



# ~~Coal town?~~

Store Norske cutting 30 percent of its jobs, raising fears up to 250 Longyearbyen residents may leave



SCANPIX

A worker surveys a coal deposit inside the mine at Svea. The mine has provided most of Store Norske's income in recent years, but is now largely tapped out. Efforts to shift primary operations to a new mine at Lunckefjell have been hindered by equipment problems, geological obstacles and low coal prices that are below what the company needs to break even.

By **MARK SABBATINI**  
Editor

Store Norske is eliminating at least 100 of its 340 employees due to a severe financial crisis, a potentially historic decision as coal mining may cease to be Longyearbyen's main industry for the first time in the city's peacetime history.

The cuts, announced following a special meeting of the company's board of directors Monday, are also raising fears up to 250 residents may be forced to move from Svalbard.

"Each position that is lost in the mining industry you can count by a factor of 2.5 for family members of those who lose their jobs," Longyearbyen Mayor Christin Kristoffersen told Nord24. "Many of those working in mines are relatively young men. They often have a partner working in the service industry and children attending kindergarden or school."

Store Norske officials said the cuts are part of a series of measures necessary for the company's short- and long-term survival. The company is also scaling back extraction plans, asking the Norwegian government and banks

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## Seeking a future beyond mining

Officials say Store Norske has strong prospects – if it gets help

By **MARK SABBATINI**  
Editor

The day was inevitable when mining would cease to be Longyearbyen's cornerstone

industry. And the government has officially decreed the city should strive to be a family community instead of a "company town."

Now that the day may be here, local officials are hoping the government's desire for the latter will result in support to cope with the former. Furthermore, they're seeking a future

where Store Norske continues to play a major role in the economy, even if it isn't by mining.

"We're also talking about Store Norske as an investment engine," said Longyearbyen Mayor Christin Kristoffersen, who is in Oslo this week lobbying Parliament members and

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## Look out, the C-REX is loose!

Rocket lights up Svalbard's sky as it spreads artificial clouds to measure winds at edge of space

By **MARK SABBATINI**  
Editor

In a week full of clouds for Longyearbyen, at least these were intentional – and rather spectacularly illuminating.

A rocket launched Monday morning from the Andøya Space Center was designed to disburse 24 glowing clouds about 10 minutes later 500 kilometers southwest of Longyearbyen.

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ANDØYA SPACE CENTER

The C-REX rocket is launched Monday from the Andøya Space Center for its 10-minute flight that ended with a show of lights over Svalbard.

## Who's to blame and how to express your wrath

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## Corrections policy

When we screw up you'll know about it – on the front page. One of the big complaints about newspapers is they tend to bury corrections and clarifications deep inside where few people who read the original article see them. If we need to fix something, an alert box on the front page will state what story is in error and where the full correction is printed.

## Submitting material

Letters, columns, photos and other material are welcome, but we can't offer pay for published items since nobody here is getting paid at the moment. Submissions in electronic form (text, Word documents, JPEGs, etc.) are highly preferred, although typing and/or scanning of items will be considered on a per-case basis. We reserve the right to edit submissions for length, clarity, accuracy, libel and other reasons, but we will also make every reasonable effort to contact the author about any changes prior to publication.

## A light moment in the darkest of times....



MARK SABBATINI / ICEPEOPLE

An LNS Spitsbergen worker attaches a string of holiday lights to Lompensenteret on Monday afternoon in preparation for the annual First Sunday of Advent celebration, featuring the lighting of the town's Christmas tree outside the shopping center, this Sunday. Scheduled activities during the day include an 11 a.m. Mass at Svalbard Church, a 1 p.m. holiday meal and performance by the Store Norske men's choir at Huset, and a 3 p.m. candlelight procession from Huset to the Longyearbyen central square, with children depositing letters in Santa's mailbox at the base of Mine 2B along the way. The lighting of the Christmas tree, along with music and food, is scheduled in the central square at 4 p.m. A footrace starting at the post office is scheduled at 4:30 p.m., an Advent storytime is scheduled at Longyearbyen Library at 4:45 p.m. and the Norwegian holiday film "Karsten og Petras Vidunderlige Jul" will be shown at Kulturhuset at 5:30 p.m.

