

# Relief sought from fuel prices

Will Wainwright and Atkasuk remain at the mercy of high-priced fuel oil for heat and light or can the 512 villagers tap cheap local coal for their energy needs?

Only the highest legislative body in the United States, the U.S. Congress, can answer that question. Right now the North Slope Borough cannot touch coal reserves near the two villages despite a recent study that shows for Wainwright, at least, local coal would be a cheaper fuel for heat and electricity generation than fuel oil.

The coal deposits around Atkasuk and Wainwright are within the National Petroleum Reserve Alaska. The coal lies under land that has gone to the

village corporations through the Alaska Native Lands Claim Act; however, the subsurface mineral rights are still held by the federal government as part of NPRA.

The U.S. Department of Interior has informed the North Slope Borough that under present law it cannot allow mining in the region on anything but an individual homeowner basis.

It will take an act of Congress to allow the small-scale coal extraction proposed by the Borough on behalf of the 512 residents in Wainwright and Atkasuk.

The Congressional act to allow the small-scale mining already has been introduced in the Senate. It is Senate Bill  
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# Coal mining permission sought for villages

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2063. Mayor Eugene Brower submitted testimony supporting SB 2063 at a public hearing held by the Senate Subcommittee on Energy and Mineral Resources in Fairbanks the week of April 8.

The bill would amend existing law to authorize the Secretary of the Interior to permit entities of local government or Native organizations to extract and use, without payment or royalties, coal from the National Petroleum Reserve in Alaska for heating and generation of electrical power within the Borough.

"While the North Slope of Alaska is a major supplier of the nation's domestic energy resources," Mayor Eugene

Brower testified, "it is also a region where the local population is becoming increasingly energy deficient . . . We are prepared to handle this problem ourselves — with the help of this legislation — by switching from expensive oil to using oil to meet our energy needs."

The practicality of coal as a fuel source has been shown in feasibility studies commissioned by the North Slope Borough.

A study completed in 1980 concluded that oil heat cost the average village household \$3,388 per year. That estimate is based on fuel oil prices of only \$2 per gallon. (They have gone up since then.) Coal, the study said, would vary in cost

from \$1.40 to \$7.40 per million Btu's. Taking the higher figure, the average household heated by coal would have an annual fuel bill of \$1,716. Thus, coal could cut village fuel bills in half.

The practical details of coal-fired space-heating and electrical generation were shown cost-effective for Wainwright by a recent study done by Arctic Slope Technical Services, Inc. (ASTS). The study calls for an underground mine for cost effectiveness and adaptability to the environment. It estimates that annual coal needs could be met by mining an area 20 feet by 80 feet by 90 feet. As Mayor Brower states in his testimony this is not large enough to cause ma-

jor environmental impact.

In supporting SB 2063 Mayor Brower cited other advantages to the local coal extraction enterprise, "Economic conditions in our villages are bleak and employment opportunities are scarce. But the costs of the essentials of life are much higher than in less remote communities. This legislation will help to stimulate our local village economies with job opportunities and low cost energy."

Even with the passage of SB 2063 the development of coal on the North Slope would remain under the authority of the Department of the Interior. The Secretary of the Interior could create any additional regulations that he saw fit

for environmental protection.

Finally, Mayor Brower supports SB 2063 as a means to help North Slope residents reap more of the energy bounty that the Arctic provides the rest of the nation. As he put it, "It would allow people who struggle against a harsh environment to proudly maintain their way of life. Passage of Senate Bill 2063 would ease our burden and make us, just as the rest of the nation, beneficiaries of Alaska's great stores of energy."

If you have comments or questions on this legislation, contact your Alaska Senators Ted Stevens or Frank Murkowski or write the Subcommittee on Energy and Mineral Development.