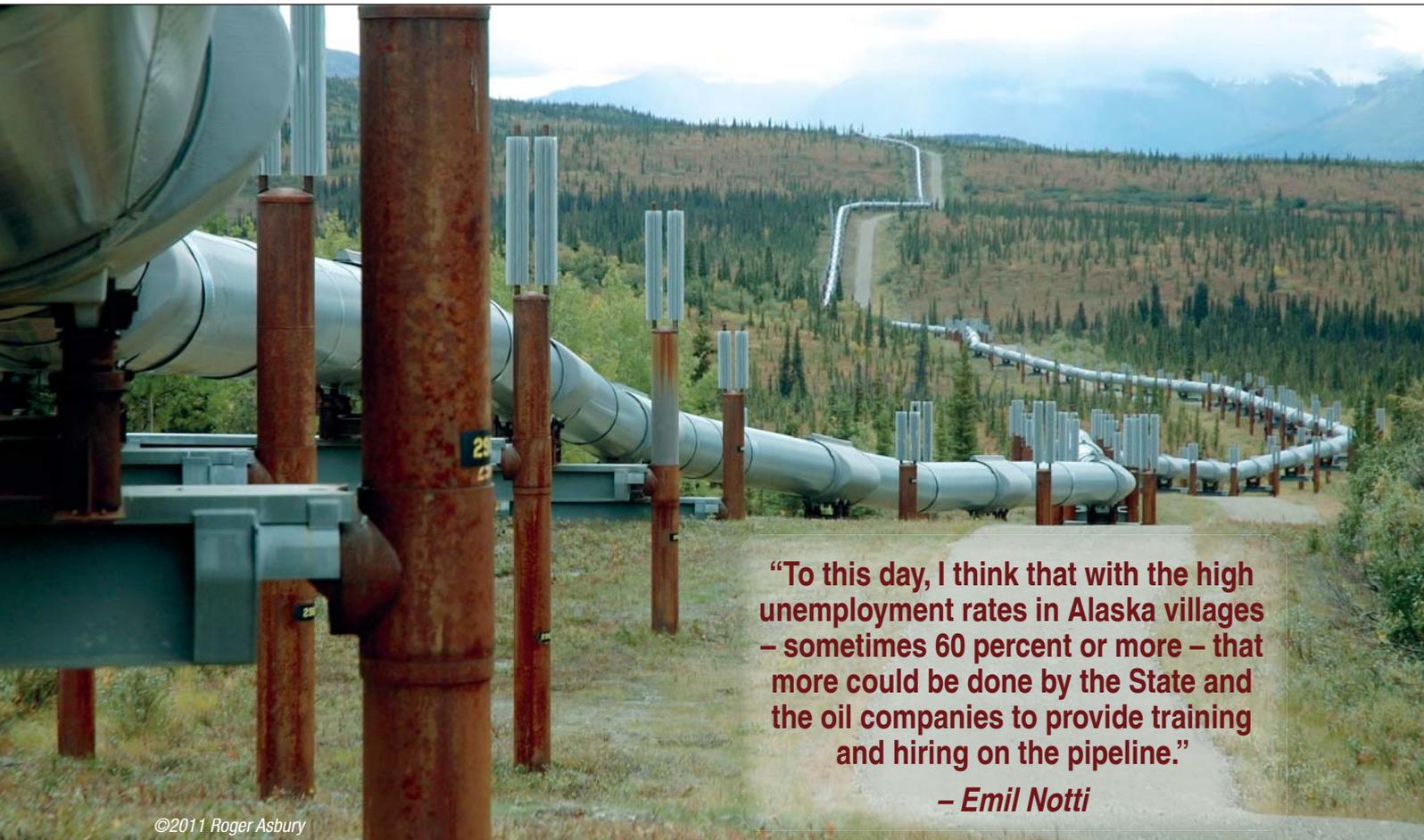


Prudhoe Bay Oil Discovery Expedited ANCSA Pipeline required settlement of land claims

BY VANESSA ORR



“To this day, I think that with the high unemployment rates in Alaska villages – sometimes 60 percent or more – that more could be done by the State and the oil companies to provide training and hiring on the pipeline.”

– Emil Notti

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The trans-Alaska oil pipeline, as it zig-zags across the landscape. Image taken north of the Alaska Range.

For more than 30 years, the trans-Alaska oil pipeline has been a part of the Last Frontier’s landscape. But it wasn’t until a diverse group of people, including Alaska Natives, oil companies, environmentalists and business owners all compromised that the project could come to pass.

In an almost perfect storm of events, a number of complex and contentious issues were resolved in order for the \$8 billion project to happen. Opened

in June of 1977, the pipeline today transports approximately 11 percent of the nation’s domestic oil production across 800 miles of tundra, mountains and rivers from the North Slope to Valdez – a route almost as rugged as its path to fruition.

