



4.10 Environmental Justice

By L.D. Maxim

4.10.1 Proposed Action

Executive Order 12898 signed by President Clinton on February 11, 1994, requires federal agencies to identify and address, as appropriate, disproportionately high and adverse human health and environmental effects of its actions on minority populations and low-income populations in the United States and its possessions (Executive Order 12898, 1994). The purpose of this Executive Order is to promote fair treatment of all races and the poor so that no one demographic group suffers adverse environmental impacts disproportionately. Section 4-4 of EO 12898 directs federal agencies, whenever practicable and appropriate to collect, maintain, and analyze information patterns of populations who principally rely on fish and/or wildlife for subsistence. Section 6-606 of this order specifically notes that federal agency responsibilities shall apply equally to Native American programs. This topic has been addressed in recent EISs (e.g., BLM and MMS 1998; USACE, 1999).

Some of the potential environmental impacts of both the proposed and the no-action alternatives raise environmental justice issues. Subsistence users, including Alaska Native and rural residents who principally rely on subsistence could be disproportionately affected as a result of adverse impacts on subsistence that might occur from oil spills if the proposed action is selected. Such adverse impacts would be temporary and could be partially offset by wage income from spill cleanup activities. Moreover, the Trans Alaska Pipeline Authorization Act established strict liability (except in cases where damages are caused by an act of war or negligence of the United States, other government entity, or the damaged party) for all damages [Section 1653 (a) (1)] in connection with or resulting from activities along or in the vicinity of the ROW. Other laws (e.g., OPA 90) also address liability and/or the establishment of funds to pay claims for spills associated with the production and/or transportation of oil. For example, under OPA 90, responsible parties are responsible for removal costs and damages (including damage for loss of subsistence use of natural

resources) [OPA 90, Section 2702 (a),(b)]. In the past (e.g., in the case of EVOS), subsistence users have been compensated for the monetary value of lost subsistence harvest.

4.10.2 No-Action Alternative

The no-action alternative also raises environmental justice issues. These are linked to economic impacts and, in particular, the effects of revenue reductions on the various social programs of state and local government. Funds from North Slope developments provide for health care and education of many Alaska Natives; these funds would be sharply reduced in the event that the no-action alternative was selected. Employment losses might also have an environmental justice component because, although Alaska Natives are not employed in large numbers by the oil industry, the effective shutdown of this industry in Alaska would eliminate the future benefits of Alyeska's Section 29 initiatives and also because government is a large employer of Alaska Natives in certain geographic areas such as in the North Slope Borough. (Under Section 29 of the Federal Agreement and Grant of Right-of-Way, Alyeska is committed to hiring Alaska Natives.)

As noted in Section 4.4, the sharp reduction in state revenues that would occur under the no-action alternative is assumed to trigger elimination of the Permanent Fund Dividend. This dividend is provided to all eligible persons, regardless of income. Elimination of this dividend would have proportionately greater adverse impacts on large, low-income families.

Because this dividend is a flat sum given to all eligible residents, the proportional significance of the dividend is greatest for large, low-income families. Alaska Natives, among others, would be disproportionately affected. Iñupiat households have lower average incomes than non-Iñupiat households for most villages and for the NSB as a whole. Iñupiat households also have a larger number of persons on average than non-Iñupiat households (NSB,



1999). Thus, elimination of the Permanent Fund Dividend (PFD) would have a disproportionate impact on Iñupiat on the North Slope.

Other environmental justice issues associated with the selection of the no-action alternative are the adverse impacts on Native corporations. For example, the Arctic Slope Regional Corporation (ASRC) is one of the largest private businesses in Alaska. ASRC derives revenues from outright ownership or joint venture arrangements with oil industry and oil-field service companies, engineering, and construction firms. ASRC owns the subsurface resources underlying Kuukpik surface lands (USACE, 1997). If commercial quantities of oil and gas are discovered and produced from those lands, the principal economic beneficiary would be ASRC. Many residents of the North Slope are also shareholders in ASRC and would be adversely affected if its revenues were to decline.

4.10.3 Cumulative Effects

Some of the potential cumulative effects associated with the proposed action have implications for “environmental justice,” because they may have disproportionate impacts on particular demographic subgroups. Some of these effects are beneficial. For example, the PFD, which is funded by oil and gas revenues, is distributed to all Alaskans who satisfy residency and other minimal requirements. The impact of the PFD on household income is proportionately greater for larger families and for low-income families. Other effects of oil and gas development may have disproportionately adverse consequences. For example, an oil spill could disrupt subsistence harvests, with the potential to have greater impacts on low-income and/or minority families.