new, to be close to wilderness and at the same time to have a high income and exciting job. If you mention those last four characteristics at the same time in the lower 48, I think you'd attract a whole lot of people.

Just briefly, to go on without evaluating the change so much, let me give some indicators of change with households in Fairbanks. The head is working more, the family is together less, there's a significant decrease in outdoor recreation. Shopping, vacations, and visiting stay about the same, with even a little increase in vacations. I think that the income increase has been transferred to some of these alternate consumption patterns.

The one thing that concerns me the most among these indicators of change, although it's not a change figure, is that 47% of the Fairbanks households indicated that they were a victim of some crime in the past year, compared with 41% in Anchorage. I expected Anchorage to be much higher, being biased for Fairbanks, but apparently we didn't come out too well on that one with the exact same question.

DIXON: I was going to ask Jack a question about better housing. I think that's really an interesting problem and I wonder if people were forced to upgrade their housing because rents got so high or if you have any kind of explanation for better housing. Maybe Sue can contribute to this in terms of her mobile home research.

KRUSE: I hope to be able to. Unfortunately, there are 700 variables in my study and that was not one of them that I printed out last night at 5:30. My impression on reading the interviews, though, is that there is a substantial percentage of people who were renting or in trailers who, because of income increases, were able to buy a home for the first time. To these people, that's obviously a great benefit. I looked at rent by length of residence, and the high rents are distributed to the very recent residents. Very few people who have been here over 9-1/2 years pay over $500/month rent. I have a feeling that the high rents didn't really affect the long term residents as much as people moving in.

FISON: That coincides with the study we did at the Center concerning major apartment buildings in Fairbanks. We surveyed 29 major apartment buildings and were just astounded at how moderate the rents were in comparison to the rents advertised in the paper. We've been doing a survey for a long time of advertised rents and at our last report we published a six-month average of rents for apartments. There was a $200 or $150 or even $300/month difference between the major apartment buildings and the rents advertised. But to get into a major apartment building, you have to be on a large waiting list or you have to have friends or some other connection. And the apartments that have the good prices are never advertised.
through the media, only through a network of friends and associations. The way most people who have lived around here for a time rent is to ask, Do you know anyone who's got a place? New people coming to town are misled, I think, in believing that everyone is paying those kinds of rents. Maybe it takes them awhile to catch on that $600/month isn't normal.

GOODING: Based on your low income data and housing data, is it possible that the lower income people, who supposedly decreased in number by about 3 to 4%, were driven out of town rather than resolving their low income problems through making more money?

KRUSE: We only surveyed those currently in Fairbanks; those who left are lost to our data. I can't answer that question.

KLEINFELD: How about the Valdez study? Do you remember those figures, because that research was longitudinal and bears on this question.

KRUSE: I'm not sure what population left Valdez.

GOODING: There were a considerable number who left Valdez, I know, and most of them were low income.

KRUSE: I looked at the survey results in terms of people who were here in 1973 and who had an income of $12,000 or less. I looked at their income change. Those people did stay and those people did change in their income. That's not to say that everybody did; particularly, for example, the group of single adults with children, the people who obtained divorces or separated. Nationally, this group is prone to be in the poverty area. That's a severe problem. I think, in 1973 it was something like 30% of that group was below $12,000. That's changed, too. It looks like the pipeline boom could have been a catalyst for some of them to escape that bind.

DIXON: I would like to say, if we are talking about benefits, that one of the more dramatic benefits that maybe came out in the data is the change in the whole employment structure locally. There were many predictions, particularly by Alyeska and backed by ISEGR, that as the demands for employment increased in relation to the pipeline, the amount of unemployment in town would also increase. We wouldn't have any relief in our traditionally high unemployment problem. That happened to some extent, but we had a campaign by the state and, to some extent, Alyeska and, to some extent, local government, that really discouraged people from coming to Alaska unless they had pipeline jobs. Therefore, most of the unemployed were people who were seeking pipeline jobs, who had at least some form of training, and who had access to un-

employment insurance compensation so they had some form of income while they were waiting for jobs.

My hypothesis is that either a lot of people left local jobs to take pipeline jobs or the local employment situation expanded to the point where upward mobility opened many lower level jobs which weren't filled by newomers. Essentially what happened was that people who traditionally have been excluded from the labor force found that they had employment opportunities during this period that they never had before. This includes women who haven't worked before, either married women or recently divorced women. This also includes people who have poor work histories for some reason, either alcohol-related reasons or people who are operating at certain social disadvantages, such as English as a second language. It certainly has included a certain number of handicapped people, both physically handicapped and mentally and emotionally handicapped. People who had been essentially excluded from the labor force found that there was an increasing opportunity for them, particularly at lower level or entry level positions. Maybe this is something we should be getting into a few questions later, about different groups that benefit.

GOODING: An additional benefit is, not only did upward mobility happen at the lower level, it happened all up the line. A lot of people in town who are in high level executive positions are 25 years old. There has been a lot of mobility in and out of different positions and most people have moved very rapidly, if they have the skills and ability; much more rapidly, I think, than in any other portion of the nation right now.

DIXON: Jack and Judy were referring to a hypothesis I made a year or so ago. I was really glad that Jack was given a chance to test it, that perhaps the fact of upward mobility for the individual would offset certain feelings people might have had about negative changes in the community. I'm not sure the data came out that way.

KLEINFELD: Before we leave this topic entirely, I want to return the question about the publicity campaign that the state undertook back to Mim. That was a very interesting policy decision, to discourage people from coming. Do you think, on the balance, it was a successful and appropriate thing to do and should be repeated with Pet-4 and OCS and the other future development? Or has it had any unexpected negative effects?

DIXON: It depends from whose perspective you're answering that. From the point of view of a lot of local businessmen, it's been a real problem. They've experienced very high turnover rates, problems getting employees and keeping them, problems in training,
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and so forth. For them, this problem of filling local jobs has been one of the major problems of impact, one which perhaps wouldn't have occurred if there had been a massive influx of people who realized that they weren't going to get pipeline jobs and who were interested in local jobs. I'm not sure that these people wouldn't have turned around and gone home, but, from the perspective of the local businessmen, perhaps this wasn't such a grand idea.

On the other hand, the local business person who is also involved in community decision making is aware that, probably because of this campaign, there were fewer social problems to be dealt with by the city, and problems which could have been grossly more complex were somehow held in balance. For example, we didn't get significant squatter communities here, which is something I think would have happened if there had been that kind of population influx. I personally think that this was one of the better things that happened in terms of planning and policy. We can't attribute it all to the state and Alyeska, however. I think the biggest component had to do with national news media. They did more to discourage people from coming here than anybody else. They did so in some ways that were very sensational and non-representative of the situation, and there's a lot of people here who are very upset about the community's image as a result of this, who feel that this might be inhibiting prospects for growth and investment in the community.

WEEDEN (Department of Land Resources, University of Alaska, Fairbanks): I would say that anyone reading the Fairbanks Daily News-Miner from outside the state would find Fairbanks just as unattractive as he would from reading the Los Angeles Times. Several times people have mentioned benefits which certainly appear to be benefits. But the context here is shortened, because that's all you're testing. Upward mobility, people 25 years old being heads of corporations, might only mean that the Peter Principle has been given the roost and, the higher the rise, the more rapid the fall. People who have been able, maybe just barely, by increased income, to "buy a house" for the first time, may find themselves unable to maintain the house in a very short time. It strikes me that the time frame in which you define something as good or bad is extremely crucial.

DIXON: I would like to pick up on that and say that one of the more intriguing questions about this, one that only time is going to answer, is the effect on teenagers. They are one group that's really been affected by the labor market here and have found themselves earning very large incomes. Again, we'll be talking about this later.

KRUSE: It's interesting, the reaction of parents to that. Some parents in the interviews are very pleased with the idea that their children can go out and work; that because of the double shifts in the schools, Tom can go out and get a job in the afternoon and, isn't it great. Then others were worried sick because their kids have no interest in going to college; what are they going to do afterwards in terms of a job that pays half as much as this one. There are very different reactions.

DIXON: This will be an interesting thing to follow. There's a lot of conflict within the community right now, whether in the long term the pipeline impact is going to be positive or negative.

WEEDEN: Could I also comment that the idea of benefits and costs being appraised differently at community and family and individual levels is actually brand new for me, but it makes a whole lot of sense. I wonder if maybe people whose main benefit has been increased income feel competent themselves to cope with that income, to use it beneficially in their own terms. But somebody else's increased income doesn't necessarily benefit them, because somebody else's increased income may have just resulted in having more wild parties next door, or having purchased a bigger and more noisy Honda, or all the kids now having Hondas where only few had one before. I think maybe people are a little more wary, or weary, or skeptical of the benefits of increased income on the community as a whole than they are personally, because they think they can cope with it themselves. I, obviously, could take care of my $20,000.

NAYLOR: I would like to extend what was being said with regard to the native community one step further. What we found in our talk with some of the community leaders within the state is that the picture you painted has been also primarily the case with the native groups. The young people have lots of money, and incomes have increased substantially. But the incomes are pretty much being dissipated in the communities. The community itself is receiving little benefit in any concrete way. Now there are some ways the communities are receiving benefits. For example, in one community we found that the leaders were quite impressed with the idea that service bills, such as electricity, were being paid. But for the most part, the money was being dissipated in wild parties by the young people. So, it's kind of interesting. In Fairbanks, at any rate, I can't really evaluate whether that income increase has been a benefit yet or not. But out in the native communities, the feeling is very clear.