## Icesheet

### Random bits of the week's weirdness:

It's a lousy week to make light of things in Svalbard but, since those able to laugh certainly deserve every possible chance to, we'll offer a hazy attempt at humor by noting **residents stressed that doomsday has arrived could experience a major melting out with some recent deposits in the Svalbard Global Seed Vault. About 21,500 cannabis seeds from at least 17 countries are now in the vault**, according to whole bunch of media organizations reporting the findings first presented by marijuana.com. The site's report (at [tinyurl.com/ojf23tua](http://tinyurl.com/ojf23tua)) notes "that's more weed seeds than there are asparagus, blueberry or raspberry seeds stored at the facility." There's also more genetic species of marijuana than there are for artichokes, cranberries and pears combined. The site also notes that while 500 of the seeds are from North Korea, none are from the United States. "So perhaps some master cultivators from California, Colorado or elsewhere will take on the task of sending premium Sour Diesel, Strawberry Cough, Jack Herer or O.G. Kush seeds to Svalbard's vault to prevent those strains from being lost forever in the event of a zombie attack, alien invasion, nuclear war, asteroid impact or other apocalyptic scenario," the article states ... Most Longyearbyen residents had a more immediate reason to be miserable during the past weekend as heavy rain and warm temperatures turned the town into an ice- and slush-covered hazard zone, forced people who'd taken snowmobiles to cabins to walk home, and **revived memories of the freakish winter of 2012 which, according to**



PROMETEO LUCERO

**High time for a break-in?** A hundred people who are experts at tunneling into a mountain are losing their jobs and there's a bunch of pot buried in a hillside near where they worked...

**a new study, was a "500-year-weather-event."** Or least it was in the past, as the team of researchers is warning climate change will likely make the miseries we suffered then – avalanches that wiped out a bridge, days of cancelled flights, flooding of streets and homes – far more frequent. Not to mention the danger to wildlife such as reindeer, who was unable to break through the icy surfaces to forage for food. A summary of the study's findings is at [tinyurl.com/ntx3v3d](http://tinyurl.com/ntx3v3d) ... Finally, another research project may reveal humans aren't the only ones experiencing a downsizing crisis as **Norway and Russia have announced they will collaborate on a polar bear census starting next July.** The last region census was in August 2004 and it's generally assumed Svalbard has about 3,000 polar bears. But warming has hindered their ability to feed as well and a just-completed census in the U.S. and Canada shows the bear population there has declined to 900, compared to about 1,600 a decade ago.



MANBHARAT DHADLY / UNIVERSITY OF ALASKA FAIRBANKS

Illuminated clouds from the C-REX rocket are seen Monday morning in southern sky of Ny-Ålesund.

## Lit-up clouds to measure wind

**C-REX, from page 1**

The easily visible clouds were photographed by plenty of amateurs as well as researchers at local observatories participating in the project.

The C-REX rocket, build by NASA, distributed the clouds at altitudes in Earth's thermosphere varying from 150 to 400 kilometers, according to the project's website ([tinyurl.com/myskzr6](http://tinyurl.com/myskzr6)).

The clouds will measure winds and electric fields in the thermospheric region that is exposed to Earth's geomagnetic cusp.

The site states only about 10 of the clouds were released as planned, but "we are very confident that we'll get great data."

**There's more! Visit [www.icepeople.net](http://www.icepeople.net) for the complete story.**

## Seeking new roles for Store Norske

**FUTURE, from page 1**

other officials to support the company's request for financial assistance. "It's important they get that this is about much more than coal."

Retaining the expertise Store Norske has developed in areas such as Arctic infrastructure and engineering can be an invaluable resource to other entities working on projects in the far north, Kristoffersen said. Among the future proposals being considered is establishing an education and testing facility at the Svea mine.

The company can also play an important role in other developments such as a new harbor to accommodate increased ship traffic, scientific research and tourism, she said.

Norway's government owns 99.9 percent of Store Norske and some officials have expressed reservations about giving additional help to the already subsidized company since low coal prices make the prospects of prof-

itable mining dubious for the foreseeable future. But Kristoffersen said her meetings during the past week have been productive.

"The questions are very constructive and people are very interested in the whole story," she said.

Store Norske officials have also been meeting with government representatives for weeks as the company prepares to present a proposal for restructuring operations in January. Annette Malm Justad, chairwoman of the company's board of directors, said in an e-mail interview she believes mining can continue to be a long-term part of the city's future.

"I think that it is good for a place to have a diverse economy," she wrote. "It is also our ambition that Store Norske's coal business has a future."

