

Andersen: Media unfair to borough

By Bill Hess

The high rate of spending in the North Slope Borough is necessary to build the American dream in the Arctic, says Ralph Andersen, who charged last

week that the urban media treats Rural Alaska unfairly and has created an "information imbalance."

Andersen, special assistant to borough Mayor Eugene Brower, made his remarks at a luncheon meeting sponsored by the Bartlett Democratic Club at Frank's Bar-B-Que in Anchorage. He was especially hard on Anchorage's two daily newspapers, comparing recent series run by both papers over the borough's bond indebtedness to Outside coverage of Alaska.

Even as stories appear in the national press about hard times, Andersen said, "almost parallel to these are stories that exaggerate employment opportunities in Alaska and the economic wealth of our state. As a result, there are many in Washington, D.C. and other places who are actively campaigning against investing federal funds in Alaska because of the fiscal excess illusion created by the press."

The stories appeared in the Anchorage dailies after a \$200 million bond sale by the borough, which placed its total bond-indebtedness above \$1 billion. The money is being used to build water, sewer and power systems, health facilities, schools, modern homes and other 20th century services which were virtually unknown in the Arctic before.

The borough derives its income primarily through taxes levied on the oil companies working in the region. There is a ceiling on how much taxes the borough can levy, and borough officials, aided largely by Alaska Senator Frank Ferguson, are seeking to have that ceiling raised. The tone of the news articles was that any more money going into the borough was money which would not go to the rest of the state. The articles also raised the question of whether the borough would actually be able to pay off the bonds when they came due.

Andersen charged that in reporting this, the media gave a one-sided message, and left out important information about the North Slope Borough. "They created misconceptions about the borough's finances

without once trying to explain that the cost of living and the costs for supplies and material on the North Slope are much higher than most places in our state and nation.

"The press failed to explain that the only two means of transporting supplies and materials to the North Slope communities is either by air or by barge once a year . . . that we live in communities where transportation costs have driven hamburger up to \$4 dollars a pound, a gallon of milk costs in excess of \$5 and a round-trip ticket between Barrow and Anchorage is now \$500."

Andersen further charged that "while failing to uncover any impropriety in the Borough's financial management, the press also failed to even attempt to answer the questions it raised. The stories did not explain the fact that as the state's only first class home-rule municipality, the North Slope Borough does not enjoy the same high level of municipal assistance funding from the state as does your local municipality.

"Nor do we depend upon the same high level of state project funding for Capital Improvements, and we recognize

that rural areas have historically received less state CIP (Capital Improvement) funding."

Despite this lack of help from the state, Andersen said the borough is "responsible for providing services and facilities in one of the harshest climates in the world. In reality, the borough is charged with the large task of building the American Arctic. We must build new homes, new schools, new water and sewer facilities, new health, public safety and fire protection facilities. All these are services that urban dwellers seem to take for granted."

Andersen defended the high costs the borough is encumbering. "We know that we cannot afford to spare any expense in building public facilities today which must serve us for decades. We know that building costs will be much higher tomorrow."

Andersen said that despite media fears that the bonds would not be paid back, the capital improvement budget is carefully scrutinized, ideas and criticism are sought from all areas of the community, and planning is carefully laid out with future income in

mind.

In response to questioning, Andersen also defended the borough's practice of not offering competitive bidding on many projects. "We're building the best we can," he said. "We know this is our only chance . . . as petroleum revenues decline, so will our revenue." Thus, said Andersen, it was necessary to award contracts to firms known to the borough as being capable of building enduring facilities in the extreme climate of Alaska's Far North.

Responding to a question from an Anchorage Times reporter, Andersen also defended the borough's wish to have their current tax ceiling raised. "The oil and gas industry was opposed to the formation of the borough," he said, noting a resultant lawsuit. "As part of a compromise, the Legislature adopted a bill putting a limit on how much we could tax the oil companies. Since the time it was adopted, we've been working for repeal of the limit."

In response to the media reports, Brower published a statement of his own which was sent as a paid insert to papers statewide.