GOODING: In terms of all communities, when you have a large cash flow, as occurred here, you're going to get some sort of capital improvements, whether as a result of somebody trying to rip off the cash flow very effectively or simply somebody building and taking advantage of higher business rates. Look at the building
and construction that's going on here right now. Whether that's a long term benefit or not is a question because the businesses may, in fact, all end up bankrupt. But that's an individual problem. In terms of community structure, I think that you've got to say that Fairbanks, in terms of its capacity to provide services, has improved over the long term. In the short term you're not going to get your car fixed. But over the long run, when things fall out, I think you're going to get your car fixed a lot better than if the boom hadn't happened. To take another example, the medical building expansion has been encouraged.

Weeden: Has anyone got a good inventory of the public capital improvements, rather than the private ones? Has the community taken some of its presumed surplus in the short run and sunk it into public capital improvements:

Dixon: This is something I was going to comment on later, and in later questions maybe I'll go into it in more detail. This community has a frontier attitude that's represented in many communities in the north, one of basic individualism and independence. There's much more a sense of the individual good rather than the collective good. There's been a very conscious decision to pass on any benefits to the individual or to the business by either lowering taxes or not raising taxes during this period when there is more to tax. Let people maximize their individual profits. There is very little desire here for a collective kind of good for the community. The Borough, for example, has just started a transportation program, but it was over a year ago that the local citizenry said that they wanted public transportation. The community also said they they wanted swimming pools, but the leadership of the community has responded with, we can't afford that. There's been a real battle to get the leadership to commit any kind of funds for these kinds of community benefits. That leadership keeps getting elected, so there must be some kind of sense, in spite of the passage of bond issues and referendums and so forth, that people don't want to spend tax money in these ways.

In general, there's a very high transient population. People here are trying to gather together their own nest egg and benefit themselves and they don't have as much a commitment to making a better community. It's my observation that there was a very conscious decision not to look at collective good as a benefit of the pipeline.

Smetzer: I'd like to disagree with Mim. If Bob Weeden was asking about capital improvements, schools and libraries, for example, there was a long period of time, the beginning of the pipeline period, when it was impossible to pass a bond issue here for schools. When Congress authorized the pipeline, that changed. People here started passing bond issues like mad. We have several schools and a major library under construction at this point. We also have a massive sewer and water system under construction in downtown Fairbanks. I think there is a desire to put money into these public facilities. That has been done and these facilities are being completed and will soon be put into use. At the same time, though, Mim does have a point. There has been a slight shift of emphasis away from the collective good and more toward the individual good. But that has happened at the same time that a lot more money has been put into public facilities. I think there's something to that.

Dixon: I'd like to comment on that, in terms of the public facilities you mentioned - schools, sewers, and the library. Looking at schools, nothing happened until the schools were put on a double shift. Those bond issues passed at a time when there was a very inaccurate assessment of what the pipeline impact was going to do to the public school population. People were under the assumption there were going to be 3,000 more new students. Not nearly that many showed up and, even today, people are saying we've overbuilt the school system, we've committed too much of the public fund to this. There isn't a sense in the community that we are upgrading our schools for the purpose of benefiting the community. Rather, there is a sense that we did it under a false assumption and now we have overbuilt. This is looked at as a mistake, in terms of community decision making, rather than as a collective decision to improve the community. Similarly with water and sewer; what we are seeing is water and sewer projects that either have been delayed, are in areas that are already annexed inside the city and should have been provided water and sewer a long time ago, or are in areas where federal funds have become available for water and sewer. We're not serving any groups who are pressuring to extend city services into new areas or to essentially go beyond what the expectations were, to create a city with more water and sewers. We're seeing a kind of equalizing effort which, I think, is motivated by a different attitude than a collective good.

Smetzer: What you say is very true. The attitude of saying that, now we have a lot of money, let's go ahead and build up the community, has never happened here. It's not happening today. I think that the municipal government is still extremely conservative with money. We pay, compared with communities outside, an almost miniscule mil levy. The attitude in the assembly has not changed when it comes to approving the budget. It's always been that the people are demanding too much but we have to hold the line at a certain mil levy. That becomes the breaking point, the massive or the only or the primary municipal decision at the legislative level, the mil levy. That really hasn't changed. They were saying before the pipeline, we can't spend money now because we don't have the
pipeline. In the middle of the pipeline they were saying, the pipeline is spending so much that we don't need to spend so much. And now that the pipeline's about to end, they're saying, the pipeline's about to end, we can't start boosting up the municipal budget. The fact of the matter is that the mil levy stayed pretty much the same, relative to other gross economic factors in the community. The attitude of the municipal government has not changed.

KRUZE: The attitude of the people hasn't changed either. I think the people are pretty much individualistic, as Mim said. They are very much oriented to, I'll do my thing and I'll do it here. Public development smacks of progress, which, to a large population living in Fairbanks, smacks of changing their life style and moving them out of the thing they like into something like Seattle. They don't want it.

SMETZER: I think there are a lot of people here who want that now.

KLEINFELD: That's a question I'd like to bring up. Maybe, Jack, you have data on it. One point often made about boom towns is that the new population comes in with different expectations from the old population. The new population demands more in the way of public services. Do you have anything in your data that suggests this is about to happen?

KRUZE: It's a "yes" and "no" answer, as we all try to say. First, 40% of the people who live here now have been here for less than two years, so we're talking about a huge group of people who could have substantially different characteristics than the people who have been here over ten years. There is the opportunity, the potential, for a dramatic shift in the way that Fairbanks could go, although whether that will come about or not is an interesting question. Do people change as they live here longer? Do they change to conform to the people who have been here? Or do people come up with different desires and goals and retain those different desires and goals? The prime considerations in moving here, among the people who came up ten years or more ago, were wilderness, curiosity about Alaska, to be in a small community, and to be self reliant. There were other things, too. In fact, the first thing I should mention was interest in starting something new, the chance to be independent, to start something new, was most important to them and is also most important to the people just moving up.

The primary goal of recent immigrants and residents is the same, but the secondary goals (which are not so secondary when you look at how important they are to these newer people) are different. The recent immigrants are more interested in immediate income, a challenging job, and then wilderness and curiosity about Alaska. When asking this group their reasons for staying in Alaska, they seem to be retaining this difference, to be staying here because of jobs and so forth. The long term residents are shifting over a bit and they're staying here now because of jobs and income a little more. But there is still a difference between them and the newcomers, a difference I think will probably be retained.

The major indicator of how this may influence where the community is going struck me in the answer to this question: "In general, new commercial development in the community will improve our quality of life. How strongly do you agree or disagree with this statement?" Roughly 70% of the new residents agreed with that statement, versus 50% of the longer term residents. I am sure that there is much more to it than that, but I am interested as to how that may translate to pressures and incentives for more shopping centers, more sewers, more school facilities, and so forth. There may be a shift in what kinds of community services, both private and public, are desired by the total resident group.

Before closing with the idea that there are differences, one thing struck me when we asked about family values. We asked the question, "What do you value for you and your family: emotional security, to be together, immediate income gains, long term opportunities?" I think everyone pretty much came out holding the same set of values in the same basic order. We're not talking about apples and oranges, we're talking about Mackintosh and Delicious. What I'm saying is that overall there is some basic agreement on what's important. That doesn't necessarily reflect people's choices over the short term. A great many people say they have sacrificed their values in the short term. The immigrants, on the whole, feel they have sacrificed values more than the long term residents, and they're participating more in pipeline employment.

WEEDEN: On that kind of question, it seems to me there are some socially expected answers, which means that very few people are going to give you a really honest answer.

DIXON: They can believe it, but there could be some cognitive dissonance.

KRUZE: We used the same questions that other research has shown to indicate group differences. There are possible shifts, although there's a pressure, of course, to conform.

AUDIENCE: I realize that there probably never was a great deal of attention to data gathering during the time of other booms in Fairbanks. But are there records or some sort of indications...
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that there were similar feelings in the past when there was an influx of people, just after the war, let's say, or during the construction of some of the DEW line stations? Have you been able to ask the questions that really reach back twenty years to find out if people felt the same kinds of things?

KRUSE: There's a real split in the community, as far as I can see from our data. There's a substantial group of people who feel that pipeline impacts are a continuation of other impacts that have occurred in the past. But there's an equally strong counterbalancing force, a group which strongly disagrees with that statement and says that it's a qualitatively different form of impact.

DIXON: Do you find that this breaks down by the length of residence here in Alaska? Or have you dealt with that at all?

KRUSE: I'll get back to that. I don't even know if I have that data.

AUDIENCE: I wonder if the people you asked, those who came here ten years ago, don't look back on Alaska with kind of a nostalgia. Maybe they think, we came here when it was real wilderness. Yet maybe when they originally came here, they were seeking a better economic opportunity, a better job. Maybe the people who come here now will say, ten years from now, if it's much more developed than now, we came to Alaska when it was a wilderness.

KRUSE: It's possible, but it doesn't appear as if they've shifted as they've stayed. There were some differences between the group that came here more than ten and less than two and one-half years ago, and the long term residents; and the more recent group did not appear to shift toward the long-term residents.

AUDIENCE: What you are saying is that you didn't sample the people ten years ago when they came.

KRUSE: Yes. There is certainly going to be a halo effect on what Fairbanks was like.

KLEINFELD: Before we leave this area of benefits, I'd like to turn the question to people here who have been associated with state government. You were talking, Bob, about the level of public investment on the community level. How about what the state does with its oil revenues? Is the state spreading the benefits of pipeline construction, in terms of income, more equitably across the population?

