



How bad can it get?



BJARKI FRIIS / STORE NORSKE

Workers inspect excavating equipment in Store Norske's Lunckefjell mine, above, which will likely cease operations during 2015 after opening in the spring of 2014 as low coal prices are threatening the company's future. A similar halt occurred at an iron ore mine near Pajala, Sweden, and its owner, Northland Resources, at right, was forced to file for bankruptcy Monday as an even worse price crisis in that industry is threatening a multitude of mining communities throughout the Barents Region.



NORHLAND RESOURCES

Bankruptcy, collapse of mining town in Sweden shows what Longyearbyen may face next

By **MARK SABBATINI**
Editor

The storyline is eerily familiar: mass layoffs and operational shutdowns at a mining company hit by a price crisis, a plea for government help, and a small town with no other cornerstone industry facing crippling consequences.

The story does not have a happy ending.

Residents of Pajala, in northern Sweden, are fearing the future of the town's existence after the owner of a nearby iron ore mine filed for bankruptcy Monday. Work at the mine was halted in October, subsequent efforts to save the company failed, and there's little indication the government or the market will come to the rescue anytime in the near future.

That grim scenario may be the "worst-case" one for Longyearbyen residents as they watch Store Norske going through the initial stages of a similar crisis with its coal mines.

"The situation is very much the same because you have the same societal challenges and the same sense of optimism turning," said

See **SCENARIOS**, page 4

Yes, the layoffs are sad, but...

Sympathy for workers, but not mining by many who say coal's time in Svalbard should end

By **MARK SABBATINI**
Editor

Maybe Svalbard needs some tough love.

Maybe the company is the victim of its own mistakes. Maybe it's time to realize "coal is the next tobacco."

Individual miners at Store Norske are getting plenty of sympathy in a plethora of news articles detailing the uncertainties the workers, their families and colleagues are facing during the holidays. The company announced the first

60 of its planned staff reductions during the past week and another 40 are expected to be downsized before Christmas.

But that sympathy often isn't extending to the company. Skepticism about the industry's future, second-guessing the company's decisions and a distaste for allowing coal mining to

See **PERCEPTIONS**, page 3

Inside

Solve crisis with Santa subcontract?
Page 2

Headlines from Svalbardposten
- *Wettest November ever causes lots of woes*
- *Justice minister visiting again due to coal crisis*
- *Expert: Ancient rifle w/ammo safe for museum*
Page 3

Weather forecast
Page 3

Events calendar
Page 8

Teens get ballot, but not booze?

Local youths say contradictions in trust may be keeping peers from voting in local elections

By **MARK SABBATINI**
Editor

Given the miserable state of our local political leaders – and we're talking about their mood, not necessarily their competence – perhaps there's something to be said for looking to the next generation for inspiration.

An overview about teenage voting in next year's municipal election brought a moment of
See **ELECTION**, page 2



MARK SABBATINI / SABBATINI

Local youths brief the Longyearbyen Community Council about plans to allow 16- and 17-year-olds vote in next year's municipal election. It will be the second time teens will be allowed to vote as part of a national test project.

Who's to blame and how to express your wrath

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Icepeople is published weekly (or thereabouts) on Tuesdays (or thereabouts), with printed copies available free on a limited basis in Longyearbyen. Additional printed copies are available locally and by mail upon request. Charges are on an "at cost" basis.

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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.

Juvies barricade cafe, get caught on video



MARK SABBATINI / ICEPEOPLE

Members of Solvguttene, a nationally acclaimed choir from Oslo comprised of "boys" ages six to 70, perform an impromptu mini-concert Saturday afternoon at Fruene. Portions of the choir participated in several other teaser shows around Longyearbyen during the day before the full choir of nearly 60 singers performed two holiday concerts Saturday evening at Kulturhuset. The choir also performed during Mass at Svalbard Church on Sunday and cuddled with the 150 huskies at Green Dog Svalbard before heading back to the mainland.

Is mayor bribing youths to vote?

ELECTION, from page 1

levity to an otherwise grim Longyearbyen Community Council meeting on Tuesday. The city has agreed to participate for the second time in a national program allowing 16- and 17-year-olds to vote in selected cities.

But while organizers put a lot of effort into promotion, it's difficult getting peers interested in casting ballots, said Lusie Frostvoll Kuraas and Amalie Henriksen, who attended a course about the program in Oppegård before briefing the council. Part of the reason, they said, may stem from seeming contradictions such as trusting teens to vote, but not purchase alcohol.

But Longyearbyen's youth vote was seen as a likely reason one of their peers, Viljar Hanssen, then 17, was elected as the youngest-

ever member of the council in 2011. Mayor Christin Kristoffersen, who's also Hanssen's mother, suggested and received approval Tuesday for a slogan contest with prizes to stir up interest for next year.

