

Stevens: Rural Alaska's future looks tenuous

by A.J. McClanahan

Tundra Times publisher

Rural Alaska is facing some tough times ahead, according to Sen. Ted Stevens, who said in a recent interview that he is worried about it.

Speaking in his Anchorage office Wednesday morning, Stevens also discussed the issue of 1991 legislation in Congress and said it is questionable whether the bill to extend restrictions on the sale of Native corporations stock beyond 1991 will be passed this year.

"It's still possible, but it's less and less probable," he said.

As for rural Alaska in general, Stevens voiced concern about it in the face of drastic revenue declines.

"The future of rural Alaska at the present time is much more tenuous than the future of urban Alaska," he said.

Stevens said he believes much of the problem facing the rural areas of the state stems from the fact that the federal government is continually cutting its spending, while at the same time the state's oil revenues are declining.

He pointed out that during Alaska's oil boom, the state Legislature generally divided up the money on a district-by-district basis. Then, Stevens said, it was easy to make decisions about where the money went because there was so much. Under more normal conditions, however, less populated areas would not fare so well.

Stevens said the difficulty with the way the money was divided until very recently is that "we've raised expectations so high."

And the senator said rural Alaska's problems are exacerbated by the fact that it is very difficult for the rural areas to generate their own revenue.

He stressed that developing the Arctic National Wildlife Refuge in northeastern Alaska may be one of the

(Continued on Page Eight)

• Unemployment 22.8%

(Continued from Page One)

there may not be enough resident workers with the necessary job skills.

Shively disagreed. "We have lots of qualified people to work on this project," he said, adding that because there are plenty of workers, the cost will not be increased.

The emergency regulations are designed to improve a sagging economy in areas determined to have significant need of economic aid — either through high unemployment rates or low income rates.

The June unemployment rate for the Northwest Arctic Borough area was 22.8 percent — which was twice as high as Alaska's June statewide unemployment rate of 11.1 percent.

Once an area is labeled economically distressed, certain publicly funded projects require employers to hire 50 percent of their workers from local areas.

According to the regulations, if contractors are unable to find 50 percent of their employees from local residents, they must file a waiver with the Labor Department in order to hire non-resident workers from elsewhere in Alaska.

The regulations state that the Labor Department has up to 20 working days — about a month — to decide whether to authorize the hiring of non-residents.

Blankenship said he was concerned about the waiting period. "We have a schedule we have to meet," he said. "It impedes our progress, and it compounds through the entire job."

Wilson Hughes, president of Enserch, also agreed that because of the hiring regulations, problems will arise in the current project.

"Anything that affects the schedule will affect the cost," he said. Hughes also said that until the Labor Department further defines their regulations, they will have no estimate for the increased cost of the project.

Bert Wagon, AIDA executive director, said he was unaware of Enserch's claim that the designation will boost Enserch's costs. He declined further comment.

Earlier this month, conflicts between Enserch and Alaska Native officials in the area began when Native officials said not enough of the 50 workers originally hired by Enserch were local residents.

Sen. Willie Hensley of Kotzebue and other Native leaders were asking the Labor Department to designate the area as economically distressed in an attempt to find ways of improving the economy in the area.

NANA officials had been trying to have the Kotzebue area declared economically distressed since early last year.