WEEDEN: I think the state only perceived that it had a surplus in 1969 through 1971 or 1972, which was the time when the surplus, the bonus money, was spent. It didn't all funnel into one particular new thing. We didn't decide that it's all going to go into education, into roads, or whatever. The proportion each department has of the budget has remained very much the same over that entire period. The things we did with the money, that we put into capital improvements, were catch-up things like water and sewer. At the community level, state matching monies became more available. But the period in which the state felt it had a surplus was very short and, certainly during the last half of Governor Egan's administration, there was a very strong perception that times were going to get rough if something didn't happen. And in this administration, our perception is to hang on by our toenails until we do hit another surplus situation. I don't think the state perceives a surplus.

DIXON: Could you clarify something about that? There is a feeling that a significant portion of the $900 million was lost in the stockmarket. I'm wondering how much of that is true, how much of that investment was lost outside the state, and how much was actually put back into the state.

WEEDEN: I can't answer that, Mim. This is a skeleton in the closet which you get a glimpse of very frequently, but which people don't talk about. With the change of administration, and apparently quite a change in philosophy of administration between Egan and Hammond, there might have been some incentive to open doors and look at somebody else's skeletons; but no one has really talked about those bad investments.

AUDIENCE: I don't think you are going to find any major scandals hidden anywhere. Yes, there were several millions that were lost, they don't know how many, but in proportion to $900 million, it was very small. There was a big spurt in capital expenditures in the first year after the lease sale, but the great bulk of the money went into operating expenditures between 1970 and 1973. There were great absolute increases in big programs like education, public works, health and social services.

DIXON: I think that's something that we hear often, too. But the feeling that you get from people is that of $900 million, $450 million was lost in the stock market and only $450 million was saved.

WEEDEN: You recall that some people said earlier, in 1969, that the best thing to do with the $900 million would be to put it in a glass enclosed case and it could travel around Alaska so that everybody could see it at least once.

AUDIENCE: I think the total amount of investment was around $10 million, and I think the loss was no more than $3 million.
KLEINFELD: We've had a fast look at the benefits and the whole concept of benefits seems to have gotten slippery. We're wondering what really are benefits, and whether, instead, they may be costs. Then there's that spectre of "after the boom". Let's turn to some of the more direct costs and see if that gets as slippery as the concept of benefits. Mim, I hope you would comment on family life, alcoholism, crime, and any social problems which you feel are major costs of change.

DIXON: I want to start out on this question by talking a little bit about the problem at hand. The question of social cost, that term, is riddled with conceptual/methodological problems. I want to take a minute to discuss these so we can put what we're talking about into a perspective which is going to resemble what is going on. In the first place, the term "costs" implies a negative value. This puts the researcher in a position of having to assign values to the changes that he or she observes. We hit on this in our discussion a little earlier when we were talking about employment. I'll use the example of divorce. The increased incidence in divorce complaint rates in Fairbanks during this pipeline period has been documented. Is this a social cost or is it, as one local psychiatrist just said, a happy solution to a bad problem? If we call it a cost, what we're doing, essentially, is assigning our values about divorce to a phenomenon of change in the community. In doing so, we may be imposing middle-class or other kinds of values on our observations of change.

Secondly, I think the whole cost/benefit model is derived from economic theory, that it works in economic theory where you have money as a common denominator so things can be measured against one another. I think it's much more difficult to get quantitative measurements for social change that can be entered into a balance sheet than when dealing with certain kinds of economic changes. In considering social changes, many of the changes are structural or changes in process and, therefore, are not quantifiable. This poses certain problems in dealing with the concept of cost. If we consider social change as a cost on a balance sheet, we're not only assigning initial negative value by calling it a cost, but then we're also forcing ourselves into the position of assigning additional values by how we weight our data. For example, if we are going to talk about child abuse and child neglect, how do we weight changes in numbers of physical abuse cases against changes in numbers of parents who leave children home unattended against changes in numbers of parents who are working more and spending less time with their children? When we talk about child abuse and child neglect, we are forced into not only assigning a negative value overall to child abuse and child neglect but, by defining this as a problem, we're weighting within that problem which is a worse problem and which is not such a bad problem.

Also, when we're talking about cost/benefit analysis in terms of social change, we're in a position of weighing a cost against a benefit in order to come out with some kind of answer. We have to decide not only what's negative, but what's positive. For example, if the new hospital is built in town (the Teamsters were planning to build a hospital in Fairbanks), we're aware that this is going to give consumers a greater choice in terms of health care. But at the same time, it might mean a duplication of services and, perhaps, problems in utilizing services efficiently. Do we look at this new hospital as a benefit or as a cost of pipeline development, or, most likely, does it fit into both of those categories? We don't have any clean cut things that you can turn to and say, this is a benefit and this is a cost.

Even if we dismiss the whole concept of social costs and just talk about social change, which I would prefer to do in relation to oil and gas development, I think we're still faced with severe methodological problems. I want to comment on these a little bit. First of all, we need time/series data in order to know whether changes we're observing during this period can be attributed to the pipeline itself or if they're just a part of trends that have been set in motion by forces that were already here before the pipeline ever came. Unfortunately, in trying to understand what happened in Fairbanks, we have very little time/series data that we can use. We're forced to look at changes in the short length period. The Impact Information Center has only been in effect since 1974, so its measurements have just been made during the pipeline period. There's very little baseline data available which relates to family life and social structure in the Fairbanks area. In fact, and I'm sure that Larry Gooding and Larry Naylor might want to discuss this a little bit more later, in the rural areas, in particular, almost all the work that's been done has been reconstructions of traditional life styles. There's been very little contemporary research that gives us any feeling of what the communities were like directly prior to the pipeline situation.

Another methodological problem in looking at social change is that the types of quantitative data that are available are usually found in records kept by state, local, and federal agencies. We turn to such agencies as the Alaska State Department of Health and Social Services, the Alaska State Department of Public Safety, the Fairbanks Police Department, and the U.S. Public Health Service to get this kind of time/series data or even on-going data. Most of these agencies keep their records for service districts which they are structured to serve and, in many cases, the boundaries of these districts just don't relate to one another. A good example is the State Troopers, Detachment I, which goes from Tok to Barrow, includes the Fairbanks North Star Borough area. They don't even break out their data from Fairbanks. You can't really distinguish what's going on in

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terms of State Trooper activities. Then how can you compare that to health and social service activities? The food stamp district, I think, includes Minto and Delta and a few other areas. They can break out the Fairbanks data and we’re working on that, but it takes time. We have a lot of data that’s from areas that are non-comparable and it’s hard to assemble them together into any kind of an overall picture. This kind of comparison is very difficult. Also, many agencies place a very low priority on record keeping and much of the record keeping is done in a haphazard and inconsistent manner. Most government employees will tell you that they are overworked, it’s enough that they can just do their jobs and they don’t want to be bothered shuffling paper.

Also, in most cases, when records are kept they’re kept to satisfy certain contract requirements. For example, the state has a contract with the federal government to provide job training and has to keep certain records to submit to the federal government. Therefore, the record keeping is structured around these requirements rather than around a need to assess the requirements of the community or the development of a particular program. The kinds of information that are kept in records are sometimes inadequate to our assessment of what’s happening in terms of the social impacts of such things as the pipeline.

Finally, I think agencies tend to keep only statistics that are going to help them support their budgets, and there’s a very pragmatic approach to this. What we find happening is that they won’t keep statistics in areas which might suggest that the budgets ought to be reduced. Sometimes when they present statistics that suggest the budgets ought to be increased, there’s a certain bias in the way their figures are put together. It’s very difficult for a researcher to use these figures. The case I like to cite most often is with child abuse and child neglect figures which we tried to get from the Department of Health and Social Services in 1974. They were very cooperative at the time and assembled figures for us at the Impact Information Center which showed that there had been dramatic increases in child abuse and and child neglect, especially the severe child protection cases. Then we published this data, and the evening that we presented it to our Advisory Board at a public meeting, three social workers came and commented on the severity of the problem. Health and Social Services proceeded to use our report to help justify their budget for the following year, in which they did get more child protection workers.

A year later, we went back to find out what had happened in the year that followed in terms of this problem in our community, to get follow-up data. At that time we were told by the social work supervisor that there hasn’t been any problem with child abuse and child neglect in this community. The case load has stayed the same over four years. We said, what do you mean, we have all this data that shows the problem got worse. The supervisor replied, the data that you have there is double cumulative, we counted different cases in different categories and added them all together. Essentially, somebody was very consciously or unconsciously misleading us into misrepresenting the problem as being worse than it was. I think what happened was they wanted an additional social service worker at the time and so then they had a bad problem. A year later they wanted to keep the staff they already had and they had to show they were doing a very competent job of keeping on top of the problem. All of a sudden there wasn’t such a bad problem, they were able to handle it. I’m not saying that anybody was malicious in their intent, but it makes it very difficult for a researcher to get a handle on a problem using public agency data.

One more methodological problem which I think is a crucial one in trying to assess social change related to pipeline impact is that, in order for the figures to be meaningful, we have to put them into a context which discounts for population change. In other words, a raw figure on number of cases is basically not going to be very useful. We need to put it into a number of cases per thousand population.

In order to come up with the number that discounts the population, we have to know what the population is, and there are no population figures for Fairbanks since 1970. We’re in a very dismal position of not being able to evaluate any kinds of absolute figures in a context of population increases. How much is due to general population increases and how much is due to specific problems set in motion by the pipeline?

I hope I haven’t bored you with going through these methodological problems, but I think it’s critical before we begin to discuss what we know and what we don’t know. In spite of these problems, there are some things we can do, some approaches we can use to assess social change. For example, the number of public assistance cases declined during the pipeline period. Public assistance declined by 36% from 1972 to 1975, and food stamps declined by 50% from 1973 to 1976. At the same time, the population was increasing, so we can say that this is a definite indicator that something was happening which was not directly associated with population increases.