According to a timeline established by the PBS series, *American Experience: The Alaska Pipeline*, in 1966, Interior Secretary Stewart Udall imposed a land freeze in Alaska prohibiting

the federal government from giving the State of Alaska land titles as agreed under the Statehood Act. The federal government had already given out provisional titles to 12 million acres, including Prudhoe Bay, where a massive oil field was later discovered. The freeze was put in place to allow Alaska Natives time to settle outstanding land claims.

“When Secretary Udall ‘froze’ the land, it resulted in a freeze on rights-of-way, which meant the pipeline could

not go forward,” explained Jack Roderick, an attorney who worked with the Alyeska Pipeline Service Co. during the time of the Alaska Native Claims Settlement Act, and author of the book, “Crude Dreams: A Personal History of Oil & Politics in Alaska.”

“One of the conditions was that the freeze wouldn’t be lifted until the land claims were settled, so Congress had to act on the claims, or permits wouldn’t be issued and the pipeline couldn’t proceed.”

CREATING TAPS

The companies that discovered the Prudhoe Bay oil field – Atlantic Richfield Co. and Humble Oil and Refining Co. (now Exxon) – joined with British Petroleum (now BP) to form the trans-Alaska oil pipeline in the hopes of moving the project forward. In 1969, they announced plans to build the pipeline underground, and filed for federal right-of-way permits.

“One of the interesting things at that time was that some of the oil executives weren’t even aware of the issues facing them – it came as quite a surprise,” said Roderick. In his book, he shares the story of oil lobbyist Hugh Gallagher who, in 1969, asked Clive Hardcastle, the young president of BP North America, how they’d dealt with the land-freeze issues and Native land claims. Gallagher responded, “What are Native claims? What’s a land freeze?”

It wasn’t until the president of Alyeska, Edward Patton, stated to the Anchorage Chamber of Commerce in September of 1970 that there would be no pipeline permits without a land-claims settlement that Big Oil, and the state’s business people, realized what had to be done.

“My recollection is that the business community in Anchorage and the Chamber of Commerce were very upset, but it all came to a breaking

“It all came to a breaking point when Ed Patton stood up and said that without a land claim settlement, there would be no pipeline.”

– Jack Roderick



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point when Ed Patton stood up and said without a land-claim settlement, there would be no pipeline,” said Roderick.

“There was a lot of pressure on us that we were holding up progress and holding up jobs, and we weren’t trying to hold up anybody,” said Emil Notti, a key participant in ANCSA negotiations and former president of the Alaska Federation of Natives. “I personally thought the oil companies would be able to do whatever they wanted to do; when they wanted the oil pipeline to go, if we were holding it up, they’d find a way to do it.”

NATIVE CLAIMS, ENVIRONMENTALISTS STALL PIPELINE

While it seemed that the oil companies were aligned with the State and Alaska Natives to settle the land claims, Notti remembers it differently. “The oil companies didn’t want to get involved, for or against,” he said. “Their stand to us was, ‘we don’t care, just solve the problem.’”

Even as the fight to settle land claims

continued, those hoping for a quick solution to the pipeline problem were facing other obstacles. In 1970, a suit was filed by five Native villages against the oil companies and the Department of Interior claiming the pipeline failed to honor a previous agreement to hire Native contractors and laborers for the project, and another suit, against Walter J. Hickel, demanded that the government not begin any construction until Alaska Natives along the pipeline’s route gave consent.

At the same time, a number of environmental groups, including the Wilderness Society, Friends of the Earth, and the Environmental Defense Fund filed a suit claiming Alyeska violated the Mineral Leasing Act of 1920 and the National Environmental Policy Act.

“Environmentalists were raising questions about the pipeline, and the fact the oil companies wanted to bury most of it,” said Roderick.

While it was originally estimated that one-sixth of the pipe would have to be elevated, eventually half of the entire pipeline had to be put on steel pilings.

Today’s pipeline traverses three mountain ranges, three major earthquake faults and more than 500 rivers and streams, and includes more than 550 crossing areas for wildlife.

The original Environmental Impact Statement provided by the Department of Interior, which was 196 pages, eventually grew to fill nine volumes. In 1972, it was determined the State, Alyeska and the Department of Interior had met all of the legal requirements and the temporary injunction was dissolved. In 1973, additional environmental legal issues were settled, allowing the pipeline to move forward.

HIGH COST OF HOLDUPS

“All of these delays in the project were very costly; a lot of Alaska businesses lost a lot of money,” said Roderick. “When TAPS was originally formed in 1968, companies around the state geared up and got ready to go, but then nothing happened for more than three years.” In Valdez, \$100 million worth of pipe shipped from Japan lay rusting for more than five years.

In the meantime, Alaska Natives had continued in their fight to claim their traditional lands, which resulted in the passing of ANCSA, signed by President Richard Nixon in 1971. The law gave Alaska Natives the right to select 44 million acres of land and nearly \$1 billion, half of which would come from oil production royalties. Provisions of ANCSA included the formation of 200 local village corporations and 12 Native-owned regional corporations, plus a 13th corporation made up of Alaska Natives who had left the state.