**There's more! Visit [www.icepeople.net](http://www.icepeople.net) for the complete story.**

### HEADLINES STOLEN FROM **SVALBARDPOSTEN** VERDENS NORDLIGSTE AVIS

#### **Bear statue, wood carving among culture grant winners**

Allocating 2.765 million kroner in Korkpenger grants to support 41 arts and culture projects was approved by city officials last Tuesday. Among the biggest recipients were Svalbard Turn, which received a total of 815,00 kroner for various recreational activities; the City of Longyearbyen, which received 190,000 kroner for lighting equipment; the Longyearbyen Bluesklubb, which received 130,000 kroner to host music events; and Camp Svalbard, which received 120,000 kroner for its annual youth camp. The city's Youth and Cultural Committee approved more than the requested amount of funding to illuminate the polar bear statue outside Jason Roberts Productions and for a new wood carving program taught by Kjetil Dahl Knutsen. A total of 59 applicants sought grants, which are funded by taxes from alcohol sales.

#### **Gym users see biggest hike in fees in next year's budget**

Gym fees at Svalbardhallen will increase by 20 percent for adults if the Longyearbyen Community Council's proposed budget for next year is approved. Annual swimming passes, for example, will cost 1,800 kroner instead of 1,490 kroner. The budget, to be considered Dec. 9 by the council, also raises electricity rates 3.5 percent to 1.65 kroner per kilowatt hour, and full-time kindergarten enrollment to 2,580 kroner a month instead of 2,405 kroner. Most other fees imposed by the city will increase at or less than the rate of inflation.

#### **Two new hotels, relocated Kroa, coming to Elvesletta**

Two new hotels and a new location for Kroa are being planned on three plots of land at Elvesletta being distributed by Store Norske. Po Lin Lee, a Hong Kong native, is planning a 64-room hotel next to Sportscenteret that will include a winter garden, playground and restaurant. Sandmo & Svenkerud is building a 130-room hotel that will reportedly be operated by Thon Hotels. The relocation of Kroa is being planned in collaboration with the latter hotel.

## Weather forecast for Longyearbyen

Wednesday	Thursday	Friday	Saturday
Rain/snow. SE winds to 29 km/h. High 2C (-3C wind chill), low -1C (-6C wind chill).	Rain/snow. Variable winds to 29 km/h. High 3C (-1C wind chill), low -1C (-4C wind chill).	Partly cloudy. W winds to 39 km/h. High -1C (-7C wind chill), low -8C (-14C wind chill).	Partly cloudy. Variable winds to 25 km/h. High -4C (-9C wind chill), low -9C (-14C wind chill).
24-hour darkness	24-hour darkness	24-hour darkness	24-hour darkness
<b>Extended forecast:</b> Sunday, cloudy, -2C (-6C), -4C (-9C), light 0:00h; Monday, cloudy, -1C (-7C), -4C (-9C), light 0:00h; Tuesday, snow, -1C (-9C), -2C (-11C), light 0:00h; Wednesday, snow, -2C (-11C), -5C (-14C), light 0:00h			

Data provided by storm.no



MARK SABBATINI / ICEPEOPLE

Norwegian Minister of Trade, Industry and Fisheries Monica Mæland, in foreground at left, greets the media and students of a new engineering program in Longyearbyen in September. Local officials are hoping Store Norske, a partner in the program, can offer similar training in other areas of Arctic development as a way of helping the company cope with a prolonged financial crisis.

## Mining may no longer be top industry

### CRISIS, from page 1

for financial help, seeking concessions from remaining employees, and considering non-mining activities such as serving as a research center for Arctic infrastructure development.

"We deeply regret that we must dismiss staff, but it is necessary to reduce operations and cut costs if the company is to survive," said Annette Malm Justad, the board's chairwoman, in a prepared statement. "The alternative is controlled liquidation now. It is also important to be aware that the crisis at Store Norske is not over with this."

The company has stated it may lose a record 400 million kroner this year and its cash reserves will be depleted early next year without assistance. The primary cause of the crisis is a sharp drop in coal prices that is expected to last indefinitely, with prices currently about \$10 a ton below the \$83 a ton Store Norske needs to break even. Problems with malfunctioning equipment and extracting coal from the new Lunckefjell mine due to geological difficulties are also contributing to the losses.