Second, we can look at changes in the structures associated with family and community life, rather than just looking at quantitative figures. For example, some of the changes in structure that many of us are aware of are double shifting in the schools, limited child care facilities, and the housing shortage. A different kind of structural change we can look at is a change in the characteristics of the population.
groups associated with different problems. Sue’s been working on this in relation to food stamps.

The third approach we can take is to look at perceived changes instead of trying to use so-called objective indicators. There are two ways we can do this. We can either use experts as informants, such as clergy, social workers, counselors, and doctors, which is something that I relied on quite heavily. Or we can use survey techniques. This can be done for a limited population, such as the survey of senior citizens which the Impact Information Center did a year ago, or this can be done for a representative sample of the community, which Jack has been doing. With this as an introduction to the question, which I didn’t answer, I hope maybe Sue and Jack can offer some answers.

KLEINFELD: These questions are of central concern to the community, however you choose to label them. A feeling, which may be true and may be not, is that we’re reaping short term economic gains from pipeline development, but we may be sowing a harvest that is going to come back in terms of children who are neglected by the parents who are going off to take these long-hour pipeline jobs. Is this an area that we should be turning attention to and, if so, through what techniques? What is your reading of this situation as an anthropologist? Is this a problem that we should be focusing on or is this pretty much smoke without a fire?

DIXON: There’s no doubt the problem exists. The real question is to what extent, and that’s a question I have a hard time answering. I can talk to you about structural changes in the community. I can tell you that social workers and clergymen and other people feel that there are some real problems. We’ve done a survey of people who are working on the pipeline locally, at 12-hour-per-day jobs, to find what they’ve done about child care for their children. We have many cases where children have been left home alone or where a six-year old is left to get ten blocks to school in the winter and the parents are very concerned that the child might not be dressed properly. There are definite problems and parents will talk about these fairly openly a lot of times because they feel these are community as well as individual problems. We’ve seen a real rise in teenage crime. The drug problem seems to be considerably aggravated here. There’s much evidence to say that problems do exist, that many of these are associated either directly or indirectly with changes in the community resulting from the pipeline, and also that many of the problems were with us before and are increasing on a national level.

Of course, when you introduce new programs, you’re sometimes going to identify higher case rates just because you have some group that is there that can identify it. Again, child abuse and child neglect are a good example, because they’ve been used so often and are so sensational. We’re living in a community that has a very high military population and one of the things we know about child abuse and child neglect is that it’s much more of a problem on military bases than anywhere else in our society. We’re going to identify a higher rate here than we are in other places. I don’t know to what extent our problem is related to our high military population and to what extent it’s related to a lack of child care, and even to what extent leaving a child at home is a problem. At what age does this become a problem? If you’re leaving a 12-year old at home, is this a problem? Does leaving a 12-year old at home in a house that has no telephone, so the child couldn’t call for help and the parents couldn’t call home to check on him, make a worse problem than before? To answer your question, the problems are there, it’s just hard to put them into perspective.

SMETZER: Mim gave a very accurate description of the difficulty of generating information and that has always been one of the keys to the operation of the Impact Information Center, the accessibility or the need for information out of public agencies. I can certainly second all of her observations about the difficulty of getting information out of state, federal, or local agencies of government; it’s virtually impossible. If there seems to be a very low priority on getting some of the information in those agencies in some usable form that people can get access to, I’d say there’s a very much lower priority in getting any information to the public at all. It’s been virtually impossible to look to the government to even supply the information they already have in their files.

DIXON: I think for a while the state considered doing a census this year. Just having a census would have made such a difference in terms of our ability to use the data we already have. I was really disappointed when this didn’t happen. I’m hoping that through Jack’s research we can contribute to some kind of approximation of population statistics.

KRUSE: One thing strikes me in approaching this problem of measuring social change. You can divide it at first glance into two categories. The first is severe forms of social change, manifestations of social change which are defined as social problems. Second, there is a whole set of other kinds of social changes which are distributed over a broad population, which may not be very salient except when you bring a large number of individuals together. A survey approach can lend a lot of information in the latter category, the areas of social change which are distributed widely. But in the very areas where we can’t get the data from state agencies, I can’t get the data in a survey approach. For example, on the percent
of child abuse and child neglect, we ask questions about child care, and the hours per week that child care is used are very low. You can't begin to develop a picture with these data, where the problems are important but concentrated. I don't know the answer to that.

DIXON: I want to go back to something Judy said that I think would be very valuable, something I've been trying to get Larry Naylor's students and everybody else involved in, the ethnographic approach to what's going on. Obviously, our work at the Impact Center is so broadly spread and our staff so small that you can't assign somebody to do any kind of intensive ethnographic work. Teenage crime is one of the problems we need to be focusing on. One approach would be to have anthropologists or similarly trained persons doing ethnographic work among teenagers who are involved in runaway or crime situations, trying to understand how that system is functioning and getting some feeling for how many people are moving in and out of it. And for other kinds of problems, also, I think this would be a really valid approach. Unfortunately, as far as I know, nobody has used this kind of social science approach; it is something for people who are planning to assess impact on other communities to think about.

SMETZER: It's really critical, because I've had a number of requests from state and local agencies to evaluate the need for day care centers. They're waiting for a certain percentage of people who want a day care center. I don't want to give them that percentage because the 15% that do need it may really need it; whether the number is 15% or 51% is not the critical issue.

GOODING: You are also bringing up a crucial point here that can be translated into dollars and cents. The reason we rely on agency data isn't only because it's gathered and available, but because that makes it cheap. Jack points out that it's very difficult to find those individuals who need day care centers - to interpret, analyze, judge, and measure their need. It involves many man-hours, much effort, and a considerable amount of expertise. We're not willing to pay that kind of money.

NAYLOR: I feel I should say something here about native communities because all the problems that have been voiced here are found in the native community, perhaps multiplied by a factor of 10. I say "perhaps" because we have found that survey techniques in the communities have produced very limited results. They have not been dependable at all. We can go in and attempt ethnographic studies, but then we run into the problem of the pluralistic society that we find in Alaska, where every native community is in many respects a closed culture and society in its own right. We lack comparable materials for generalization even if we go out to one community.

If you think money is scarce to deal with problems in a place like Fairbanks, the cost of going out to the native communities, attempting to do long range ethnographic studies of the 256 different communities we have in our native hire study, to get at this material would be prohibitive.

FISON: To return to the methodological problems that Mim related, these really came to me when I tried to get some information on food stamp recipients. I came up with the figure that there has been a 90% decline in food stamp use. I got the data out of Juneau because the Fairbanks office doesn't really provide that kind of data. I then contacted the Fairbanks office here to try to find out why the 90% drop. I figured they would have looked into this, that they would have tried to quantify something that dramatic or at least locate some of the factors that are entering into it. In spite of a very lengthy discussion, it seemed there was really no way to analyze why this has happened. I was really stumped because it seemed so dramatic and yet there didn't seem to be any concern locally to try to find out why.

Mim talked with the food stamp people in Juneau and they said there was a study done of food stamp recipients in Alaska in 1973. At the present time, the Impact Center is doing a follow-up study. It just so happens that the original study was done in June of 1973. We're doing a follow-up study for June of 1976. The first study was done for the whole state and then it was broken down by area. We also will have access to the raw data. We ran into tremendous problems with confidentiality, and the local food stamp office, in spite of the 90% decline in food stamp recipients, together with the 36% decline in all other cases and the increasing number of case workers, has no time to work on this. It was a real problem and the Impact Center, with two staff and a miniscule budget, really didn't have the resources for this research. We managed to talk Health and Social Services into sending us a research analyst for seven days. He went through all the files of all the food stamp recipients and tried to contact each of them. We're going to be putting out a full report on this.

To get back to the native community question, I've got a theory that one of the things which may have happened here during the pipeline period is, there may have been a migration of some of the native lower income people in this community back to the villages. This is based on personal observations; I used to work for Tanana Chiefs. One of the things which tends to support this, and I hope you'll follow this up in your study of native communities, is data on food stamp use in native villages adjacent to the Fairbanks urban area, particularly Fort Yukon and Galena. Fairbanks has had this tremendous drop in food stamp use, as have the other pipeline corridor communities.
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like Tok. However, in Fort Yukon and Galena the food stamp use has stayed remarkably the same. There's been some decline, but only 17% in Galena and 31% in Fort Yukon between June of 1973 and June of this year. When considering the increased income of a lot of people working on the pipeline in these communities, I wonder if it could be that people are moving back to the villages.

We have only preliminary data on our food stamp information, but what it shows is a dramatic decline in the number of young people on food stamps. I remember in college days, there were a lot of college students on food stamps. At the present time, June 1976, there are only 16 heads of households in Fairbanks who are under 25 and on food stamps, whereas three years ago there were 254. That's a pretty big drop.

I also wonder about food stamp use by people leaving the community in the elderly population. It seems unlikely that people in the over-60 age bracket would have the kind of opportunities to really plug into the pipeline economy. Typically, we think of these elderly people as being on fixed incomes. Those on food stamps would be even more likely to be in fixed income situations. Three years ago we had 92 households headed by someone 60 years and older who were on food stamps; today we have 24. We hope to do some kind of study to follow-up the study Mim did of the elderly in Fairbanks. We want to try to find out the extent to which elderly people may have left the community during pipeline impact.

Another thing the data shows is that the number of male heads of households on food stamps has declined substantially during the pipeline period. This would seem to be an effect of greater job opportunities, whereas maybe a woman with a young child or an unwed mother wouldn't have the opportunity to work.