The applause the teens received after their presentation was one of the few warm moments during an evening where the council passed a budget for next year that may bear no resemblance in reality of the town's income and needs if the crisis at Store Norske results in a mass exodus of residents. But Kristoffersen said the suddenness and unpredictability of the crisis made last-second changes impractical.

There's more! Visit www.icepeople.net for the complete story.

Icesheet

Random bits of the week's weirdness:

It's a pretty bad sign when **our quest to find a silver cloud and/or lighter side of the Season of Store Norske Sorrow has us cherishing speculation that Santa is probably pretty miserable right now as well.** A contributor to that bastion of intellectual debate known as BuzzFeed is advocating the thesis that "Santa Claus probably regrets giving coal to naughty kids now that global warming is threatening his habitat." But some in the thread (tinyurl.com/ozxlgb) question if his Christmas lumps to troublesome tykes are really all that much to blame. Someone doing a lot of complex calculating concludes "the entirety of Santa's deliveries over the course of human history match up to, at the very most, a single year's worth of (general use) coal today." Even so, has anyone suggested Store Norske put in a bid for that contract? ... And since space is short, we'll take



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Fish out of watermark: We had to crop it for space - plus we hate them. But that's his website.

a break from coal's dark cloud to note there's more fishiness to the photo above than meets the eye. **Photographer Audun Rikarsen ended up winning a national contest he never entered for this surreal image shot last summer.** Details are at tinyurl.com/pnx006x.



MARK SABBATINI / ICEPEOPLE

Per Arne Totland, a communications consultant, briefs the Longyearbyen Community Council about the perceptions people on the mainland have about local coal mining and the crisis at Store Norske.

Sympathy short for Svalbard coal

PERCEPTIONS, from page 1

continue in Svalbard is being voiced by a variety of political, media and other interests. For many, it's not just about whether Norway's suddenly cash-short government can afford a Store Norske bailout at a time when others in the industry are also seeking help – it's about Svalbard transitioning into something better than its historical identity.

"The rationale for this policy has been the need for Norwegian presence and sovereignty of Svalbard," asserted a Monday editorial in *Nordlys*, which has repeatedly expressed opposition to Svalbard coal mining in recent months. "But there is nothing that is more harmful to achieving these goals than hundreds of people at a time being thrown out of the Norwegian Svalbard community through this and future crises in an industry that long ago should have started restructuring."

Coal mining has long been controversial in Svalbard because of its environmental impacts, but some observers say that stigma is becoming far more pronounced on a global scale.

"Coal is the next tobacco," Anders Bjartnes, director of the Norwegian Climate Foundation, said in an interview with Nord24. "It is becoming clearer and clearer that coal is on the way out. If the trend in climate policy keeps going in the right direction, coal demand will continue to fall."

But it's not just the stigma of coal, or its lower prices that are expected to stay that way indefinitely, causing the lack of sympathy.

Store Norske has been frequently criticized for business plans that require subsidies or other government assistance such as expediting the permitting process. It's been forced to halt mining operations for extended periods in recent years due to equipment and safety mishaps. And a recent published biography of former Administrative Director Robert Hermansen has revived a debate about whether he inflicted huge financial losses on the company as part of a corruption scandal that sent him to prison or if, as he claims, he was a scapegoat for poor decision-making by the company's leadership as a whole.

Overcoming such objections was the focus of a presentation Tuesday to Longyearbyen's Community Council by Per Arne Totland, a communications consultant hired research attitudes on the mainland and develop counterarguments where necessary.

"In Oslo, many now think that tourism and research can carry Svalbard now," he said.

Totland said local leaders need to emphasize that, even with downsizing in recent years, coal still directly and indirectly accounts for one-third of Longyearbyen's employment and half of its income.

As for environmental concerns, it should be argued coal is still a necessary material and Svalbard is taking a lead in reducing the climate footprint of its extraction and use, Totland said.

There's more! Visit www.icepeople.net for the complete story.

HEADLINES STOLEN FROM SVALBARDPOSTEN

VERDENS NORDLIGSTE AVIS

Wettest November ever in Longyearbyen causes woes

A total of 52 millimeters of precipitation made last month the wettest November ever in Longyearbyen, according to the Norwegian Meteorological Institute. The average for the month is 15 millimeters, with the previous record of 46.5 millimeters set in 1993. Matilda Hallerstig, a forecaster for the institute, said the heavy precipitation was relatively local, noting while Ny-Ålesund had its third-wettest November with 73.2 millimeters of precipitation, that was far short of the record 230.3 millimeters in 1993. The average temperature of minus 6.4 degrees Celsius was also above average, which Hallerstig said is not surprising since 2014 is almost certain to be the warmest year globally since records have been kept. The abnormal weather resulted in numerous days with wet, icy surfaces that caused problems for construction workers and resulted in numerous people being treated for fall-related injuries at Longyearbyen Hospital.

