

Call number: 01-74-08 SIDE A PT. 1

Name and place: Meeting of the Alaska NORTH Commission [Northern Operation of Rail Transportation and Highways Commission]

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Notes: Originals on 7-inch reels, master copy on CD.

A man's voice starts his speech by addressing various members of the audience and musing about Arctic exploration. On July "of this year" [1968] one of most respected petroleum consulting firms confirmed that Prudhoe Bay pocket contains one of the world's richest petroleum accumulation. After that announcement, oil companies, speculators, and others have paid over \$3 million dollars for leases in the Arctic. Following the report, they called a meeting of the NORTH Commission, which is the second meeting within 6 months.

2:50 The work of the commission has been familiar to all Alaskans. Commission has the responsibility of guiding the development of the Arctic and has made transportation one of the first areas of concern. Transportation is important for development and some strides have been made in Southeastern and South-central Alaska. In the Arctic, and in westward Alaska, transportation is just as primitive today as it has always been, disregarding airplanes. Material for development is not moving in and natural resources aren't moving out. Alaska needs a year-round multi-purpose transportation system to the Arctic.

Some of the important questions are: what will be the role of the federal government, the state, and the private industries in developing transportation. Committee members are going to hear testimonies about transportation routes to the Arctic, from experts in arctic science, and from people in all walks of life who are concerned about the development of the Arctic. The products of the Arctic must compete with products from other parts of the globe.

4:40 The speaker urges the people keep in mind that they are going to relate the production and development cost to the world market victory. Transportation and communication systems are vital for world competition.

They know that water routes are the cheapest methods of transportation for development, but it's not feasible all year round.

Considering building a railroad doesn't rule out other methods of transportation. Railroad development is necessary in areas where competition in world market is a vital factor. Roads and trails must also come up as needed because they are vital for moving men and material.

Concerning winter trails, they have the benefit of past experience. In 1955, Alaska Freight Lines built a winter trail from Circle, AK, to Shingle Point in Canada's Northwest Territory. In 1956, the same company built another winter trail from Eagle, Alaska. Alaska Freight Lines serviced the DEW-line sites at the time with their rubber tired Mac Trucks and the NORTH Commission can learn from their experience.

6:30 They will expedite expansion of air fields and facilitate development. All trails, roads, and airfields amount to nothing if they don't get the minerals out of the ground and into the world market. Surface transportation – a railroad – isn't going to be built for any one industry or company, but it would be built as an effort to bring into the world marketplace all the minerals that are abundant in great northland.

In future, the railroad will go through Anaktuvuk Pass and to North Slope. There will be a general staging area, and winter trails radiating from that there will be a pipeline and after that, there will be further expansion of roads and railroads.

There is great expansion going on in the Canadian Arctic and in the Soviet Arctic and the speaker feels impatience for developing America's Arctic. It's not just for the benefit of Alaska, but of America and the "whole free world."

8:07 The speaker continues that they aren't going to make hasty plans and that they must have a long range vision spanning over the next 50 years. He wants to now talk about the purpose of developing means of transportation. They are going to see wells up at Arctic Slope that will produce fabulous amounts of oil. The speaker

says they are not going to stop there, but there will be a copper mine, a refinery up north, and smelters. There are also going to be geologists and businessmen up north, finding new deposits, developments in industry and recreation, and new opportunities in a whole spectrum of human activities. The only way to open up the country is to provide an easy access with surface transportation.

They could have winter trails stemming from the route of permanent transportation system. They could have villages grow into cities. The speaker is calling for the people of the Arctic to actively participate in developing the resources and building cities. They are going to overcome problems with sanitation, housing, and adequate education in villages. There will be job opportunities in the North.

“Things just don’t happen. Men make them happen.” The speaker thinks that time for action is now. He thanks the audience and closes the speech. [Applause.]

11:24 Senator [Walter Joseph] Hickel addresses Mr. Chairman and tells about a letter from Senator Bartlett that he is going to read. It’s dated August 20th, 1968 and addressed to Hickel. In the letter Bartlett assures Hickel that he is working in Washington D.C. for development of transportation system in Northern Alaska. He finds it very important that the North Slope industry should go through Alaska and not Canada. The task will require collaboration between the State and Congress.

Bartlett also included a copy of a letter that he received from Secretary Boyd, who expects to have a recommendation about the extension of the railroad in the next few days. He advises the secretary, that the request of additional funds that would be appropriated by the Congress should be granted.

13:14 Senator Bartlett replied to Secretary Boyd that they have discussed the necessity of expanding Alaska Railroad North and West from Fairbanks. The expansion is contained in the act that created the railroad. Finding of oil in North Slope makes building the extension an urgent matter. They need decisions right now because decisions about oil development will be done in coming months. There are choices between Alaskan and Canadian routes, and Bartlett’s letter says that Alaska’s future depends on decisions that must be done now.