GOODING: In terms of the elderly, we don't have data on everybody, but we've got some indications in our native hire data that elderly are working on the pipeline. We've got 1% of our total population, and that's a fairly significant number, who are 66 and over and working on the pipeline in native groups. That's 1% of actual native hire; about 35 people out of 4,000. When you drop down to the 55 to 65 range, we have about 8%. There's a significant number of people who seem to be fairly old who are taking advantage of actual pipeline jobs. Maybe we've been wrong about the idea that old people are being shut out of the pipeline economy. I don't know if Jack has anything on that or not.

KRUSE: I haven't looked at it by age, but certainly that's correlated with length of residence here. The people who have been here over ten years really seem to be dramatically less benefited by the pipeline, have a much lower participation in pipeline jobs, and have a much greater perception of bearing the costs.

DIXON: We did a survey of senior citizens in Fairbanks in 1975. I think our sample was between 20 and 30% of the senior citizen population, somewhere between 100 and 200 people. We found a couple of cases of people who had worked up on the pipeline. In view of the size of our sample, I would estimate that there may be about ten people in Fairbanks who are senior citizens and have worked on the pipeline. The overwhelming percentage have not.

GOODING: I didn't mean to imply that it was the majority by any stretch of the imagination. But I think there's something going there that we ought to be paying attention to.

NAYLOR: I'm not too sure how far you could even draw conclusions with the kind of data that you might get from Fairbanks, compared to a native community. In the native community, the older people not only consider themselves full and viable participants in the society, but in many cases endeavor to be so and lead the way. But in Fairbanks, you have a majority of Euro-American type individuals. Our society pretty much has our older people convinced they are no longer viable participants.

FISON: In terms of migration back to the villages, I'm certainly not just talking about old people, though I think that might be a general trend, particularly for housing costs and related reasons.

NAYLOR: It's very difficult to get good statistics on population in the native communities through which to address questions of migration. The 1970 census, for example, isn't even a valid one that can be used as some kind of a baseline. There are groups, Aleuts and Eskimos, included in other categories by the federal census. The best census figure on native population was 51,000. Yet, the Alaska Native Land Claims Settlement count in 1973 indicated 70,000. In 1975 the count was continued and now there are 76,000 people on those rolls. Going back into the communities, you find substantial differences between what were given before as to numbers of residents and what there are now. How much of that change is due to people going to the village from Fairbanks or coming back into the state for land claims settlements, it's almost too late to find out.

KLEINFELD: Let me call for a break here. I want to point out that the panel feels strongly that in the area of family problems such as child abuse, child neglect, and divorce, there may be some significant social change, perhaps negative, occurring in this society.
At present, there is no methodology available to study it. Perhaps this is an area for future work.

GOODING: Native communities may be undergoing major change as a result of pipeline employment. One thing is that there is going to be a significant quantitative, if not qualitative, change in orientation toward money on the part of people in the native communities. They are going to be faced with the situation that, whereas they’ve always had some sort of seasonal employment in many communities, the seasonal employment now is highly lucrative and massively focused. And whether that has any qualitative effect or not, we don’t know and won’t know until we are able to get in and assess attitudes in the community.

We do have some data on how many people have worked, what proportion of the work force that is, and so on; I’ll give you that in some figures here. The best estimate we’ve got on the total population of natives in the state is somewhere in the 70,000 to 76,000 range, based on the native land claims settlement rolls. That population can be broken down into a work force of about 11,000 to 15,000 people. The 2C study estimated the native labor force at 11,000 a couple of years ago.

Approximately 11,000 native people approached Alyeska to work on the line. Either they came to the line and said that they were interested in a job or their name was submitted by one of the native corporations. We’ve got 11,260 individual native people who were contacted. That represents pretty much all of the work force, if you look at the contacts in terms of the estimated work force. Obviously it doesn’t represent everybody in the work force being contacted. Many people were contacted who were not actually in the work force, particularly native women, who are not a significant portion of the native work force. We have a figure of 4,888 natives who actually worked on the line at one time or another. We’re still in the process of analyzing whether that job ranged from being there for one week and going home to being there a full four years. But, 4,888 people actually worked on the line and were employed by Alyeska. Once again, that represents a significant proportion of the native work force. If we are to believe the 2C study, that there are 11,000 people in the native work force, then you’re getting pretty close to half the native work force, about 43%, that have been employed by Alyeska Pipeline Service Company at one time or another.

Now let me give you some data on characteristics of those people. We still haven’t fully analyzed this but it looks like most of those people who have actually been employed came from urban areas. Now a problem with our data is that we have addresses they gave when they were hired, and they may have moved to Fairbanks or Anchorage in order to get hired. I don’t know how much this represents. We do have a significant number coming from communities throughout the state. We have 252 communities represented in our data as having had at least one person go to the pipeline and work. That’s a lot of people and a lot of communities, practically all the native communities you’ll find in the state.

AUDIENCE: Have you made any evaluation of whether you think that an effort of the native corporations could get at least one person from each town?

NAYLOR: The only thing we can tell you is that of that number, 11,000, which Larry gave you, about 9,592 were recommended by AFN.

AUDIENCE: And another question. If 11,000 (that’s a low number) is the work force, how does that compare to the total population?

GOODING: That is not an out-of-line figure in terms of population versus work force. Remember, the 11,000 work force estimate is based on the earlier population figure of 50,000. It’s a little low, but if you compare rural areas of American society, it’s probably not that low.

WEEDEN: It seems to me that the Alaska figures are about 155,000 in the work force and about 405,000 as the population estimate. That’s about 40% in the work force, and you’re talking about a whole lot less than 40%.

GOODING: In thinking about that, you’d better compare rural to urban. You always have a lower work force in rural communities.

KLEINFELD: We may be getting here into problems of definition, the meaning of labor force participation. I want to remind everyone in the audience that the statistics we are discussing here are hot out of the computer. Please don’t go off and say this is gospel and cite people without checking with them first, to see what an afternoon in their office is going to do to these figures. One of the problems with definition of the work force concerns the distinction between unemployment and not in the labor force because you don’t think work is available when you want to work. Perhaps when we have better definitions of labor force, it will clarify some of these problems.

DIXON: If you look at the population pyramid, I’m sure that for most of the state, and especially for Fairbanks, you’re going to see high proportions of people in the 20 to 30 range. Probably for the native groups, you’re going to see more younger people, which would help explain the lower work force compared to population.
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NAYLOR: A lot of other factors are involved with the native community because you have an awful lot of people withdrawing from participation in the labor market intermittently, for example, on a seasonal basis.

AUDIENCE: Do you have a problem with double counting, people leaving to go home to hunt for a couple of weeks and coming back?

NAYLOR: Just to give a gross figure, we have total entries of approximately 26,000 actual names in the records. With 6,000 of these, a contact was made of some kind and that, in essence, was the end of it. We can't tell you why they didn't get hired.

So, we are really talking about 20,000 job opportunities that were filled by natives; 4,888 actual people are represented by 20,280 jobs.

GOODING: That represents repeaters, people who came back to different jobs, who changed jobs, who were apprentices and became trained. I don't want to say that 4,888 separate individuals is the definitive number, because I got that out of the computer last night. I think it's fairly good, but until I really clean up the tapes and then go through them, it's not definitive.

There's an age distribution of the population of people working on the line which is interesting. This also isn't definitive, because we have a lot of data (a third of it) as "no information". We expected a significant skewing of the distribution of jobs in favor of the younger people. From some of the conversations we had in villages, our expectations were that the pipeline pretty much takes away the young people, that they go off to the pipeline to work and the old people, once again, don't get involved in it. We define "old" as anywhere from 40 on up. Let me very quickly give you some gross numbers here: 21 to 25 years of age - there are 60 people in that category; 26 to 30, 706 people, which represents the largest number. That was one of the biggest surprises I came across; the 18, 19 and 20-year olds weren't all up there dancing around on the pipeline, it was the 26 and older group. For 30 to 35, 513 people; 35 to 40, 315 people; 41 to 45, 201 people; 183 people for the next group; and so on. It's the middle/older adult group that seems to be the most active in pipeline employment. That's true of both men and women, with a slight skewing of the women toward the younger end. It goes on up to where you've got, as I said before, 65 and older, 23 people, out of that 3,000 that I have data on.

DIXON: Do you have any comparative figures on the age distribution for the total work force? This looks pretty representative to me. In general it's not young people, it's more middle aged people with skills.

GOODING: We haven't gotten that data from Alyeska yet; we're in the process of getting it. I might point out, however, that these people were highly under-represented in the skilled trades.

AUDIENCE: Do you have figures by sex on this employment?

NAYLOR: Approximately 613 females, 4200 males.

AUDIENCE: Do you have any breakdown on how many people had previous construction experience? That phenomenon you're talking about in the age breakdown may be accounted for by the fact that organizations like the Tanana Chiefs geared their recruitment to try to get experienced construction workers placed first because they didn't have to put them through any kind of training program to get them out.

GOODING: No, we don't have any information on prior work experience. We have information on job training within Alyeska, either institutional, on the job, or apprenticeship training. Quite frankly, we have insufficient data to say very much. We've got a lot of data, but I feel frustrated in terms of what these people did or why. I can't trace people through here effectively to tell what happened to them, how it happened, and why.

GOODING: One thing we do know is that there seem to be certain native regional corporation areas that had higher proportions of workers on the pipeline than others. We found this in some very early tabulations and when we began tracking it down, Alyeska told us quite frankly that those groups were geared up to send them people and they were sent by the droves. They had their programs all together and were continually giving Alyeska names, and there were never any problems recruiting people from those areas. Other native corporations did not do this, and Alyeska never was able to recruit successfully in those areas.