“In return for the release of the right-of-way through the pipeline corridor, the oil companies were expected to provide jobs for Alaska Natives – a guaranteed percentage of jobs in the construction and operation of the pipeline,” said Notti. “This has not been as beneficial as it should have been; it was almost 30 years before the companies achieved the percentage of Native-hire that they promised, and that only happened during the two to three years prior to the companies having to reapply to extend their right-of-way.

“To this day, I think that with the high unemployment rates in Alaska

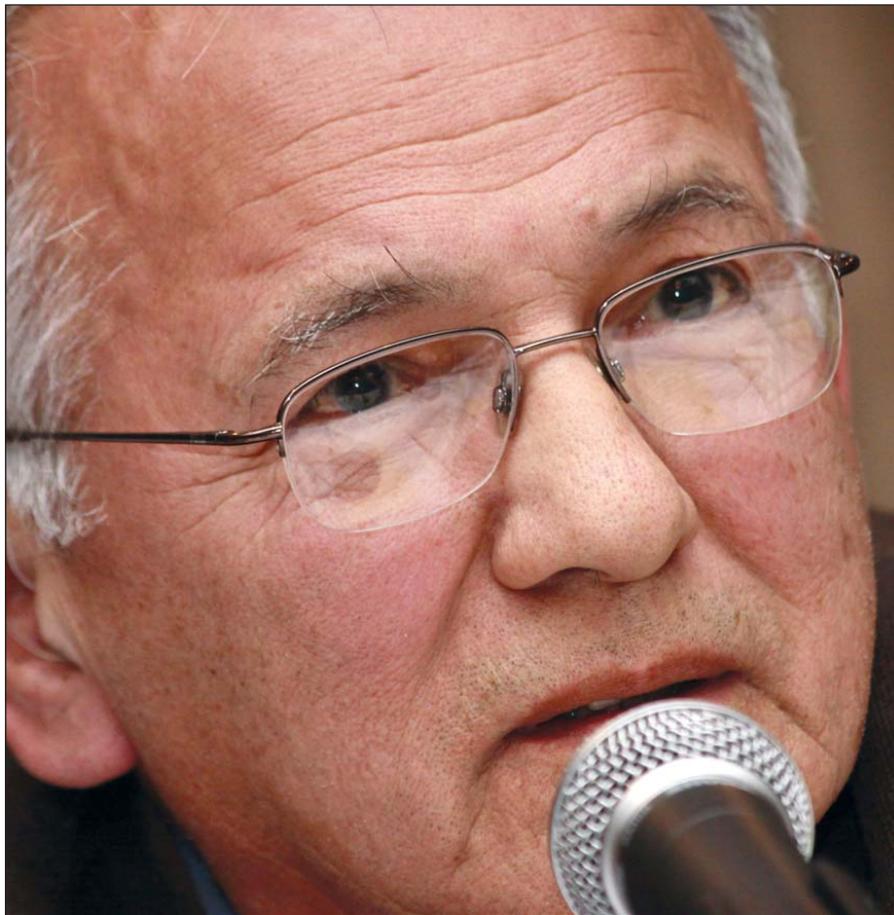


Photo BY Rob Stapleton/ANCSA@40

Emil Notti reflects on a question during the September ANCSA@40 panel discussion in Fairbanks.

villages – sometimes 60 percent or more – that more could be done by the State and the oil companies to provide training and hiring on the pipeline.”

SOLVING THE RIDDLE

While there is no way to be sure, Roderrick believes it is because of the need for the trans-Alaska oil pipeline the Alaska Native Claims Settlement Act was passed as quickly as it was. In 1935, the first time Alaska Natives sued to be compensated by the federal government for setting aside areas of the Tongass National Forest, the case took 33 years to resolve.

“I don’t believe the Alaska Native land claims would have been settled when they were except for the pipeline needing the right-of-way,” he said. “Whether it would have been settled 10 years later, or 20 years later, I have no idea, but I do believe that TAPS was the reason it was more fast-paced.”

As part of the Alaska Native Claims Settlement Act, 80 million acres of significant federal lands were also withdrawn from development potentially to be made available by Congress to serve as national parks, wildlife refuges and national forests. According to the National Parks Conservation Association website, these areas, called “d-2 lands” for their placement within the Act, were earmarked in response to concerns from the environmental community that Alaska was being carved up with too much emphasis on development. These lands, which later grew to include 104 million acres, became the crux of ANILCA, or the Alaska National Interest Lands Conservation Act, which President Jimmy Carter signed in 1980.

Alyeska’s website documents the pipeline timeline. “Construction began March 27, 1975, and was completed May 31, 1977. First oil moved through the pipeline June 20, 1977. First tanker to carry crude oil from Valdez was the ARCO Juneau, August 1, 1977.”

Twenty-eight thousand men and women were employed at the peak of construction in October 1975; 70,000 over the life of the project. To date, the pipeline – a model of engineering, negotiation and cooperation – has carried more than 15 billion barrels of crude oil over its 800-mile route. □

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