Store Norske has already gone through one recent downsizing, eliminating about 80 of its 400 employees 18 months ago, although it rehired 30 workers this year on a temporary basis. Justad, in an e-mail interview, said the company's intention is to notify those being laid off now before Christmas, but which employees at which mines will be affected is still being determined.

"We will follow the normal rules for this, i.e. there will be a discussion with union representatives about what criteria should apply," she wrote.

It is possible a significant number of workers may quit voluntarily due to a new law effective Jan. 1 that will require most of them to pay Norway's standard 28 percent income tax rate instead of Svalbard's 16.2 percent. The law eliminates the lower rate for employees who work 14-day-on, 14-day-off shifts and commute to the mainland when not working, an arrangement favored by about 70 percent of current workers.

The company expects to present its re-

structured operating proposal to Norway's government, which owns 99.9 percent of Store Norske, in January, she said. The proposal will also likely need approval by Parliament.

Mining has been Svalbard's dominant industry for more than a century, but a series of crises has resulted in a 40 percent drop in man-hours worked since 2008 and a 54 percent drop in coal production since 2007, according to Statistics Norway. While those figures include the Russian mine in Barentsburg, Store Norske's operations are far larger and account for the vast majority of the declines.

Meanwhile, employment in other industries – notably construction and tourism – has risen in recent years. Store Norske's layoffs means mining will account for roughly the same number of workers as the other two industries.

If mining falls from its lead position it will be the first such occurrence since Longyearbyen was founded in 1906, except for when the town was evacuated during World War II and the immediate years afterwards when nearly every structure had to be rebuilt after being destroyed by bombs. That ominous milestone has local officials and residents pondering – with varying degrees of anxiety – Longyearbyen's future as a different type of community.

Comments from residents such as "this might be the beginning of a new (but 'poorer') era in Svalbard" and "now we're really talking about darkness" were common on social media sites. Former *Svalbardposten* Editor Birger Amundesen, who is writing a book about the history and current operations of Store Norske, told NRK the layoffs signal the beginning of the end of coal production in Svalbard.

Kristoffersen, who has spent the past week in Oslo lobbying political and other officials to support Store Norske's request for help, said in an interview she's emphasizing the city's multi-industry future potential.

"Coal is a very important part of of this and I think it can be a part of future as well, but I don't think coal is the only industry we have," she said.

**There's more! Visit [www.icepeople.net](http://www.icepeople.net) for the complete story.**

## What's up

### Nov. 25

7 p.m.: Musical meditation and lighting of candles. Svalbard Church.

### Nov. 26

6 p.m.: Movie: "Interstellar," U.S./British action/sci-fi, ages 11 and up. Kulturhuset.

### Nov. 27

7:30 p.m.: Christmas concert featuring soloists Reidun Sæther and Espen Grjotheim. Kulturhuset.

### Nov. 29

10 a.m.-5 p.m.: Christmas market w/ 20 artists in Nybyen. Galleri Svalbard.

1 p.m.: Mini-concert by Longyearbyen Culture School students. Kulturhuset cafe.

2 p.m.: Children's theater performance: "Geitekillingen" by Peder Opstad. Kulturhuset.

### Nov. 30

11 a.m.: First Sunday of Advent Mass featuring music by Polargospel. Svalbard Church.

1-7 p.m.: Advent celebration, including candlelight march from Huset to the Longyearbyen central square for the lighting of the town's Christmas tree. See full schedule of events on page 2.

7:30 p.m.: Movie: "The Hunger Games: Mockingjay Part 1," U.S. drama/thriller, ages 11 and up. Kulturhuset.

### Dec. 1

8 p.m.: Trivia quiz. Barentz Pub.

### Dec. 2

7 p.m.: Catholic Mass by Marek Michalski. Svalbard Church.

### Dec. 3

6 p.m.: Movie: "The Hunger Games: Mockingjay Part 1," U.S. drama/thriller, ages 11 and up. Kulturhuset.

### Dec. 6

7 and 9 p.m.: Holiday concerts by the NRK boys' choir Sølvguttene. Kulturhuset.

## What's online

**Icepeople.net** provides daily updates of news about Svalbard and the world's polar regions, plus extras for articles from the print edition. Among the latest news:

- *Polar Code seeks to protect Arctic seas*
- *Russia moves Arctic closer to Kremlin*
- *Vietnam joins Arctic oil search efforts*
- *Passengers 'push-start' Siberian plane*