AUDIENCE: Is any information from the regional corporations available to you?
GOODING: From each corporation, I have the number of actual people approached, the number hired, whether they were AFN referred or not, the number of man weeks they worked (and this can be translated into actual monetary income by a fairly complicated procedure we've worked out), the number of times they repeated on the job, whether changes were job, category or level changes, and the number of changes. That's roughly the gross data I've got. I've got that for such things as native regional corporations, for individual communities, for unions, for job categories, for training versus non-training, for types of training, for age/sex breakdown. I don't have it for marital status, educational background, or prior work experience.

AUDIENCE: I was wondering how much data you might have on the impact on native communities, like on subsistence activities, how much decrease there might be on subsistence activities, hunting and fishing, and how much switching to store bought food?

GOODING: The only thing I can say is we haven't gone into the communities at all except in a very cursory way. What we hope to get from this data is the amount of income that goes into these communities and calculate that as a proportion of the total population. Hopefully, we can get some funding to go in and ask what part of the community's economic structure it represents.

AUDIENCE: Has the pipeline had an impact on the necessary jobs to keep the community going? Are people taking off for the pipeline rather than staying in their community?

GOODING: It's been a problem. There has been, particularly within the leadership structure, some bleeding off of the community leaders, the most active workers in the community, to pipeline related employment. Also, it's been very difficult to get younger people in the community to take community related jobs, particularly low paying or public service jobs, because of the spectre of pipeline wages and pipeline possibilities. Related to this, there's been a significant attitudinal shift toward work in terms of, why should I do that for $2/hour when I can make $7.50/hour, $5,000/week, on the pipeline? And even though the person is not working on the pipeline and may in fact need money, the differential is there and the expectation is there. Consequently they don't do the work. That's been related to us several times, in several different contexts, as being a significant problem in communities.

AUDIENCE: Is similar data available from Alyeska for the non-native population? The same attitudes exist among my kids toward pipeline versus non-pipeline. Generally, could one get a slice across the total labor force covered by Alyeska?

DIXON: Very briefly, the EEO Office for the Department of Interior in Anchorage has a computer printout by union, by contractor, by month, that lists total employment, broken up by male/female and by minority status, which includes natives. For gross numbers, and numbers in terms of unions and contractors and trades, the data is available. And the State Department of Labor has breakdowns quarterly, by contractor, on Alaska hire and non-Alaska hire. There are some kinds of employment information available, but because of the clause in the pipeline authorization that requires Alyeska provide special training for native people, they're keeping different kinds of records, a little more complex.

SMETZER: I'd like to go back and emphasize the point Dick is making. Because we've got such an abundance of data here on native community hire, it's easy to speculate on what's happening in the native communities with respect to pipeline employment. But I suspect the same thing is also true in the non-native communities, for many of the same reasons. We talked before about what happens to the kids with reference to families, but I didn't hear much comment about how the kids are benefiting from the pipeline. A friend of mine went out and looked at the parking lot of Lathrop High School one time. The students' cars were all brand new and big, Corvettes and what not. Then they pointed out the teachers' parking lot, with Volkswagens. Some speculate that those teenagers who are still in high school are making such phenomenal wages on the pipeline that many of their attitudes towards community and family are undergoing pretty radical changes.

NAYLOR: I don't know if they picked those up in Fairbanks. As Larry said, we haven't really had a chance to study the native communities, but we have gotten some impressions as we've gone out there and talked to leaders. Some of the interesting things that are happening with the young people in the native community is that you are indeed finding these capital investments of snow-go's,
motorcycles, new rifles, and things of that nature. At the same time, there seems to be a little different approach on the part of the females. The females in the communities tend to be more goal oriented in that they have a future goal for their pipeline work and the income they are receiving. Either school, or, in one case I know, a young lady is building a log house in her community with the money she acquired. But I don't know if that sort of opportunity is available for Fairbanks or not.

One thing impresses you when you talk to the native leaders. They tell you that there has been a thing happening with the young people in the communities for about ten years. They have been getting away from a community consciousness to one of an individual consciousness. So this may be one more element to a continuing process, one that has been occurring and probably will continue to occur. In some cases the leaders have written these young people off. I've had that said to me, that there's nothing they can do with them. They can't get them to work in the communities any longer for the wages the community has to pay. At the same time, all they do is create trouble, like drinking too much or drugs. But there are capital outlays, and there are some goal orientations, particularly among the females. There is less of this noted among the males in the native community.

KLEINFELD: Jack, do you have any information that would shed light on this discussion in terms of what is happening to the non-native teenagers, or on non-native attitudes toward work?

KRUSE: I don't think so, not really yet.

DIXON: This raises the question we skipped over and that I'd like to see answered. What groups are receiving the benefits and what groups are paying the costs of the pipeline construction? We want to analyze rural and urban groups and others.

KLEINFELD: We've touched on several groups, on the elderly, on teenagers, and on natives. The balance sheet is getting muddier and muddier as we get to each of these groups. Perhaps we could turn to Sue for her analysis.

FISON: When talking about who's benefitting from the pipeline, a lot of times people think of it in terms of dollars. Clearly, the pipeline wage scale and the whole union agreement set up a situation where there was a tremendous imbalance in salaries between those working directly on the pipeline, on pipeline related work or, perhaps, businesses associated with the pipeline, and those that were not. But this imbalance was a temporary thing. It was a temporary windfall gain for a segment of the population, but the local businesses did have to do a number of things to compete. They all experienced very high turnover rates. Government agencies and businesses talk about turnover rates of 100, 150, and 200%.

The other part of this question was to look at how these costs were spread out. We saw a lot of company instituted things like cost-of-living clauses in employment contracts so that, as the cost-of-living went up, people would not be hurt as much. Also, there were a number of retroactive pays, such as at the University, that took into consideration the higher cost-of-living. Businesses which employed people with pipeline skills, such as mechanics, but which weren't directly related to the pipeline, had a critical problem. I did a report on auto repair last month which showed they brought their wages right up to pipeline scale. Those kinds of businesses had to. But I don't think people were very innovative in looking at other ways, other benefits they could give to employees to try to encourage them to stay. Some companies did provide housing, others provided profit sharing plans, that sort of thing.

At the community level, there was very little done to try to equalize the effects of impact. One of the few things done was rent review, but this did not come from the local level. This really came from the state level, saying to local government, don't you think this would be a good idea? It was agreed to at the local level, rather reluctantly. This is one of the ways people who were not plugged into the pipeline economy were protected, to some extent, from the fact they did not have the kinds of wages to afford the outrageous rent increases that were beginning to occur. We didn't receive mass transit when it was needed. We did have rerouting of traffic. Basically, government locally didn't do very much to try to spread out the disparity in income. But incomes are not the only disparities. Jack has tried to look at people's overall perceptions.
groups that tend to come out as receiving the benefits in terms of dollar increases are short term residents, married couples with children under five, and people who are not particularly what I call subsistence oriented.

Only 2% of the population in Fairbanks gets most of its food from hunting, gathering, growing, or collecting; 45% say they get some. But generally, those people who say they make an effort to get some of their own food, to build their own house, to repair their own car (the Alaska life style value set), are less likely to have gone into a pipeline job and have experienced less of a gain in income. They perceive themselves as bearing the cost of impact to a much greater extent than those who went into pipeline jobs or who have a value set that is more amenable to pipeline jobs.

In terms of occupational groups, we'd all expect that the blue collar occupational group would have received most of the dollar benefits, and that's obviously true - 62% of the blue collar households earned more money due to the pipeline versus 45% of the non-blue collar groups.

If we go to the pipeline workers themselves, 73% of them are spending substantially more time working than they did three years ago, significantly less time with their families, and interestingly enough, they are more likely to say that they are sacrificing values by going on the pipeline. So it's not as if there's a whole group of people to whom the pipeline is the answer to their dreams. It's more like, here's a golden opportunity to do something for right now, but I'm really giving up a lot. I think that they, as a group, tend to recognize that fact. There are some interesting things like (and Mim suggested this question when we were first designing the survey) the statement that I am optimistic personally but not for the community. I expected the pipeline workers to agree with that statement more than non-pipeline workers. In fact, the opposite turned out to be true.

DIXON: Maybe the thing is that pipeline workers look at themselves at the apex right now and, to them, the future looks like it's going to be downhill. The other people look at themselves, and the future looks like it's going to go up.

KRUSE: This idea of sacrificing values and evaluating community change indicates that every group is both a gainer and a loser. The groups that have not received the dollar gains are saying, at least we've been able to maintain some of our other goals and desires. The people who have a value set that's less consumptive have maintained that life style. My impression is that you can't point to the blue collar workers and say they are the people who have gained from pipeline impact. They may have gained in dollar income, but they would be the first people, as a group, to say, we've lost on these other things. Time with the family is one of the most critical of these; it's a universally expressed value. Yet of all the indicators of change that we have, with the exception of income, this one is the one most subject to change. People within families are going out on their own and acting as individuals in response to these opportuni­ties. The number of wives entering the work force now has really jumped. It's 77% for married couples without children and it drops to 52% for the married couples with a child under five. It comes to 57% with the children over five. I'm not sure what the national average is, but I think it's a bit lower than 50%.

KLEINFELD: Slightly lower, but surprisingly high.

KRUSE: But there aren't many households where both the husband and the wife are working on the pipeline. The more common pattern is for one or the other to be working on the pipeline, working long hours, and for the spouse to be working in one of the jobs that have opened up in the community. One of them works slightly fewer hours. One of the most striking changes, I think, and Judy has brought this up several times, is that the professionals have really been walked over in terms of the common perception of the prestigious group which is supposed to be earning the highest wages and which has the greatest investment in education. It is supposed to be at the pinnacle in terms of socio-economic status. That is no longer true in terms of dollar income. The blue collar median income is now higher than the professional median. Even in the $40,000 bracket, the percentage of blue collar workers exceeds the percentage of professionals. You have a real conflict in the minds of professionals as to, what does status really mean at this point.