They have a proposal to request \$4 million dollars from the Congress for engineering feasibility and route designation survey for the line of new Alaska

Railroad. Such request could be by “your department” and it means that it would be at least a year from now when the survey work could start, but the process could be speeded up. Senator proposes that the department considers a 3-point plan for financing the survey. The plan will allow works to commence almost at once and the department already has the authority under the Alaska Railroad Act to order the survey. They need to reprogram funds but if the department isn’t able to reprogram sufficient funds into conducting the survey over the course of “this fiscal year,” additional funds can be sought in the final supplemental appropriation bill of “this session.” Bartlett is a member of the supplemental appropriations sub-committee and he promises his assistance in obtaining approval for such a request. Bartlett writes further about the vital importance that development of Alaska’s transportation systems has for the whole nation and urges people to make decisions now.

17:24 Hickel reads Bartlett’s [?] 10 points that deal with production value of the North Slope, need to develop Alaskan routes to the oil fields so that the companies won’t go through Canada, and so on, proving the need for, and the benefits of, building the railroad. [Applause. Break in the recording.]

20:43 Another man thanks Senator Hickel and introduces Tom Kelley, the commissioner of natural resources. [A pause.] The speaker asks if Mr. Delaney from Atlantic Richfield is in the audience. [Unclear comment from the audience.] Somebody addresses the audience and introduces himself as Thomas E. Kelley. He tells that their department is charged with management of all natural resources on state lands, excluding fish and game. It is also concerned with exploration and development of mineral resources in Arctic Alaska. Oil and gas were discovered from Prudhoe Bay, which has brought in focus for hydrocarbon potential but it also revived interest in metallic and non-metallic mineral resources that remain undeveloped because of lack of a route into the region.

23:21 Tom Kelley continues that on July 28th, 1967, Mr. [Unclear] Williams, who is the director of the Division of Mines and Minerals, delivered an accurate submission to the Commission about what they might anticipate in resource management if their transportation network is extended into the Arctic. Prudhoe Bay has increased the urgency of having a transportation network and it allows them to think in specifics and numbers in an area that has escaped development

because of lack of ground transportation despite of mineral investigation surveys that have been done in the area.

Kelley goes on talking about hydrocarbon discoveries in the area and says that it's important that everybody is aware of some geographic features of the area. He has two maps that show geographic features of Brook's Range, as well as oil and gas of the Arctic Slope [talks about geography of oil fields that show promise].

29:51 Their task is not to build a railroad to assist in development of the oil fields. As Governor Hickel stated, they plan for development of many widely diversified natural resource entities. It's inconceivable that in 25-year period, a rail transportation network would not be essential. The estimated tonnage of exploratory supplies ranges from 3,500 to 4,000 tons. More supplies are needed for each development well, and time that is required to initiate and plan a well is over 15 months. Efficient drilling programs must be operational year round.

31:10 There might be 500-600 wells built ultimately, and added to that there will be wells for pressure maintenance and secondary recovery programs. Tonnages in excess of 1,5 million tons, not including equipment such as drilling rigs, are reasonable when determining how much logistical support is necessary for the development of one field in the size of Prudhoe Bay.

Geologic factors indicate that Prudhoe Bay is only one of the commercial oil fields to be discovered in the basin. They are looking at Cook Inlet Basin as a major producing area, and today there are 5 major oil and gas fields that have been discovered in a past decade.

32:18 The optimum area for hydro-carbon accumulation in the Cook Inlet basin is confined in several long, narrow structural belts that cover approximately 4,000 square miles. The Arctic Coastal basin encompasses 40, 000 square miles that are potentially favorable for oil and gas development. With their present knowledge, they are expecting "multiple producing trends" along the Arctic Platform with numerous major fields that are the size of Prudhoe Bay. Accordingly, the amount of material and supplies that is needed for numerous fields is staggering.

Kelley explains that the second map illustrates the known potential mineral and non-metallic deposits of Arctic Alaska. There are three areas that are unique to

mineral potential. There are over 120 million tons of coal resources in a 58,000 square mile area off the Brook's Range. The other two areas of development are triadic oil fields, and hydrothermal uranium deposits. Kelley feels like there is excellent chance in future for uranium operations, given the importance of nuclear power.

35:35 Canadian example is that all of the Canadian railroads have been built for ore deposits and the efforts resulted in development of large mining operations. To fly in all the supplies for exploration is a sheer fantasy in Kelleys opinion. Also, the seasonal use road doesn't afford the flexibility for large-scale development. Only a railroad provides the means for supplying Arctic operations and for removing the resources.

Kelley also speaks about the significant advantages of building a pipeline for shipping the crude oil. The benefits of building a railroad range from economic development to social benefits. Kelley thanks the audience. [Applause.]

38:19 Mr. Chairman calls for Mr. Scott who is the land representative of Mobile Oil Company. Thomas E. Scott introduces himself and says that their Region Vice President, Mr. Jeff [Unclear], was unable to attend due to business commitment.

Scott tells that Mobile has been active in North Slope for more than 10 years and they have a large financial commitment there with substantial lease holdings. They are vitally interested in opening North Slope up for economic transformation.

Scott says that, as Mr. Kelly explained, it's important for them not only to get the oil out but also to have economically feasible means of bringing in supplies and men. He thanks the audience. [Applause.]

41:08 Chairman announces 15 minutes coffee break.

[End of the recording.]