DIXON: If I can pursue this for a second, part of my original hypothesis was that the major positive factor that people would perceive would be the upward mobility in jobs, probably related somewhat to income but also somewhat to opportunity, career advancement, and other kinds of career needs. Just looking at this community, there were three places I thought that wouldn't apply. One was the university, where there was no great expansion during this period. Also, the community colleges unionized during this period, and the community college income went up, as it did in the local school system and other areas that were unionized. So, relative to other educators, university people became worse off during this period, both in relation to their own profession and in relation to people outside. Another group would be senior citizens, who wouldn't be into careers and wouldn't be experiencing upward mobility in a career. It would seem that Sue's data might suggest that senior
citizens have indeed been leaving the community. I don't know if your data would show that, or if they feel they are bearing the costs or not. And the third group I could think of would be the children who aren’t into careers yet, pre-teens or young children. These are the groups that I would think would not have access to this type of benefit and might be bearing more of the costs, or might be perceiving themselves as bearing more of the costs. I wonder if this might be borne out.

KRUSE: I would be uncomfortable saying that even the large middle group that is of the age, marital status, and so forth to be using this boom to further careers has this as their major goal at this point. I don’t have the answer, but my expectation is that this is perceived as a very short term opportunity that isn’t really going to affect their careers very much.

DIXON: I guess I’m thinking more in the short term, that some groups may be perceiving some kind of personal benefit from this period that other groups wouldn’t perceive.

AUDIENCE: I wonder whether the boom might be a significant factor for women, probably more so than for anybody else, in regard to upward mobility and opportunity. This community has opened a lot to jobs for women just because men are leaving the community labor force. Are you going to examine this?

KRUSE: We asked whether the wife entered the labor force in the last two years. Then we asked if this was because of cost-of-living. I don’t have the exact statistical results, but I think that a significant number did enter the labor force because of the cost-of-living. Then we asked about the major satisfaction derived from the job. We found it’s not the pay, it’s the satisfaction of the job itself.

GOODING: When I made that comment about job opportunities in this community, I was pretty much referring specifically to women. Women have benefited most. People who were held down or structurally kept out of certain higher level positions are now more able to advance to these higher level positions.

WEEDEN: I’ve got to catch this thought while I’ve got it, and I apologize for being off the subject. We’ve been kind of describing the anatomy and, to a little bit, the physiology of a boom. I think it’s going to be important to make this useful in other situations, to understand to what extent this particular boom is unique or may differ from others. One of the things that I, personally, see as a key factor here is the rate at which things change. A boom which takes place over a two-year period, where 90% of the change occurs in two years, may be extremely different from the boom in which 90% of the change takes place over six or eight years, even through the amplitude from alpha to zenith is the same. I think that those of you who have access to this kind of data should really try to figure out what the starting and stopping points for different aspects of the boom have been or will be so that we can get a handle on rates of change.

SMETZER: I appreciate your raising that point. I think that’s the key issue of the question of pipeline impact. I just got back from a conference in Utah where they discussed boom towns, mostly in the west, that are affected by massive power plant construction, oil shale development, coal, and so forth. I was down there specifically to talk about my perception of what has been going on in Fairbanks and I found that I couldn’t talk to those people because their orders of magnitude were different than ours. They were talking about communities of 4,000 or 5,000 or 10,000 or 20,000. They were also talking about communities that are locked into the continental structure of highways, roads, telephone systems, things already there. They were also talking about people who tended to migrate within the state without changing their lifestyles. We’re so far away that they did point out one obvious difference, the construction worker didn’t bring his family up here, not to anywhere near the extent that he brings it to the small towns down there.

We've got a unique situation here that has not been duplicated anywhere in the country, and it would be very difficult to see it duplicated, although people in the Yukon Territory may have a similar situation to what we are having now. The magnitude of this boom is enormous. If you start allocating the costs of constructing the pipeline and matching them against the gross state product of the entire state of Alaska, there is about a 1:1 comparison. That kind of pressure is extraordinary and it creates some extraordinary problems, problems you can't deal with in any traditional way. One of the biggest difficulties we've had with pipeline impact is that all of the institutions we are used to dealing with have no flexibility to approach the problem, to provide public policy, to provide a mechanism of responding or assisting the communities in responding to these pressures.

You're quite right, we're now beginning to get an idea, through the research that's going on, of the anatomy of the beast. But we don't know where his head is. That's a different kind of a problem, and one I suspect you can't get at through research techniques.

AUDIENCE: What is the Impact Information Center and how was it implemented?

SMETZER: The Impact Information Center is the only way that we've been able to track pipeline effect on a regular basis.
Panel Discussions

We're not trying to go into great depth in information, just trying to pick a series of indicators in the community, the surface effects, catalog them, then widely disseminate them. The political situation downtown, as I mentioned before, has been very conservative, very locked into traditional practices. We arrived at the conclusion that we had ambiguous information, and in a situation of ambiguities, people have a tendency to hold onto what they know has worked in the past. I think that's been true of the public handling of the problem. It's been very difficult to persuade local government that we should do something like they've done in Scotland, for example, where the whole government has literally picked apart the impact problem, where the whole question of oil development has become a major policy thrust. It's not possible here because the situation is so extreme, so dramatic. The tendency has been to batten down the hatches and that, effectively, has been done. There's been very little looking at the problem in terms of trying to grapple with it, from the point of view of the public interest.

KLEINFELD: The question you raised was relevant to our policy section. Let me go over some of the issues. We had asked Sue to comment on the kinds of policy actions that communities can take to deal with negative effects of rapid resource development, especially in the areas of housing and land use, which seem to be major problem points. Then, Larry, I'd like to deal with the question of insularity. Can communities, especially native communities, successfully insulate themselves from rapid resource development if they want to do so, or is that a foregone hope? Then, if we could end up by asking Jack, why can or can't a community cope effectively with change? What are the factors within the structure of the community that enable it to cope with change or that make it fall apart?

FISON: For another community anticipating impact, the basic need is to decide what it wants. It's a misconception that the community is just a static entity waiting for things to happen. Communities can take a role and make some decisions. The first thing that comes to mind is land use. In Fairbanks, we have what we call a comprehensive plan for land use. I've looked through it and it has a lot of vague things about what the community wants. I think something like 50% of the land adjacent to the urban area is still zoned "unrestricted use". This creates an opportunity for people outside the community, those who have no interest in the community other than as a place to make money, to get that land and try to get it zoned for particular uses. The value of land is very much determined by the type of zoning. A good example is in the areas adjacent to areas now zoned industrial. The residential areas can be bought by people who intend to turn them into industrial areas, and the value of that land, if the changes are approved, goes up accordingly. But if the community gets together and decides what it wants, some of these problems can be avoided.

For example, there's a lot of concern now about the fact that Fairbanks may be now does not have a downtown and, with the addition of three major shopping centers, may never again have a downtown. What is happening here is the developer making the decision for the community, that the community is not going to have a downtown. When I was living in Juneau in 1970, the community got together and decided, we really wanted to do something about our downtown area. They had a little campaign about trying to refurbish the downtown area. They painted all the buildings, planted flowers, and did a lot, essentially for the tourist, but in the end it got everybody thinking about the community. So what does Fairbanks do? It seems like the businesses were oriented to making money from the pipeline rather than doing anything to make their community more pleasant for people to live in. Land use decisions need to be made prior to the pipeline. After the pipeline comes, the special interest groups, the investors and the big developers, tend to make decisions for the community.

The other thing is that the community needs to plan for land use requirements for both the short term and the long term. A good example is the problem we had with housing, which was greatly helped by mobile homes. I'm doing a study on mobile homes in Fairbanks and I've discovered that one out of five households in Fairbanks lives in a mobile home. I haven't compared that with the 1970 census data, but I suspect that's quite a percentage increase. But we have to look at that as a short term solution to the housing problem, not a long term solution. What's going to happen in the long term with the land that has been allocated for this use now? Several of these areas were supposedly designed initially so they can be converted into regular housing subdivisions. A couple of these parks are designed so they can be converted into campers parks for tourists. Those kinds of decisions need to be made initially so you won't run into problems with future use of land.

In terms of building, also, we have a real problem with the lack of adequate building codes, both in the residential areas and in non-residential buildings. These standards were not set in the community prior to the boom and we have a tremendous proliferation of inadequate structures. This is a critical problem that a community should address. We have so many different factions in this community, however, that it's very difficult for us to do.

SMETZER: Let me say something about the pre-boom period in Fairbanks and what was going on at that time. In 1970, which was before the injunction against the pipeline and right after the
lease sale, everything was up. The boosters got together in Fairbanks and figured they had the situation well in hand. There was a lot of talk at that time of the very thing you are talking about now, Sue, that there should be some planning decisions made. There were some efforts to get some planning decisions made; there were several people in the community who were advocating a policy approach to the problem. The city of Anchorage had Brookings Institution up for a seminar in December of 1969, right when everything was really up, when we had had the lease sale, had $900 million in the bank, and everything was go, go, go. We tried to get a Brookings Institution seminar here in Fairbanks and it didn't happen. The Acting Mayor of Fairbanks at that time said, we don't need to worry about all that pie in the sky stuff, what we really need here is dust control and mosquito control. I don't say that to denigrate the mayor at that time. I say it to indicate that there was an awful lot of confidence in the fact we thought we knew what we were doing. We were certain that we knew what decisions had to be made. We were in control of our destiny. We had a very Victorian attitude.

Suddenly the injunction hit against the pipeline and a lot of things changed. All of a sudden nobody could make a decision because nobody really knew what the problem was, what the decisions were supposed to be aimed at. Should we control land use planning? There was a lot of discussion and struggle in the municipal government with that question. The people who lived in the neighborhoods, however, had no difficulty at all. They wanted zoning. I happened to be zoning administrator at that time; I started to work there in July of 1969 and at that time we had 3,000 acres under zoning in the downtown Fairbanks area and the Musk Ox Subdivision. By the time I left in 1972, we had over 60,000 acres in this area under zoning. We had been under direct pressure from people who said, I don't want any pipelines in my back yard, I don't want any junkyards in my back yard, I don't want any mobile homes in my back yard. The neighborhoods, the property owners, put a lot of pressure on us to do that. We really couldn't sit back and speculate. We had to process those zoning requests.

Another problem was the injunction and the ambiguity it created. That was the point at which there was a change in this Victorian attitude that we had control of our destiny. It was very difficult to get our act together, and we really never did. The result was that it was not possible to make those kinds of decisions you rightly say were necessary to make. I think that's a very important aspect of this boom situation. It's very difficult, given the uncertainty of everything that's going on, to try to figure out what you should deal with first.

We also had another problem which complicated the situation seriously. Neither the federal government nor Alyeska Pipeline Service Company would make any decisions themselves. That's one of the reasons there were problems with the bond issues. Everybody said, we don't know, are they going to do it or not? They refused to say. The federal government offered no help, would not commit any money to assist the community. When we were in the Victorian era, they were willing to provide support. But once the injunction hit, the federal government became plagued with uncertainty, too. The oil industry would make no decisions. The federal government would make no decisions. About that time the state of Alaska started thinking, $900 million isn't so much, given a situation of ambiguity where we don't know when the revenues are going to pick up again. That situation still exists.

KRUSE: That's very true, Jerry. People still don't seem to have clear expectations of what is going to happen. There are also several other reasons why planning here just can't get off the ground. One is the vicious cycle of negative assessment of past performance. People don't feel the planning has been good, so why support it now. How do you get out of that trap? The second is a strong sense of inevitability. They feel impacts are nothing new. They have happened before and will happen again. And added to that, at this stage, is the realization by many that the impacts aren't as bad as we expected. Why should we worry about something in the future, when it seems to work out after all?

And as we all know, the strong independents (what I want to do on my land is my problem) are in Fairbanks in spades. But in contrast to that, even more people would agree that they shouldn't do something that would hurt what their neighbor is doing. You get a real inconsistency in attitudes with this uncertainty and this sense of inevitability. Planning, per se, becomes out of the question for these people.

Yet when you ask them if they support specific activities in planning, they do. I'm a little torn about what that means yet. People here seem to be able to support planning if it is broken down into specific activities, like guiding development in certain areas and promoting development by certain ways, tying it into permafrost, water supplies, slopes and flood plains. But as for planning, per se, let's make decisions now which are going to lock us into future decisions, there doesn't seem to be strong support.

FISON: I think the basic things that were lacking were any directive goals. I think there were some decisions that could have been made if Fairbanks were a more cohesive community.
GOODING: We have knowledge of the implications of ice fog, permafrost, and the like. We don’t have knowledge of the implications of setting some sort of basic goal orientation in the community. I think this is why people are willing to say, okay, let’s zone that flood plain so you can’t build houses on it. They are less likely to say, let’s zone to take the community in this broad, amorphous direction, this life style orientation.

KRUSE: But that kind of zoning, if it could be pulled off, would be a first. Zoning has never been used for its designed purpose. It’s been used just as Jerry described, as a method of excluding people of different social groups. Maybe it’s easier to tie zoning in with a process rather than a goal, as long as somebody knows where the process is going. Maybe that’s more possible than to sit down and say, we want our community to have these characteristics 15 years from now.

SMETZER: I want to go back to what Commissioner Martin said in the opening session. He has good insight into the process of development versus keeping some things of value, some lifestyles. But I fear that he has the same attitude toward problems as most public officials; that somehow, if we work at it right, we’re going to end up with a simple mechanism for getting from A to B. He says that if we had knowledge from the industry about what they wanted to do, then we could have set up a mechanism for dealing with impact. It’s a noble goal, but I just can’t see it working under any circumstances, given the ambiguity, the lack of direction, in the community. And this lack of direction is not an effect of pipeline impact. There never has been a common direction. Fairbanks is full of strong willed people who don’t like government and don’t like things that smack of community endeavor. And the industry can’t get its act together any better than the community can.

AUDIENCE: What do we do in the Yukon Territory? Do we do as the state did here, saying don’t come here, you can’t get jobs if you come here, in hopes of reducing pipeline impact? What do you do over a whole variety of issues? What sorts of things have you tried that have worked and have not worked?

DIXON: I’ll just make one very simplistic suggestion about it. A couple of the problems that have been identified by Jerry and Jack and other people here have to do with the lack of planning due to uncertainty. There was a lack of planning due to various reasons, but one of the big reasons was uncertainty about what was going to happen. What we found was people unwilling to make investments that would help mitigate some of the potential problems because they were uncertain there was really going to be a pipeline. Probably Canadians are thinking they are in the same situation right now. Then the federal government issued the pipeline permit and the official starting date was only a few months later. Two things could have helped to reduce some of the impacts. One was a longer time span between the time that the decision was made and the time the permit was issued. Then the community would have had some assurance they were going to be facing certain problems and enough time in which to plan for them.

The other thing that could have helped was long term planning. This uncertainty we are discussing related to an overall uncertainty about the future. We have been very much conditioned by the history of booms and busts in the Fairbanks area. Even with a year from the time the decision was made and the permit issued, people might not have done anything. They might have said, this is going to be a short term thing and we don’t want to make long term investments that we are going to be paying for, perhaps without revenues.

Fairbanks also has no perspective of longer term kinds of planning. It appears that the Soviets have been able to talk about long term planning and other countries have been able to look at some kind of setting some sort of basic goal orientation in the community. And this lack of direction really wasn’t as uncertain as all that. If the community lacked the basic infrastructure to start with, even before the boom, then even the uncertainty about after the boom is no excuse. Take the telephone system as a perfect example. Our phone system was not working before the pipeline boom. And a number of studies (we made one, Alyeska sponsored one) projected the impacts on Fairbanks that have come to be. It would have been very easy to say, we will not expand on the basis of an expectation of what it might be 20 years hence, but we still have to operate the basic structure of the community. I think that the Fairbanks experience shouldn’t discourage anyone else. In Canada, for instance, they do have more acceptance of planning, of regulation, than we have in Fairbanks, and Alaska in general.

STRINGER (Borough Assembly Member, Fairbanks North Star Borough): I’d like to say something on behalf of what the local government did do. Acknowledging that the community is at least conservative, if not reactionary, I view Fairbanks as a kind of safety valve. I think a lot of people have come to Fairbanks to escape from the rest of the country; they hate planning and that sort of thing.
and here we are. Also acknowledging that the borough itself is a relatively new government and was totally unacceptable, literally forced on the people of the community, I hate to think what would have happened if the pipeline had come along before we had the expanded area under some control.

I just want to list a few things here that could have been serious problems and weren't. That may be something that people elsewhere may consider. For one thing, up until a few years ago the solid waste was buried in the ground. A hole had to be dug and it was buried, and it was quite an involved procedure and also contaminated the ground water. The dump management procedure changed. The capacity was greatly enlarged, and we have gotten through this boom so far without having a problem of where to put the solid waste. It may not be the best situation, but we don't have a continuous fire out at the dump as we did a few years ago.

Another area is canine control. There used to be packs of roving dogs in Fairbanks in the early 60's and it was incredible, the number of dogs that were abandoned in this town. Everyone who comes to Alaska must have a dog and when he leaves, he often leaves the dog. Rabies is endemic to Alaska and we haven't had a rabies problem here. We do have a parks and recreation program and that just got underway a few years ago. The local government initially funded the Impact Information Center, which, as I understand it, is a service. For a borderline reactionary community, I think that is great.

One other thing is that our local debt has gone up. I believe our local payments on bonds issues is $4 million. If we don't have any more bonds, won't let the people sell any more, it'll peak out this next year. And then our local debt for bonding will go down. Now that's pretty serious, because that comes right out of your pocket, at least in terms of the borough's debt and that sort of thing, and I think the Borough could have gone overboard and kept people in debt for a long time.

In terms of zoning, I think we are very lucky to be able to zone the outlying areas because, as Jerry pointed out, there are a lot of people who are able to get some protection for their neighborhoods. Also, there are a number of watersheds that have been zoned for very restricted use, and that's been over a tremendous amount of local opposition because that's been viewed as conservation.

And the other thing I happen to give a great deal of support to, lacking in quality as it might be, is the land use plan, as was mentioned earlier. Since that land use plan has been adopted, it has been followed by zoning. There's not been, to my knowledge, a single piece of property zoned that wasn't zoned in accordance with that plan. I think that without that comprehensive plan we would have taken a look around one day after the boom and we would have had various zones for conflicting uses neighboring each other all over the place. I think that we were very lucky to have that plan. I think those are some of the good things we did have where we could have had serious problems.

KLEINFELD: On that optimistic note, I'm exercising the prerogative of the chair and closing this meeting. But I'd like to call attention to the phrase, "after the boom". We've spent a lot of time here talking about the anatomy and the physiology of the boom and the predictions that were wrong and the policy decisions that weren't made. I'd like to call your attention to the fact that the same predictability and uncertainty is relevant to after the boom. What types of planning decisions should we be making now? Why hasn't that process started?