Justice minister to visit again to discuss Store Norske

Anders Anundsen, Norway's Minister of Justice and Public Security, is scheduled to visit Svalbard Dec. 16, his fourth trip here this year, to discuss the crisis at Store Norske with local leaders. The leader of the ministry, responsible for governmental oversight of Svalbard, will discuss the company's request for assistance and the challenges the rest of Longyearbyen expects to face.

Historic rifle w/ stuck ammo can be displayed, expert says

A historic rifle with a jammed ammunition cartridge does not need to be sealed to protect museum visitors because the weapon is in such poor condition it cannot fire, according to a weapons expert analyzing if the Svalbard Museum showpiece merits an exemption from The Governor of Svalbard's firearms laws. The weapon, belonging to a trapper who was apparently killed by a polar bear in 1921 when the rifle misfired, was discovered in 1965. Svalbard Museum objected to sealing the rifle, arguing it would damage its historical value.

Weather forecast for Longyearbyen

Wednesday	Thursday	Friday	Saturday
Partly cloudy. Variable winds to 25 km/h. High -8C (-12C wind chill), low -11C (-16C wind chill).	Partly cloudy. NE winds to 42 km/h. High -9C (-16C wind chill), low -13C (-20C wind chill).	Cloudy. NE winds to 45 km/h. High -9C (-16C wind chill), low -11C (-17C wind chill).	Cloudy. NE winds to 22 km/h. High -10C (-14C wind chill), low -12C (-16C wind chill).
24-hour darkness	24-hour darkness	24-hour darkness	24-hour darkness
Extended forecast: Sunday, cloudy, -9C (-15C), -12C (-17C), light 0:00h; Monday, p. cloudy, -8C (-14C), -10C (-16C), light 0:00h; Tuesday, cloudy, -9C (-16C), -12C (-21C), light 0:00h; Wednesday, cloudy, -8C (-13C), -9C (-16C), light 0:00h			
Data provided by storm.no			



SYDVARANGER GRUVE AS

A truckload of iron ore is brought out from the Sydvaranger mine in Kirkenes, where workers agreed to take a six-month pay cut to help keep the mine open despite a 50 percent drop in ore prices.

Mining towns seeing different fates

SCENARIOS, from page 1

Longyearbyen Mayor Christin Kristoffersen, who is leading the local government's lobbying of the Norwegian government as Store Norske seeks assistance.

But there's numerous other storylines playing out in hard-hit mining communities throughout the northern Nordic region, some of which may offer ideas and hope for a local recovery.

The one Kristoffersen is setting her sights on is at Sydvaranger Gruve in Kirkenes, where the 420 iron ore miners and managers agreed last month to accept a pay cut for the next six months as part of a plan to overcoming the company's growing deficits, according to *Finnmarken*. The elimination of those jobs would have resulted in the another 1,100 jobs lost in related industries in the town of 10,000.

"They have been through the same challenges we have and they have come out on the other end," said Kristoffersen, who is planning to visit the community a few days before Christmas.

Store Norske, facing the biggest annual financial loss in its 98-year history, announced two weeks ago they are eliminating at least 100 of the company's 340 employees. Coal prices have dropped about 15 percent below the \$83 a ton the company's current operations plan is based on and the slump is expected to continue indefinitely.

But iron ore mining companies in the Barents Regions are suffering far worse, as the price of that mineral has recently declined by about 50 percent and, as with coal, the prospects of recovery are dubious, according to Reuters. In addition, large-scale, low-cost mines are boosting production while China, one of the top buyers of ore, is reducing its purchases.

The crisis has severely affected communities from Russia to Greenland. The Alcon mine on Russia's Kola Peninsula, for example, is planning to layoff 300 to 700 of its 2,100 employees, according to *Murmanski Vestnik*. Norway's Rana Gruber mine is laying off 50 of its 275 workers

The crisis in Pajala is one of the most pronounced because the city, which had 15,000

residents in the 1950s, dropped to about a third of that by 2010, according to *Barents Observer*. But the start of development work on the new mine ushered in a boom era that brought new businesses and homes, with local leaders stating they hoped to nearly double the town's population by 2020.

But Northland Resources, the mine's owner, was plagued by mistakes and misfortune almost immediately and, in a press release on Monday, announced it was giving up the fight for good.

"The company and its employees have done an impressive job in developing a professional and modern mining operation in a very short time," Olav Fjell, chairman of the company's board, was quoted as saying. "It is therefore sad that the dramatic fall in iron ore prices this year made it impossible to raise the required financing, which was a prerequisite for continued operations."

The fear in Longyearbyen is a similar statement from Store Norske leaders if it fails to get the government help, bank refinancing and other remedies – which may include employees giving up some compensation – reportedly necessary to remain solvent beyond the first quarter of next year.

But while the causes and proposed remedies are similar for both communities, there are some distinct differences in circumstances.

While Pajala's unemployment rate is going from one of the lowest in Sweden to one of the highest, Svalbard's self-sufficiency requirements ensure most Longyearbyen residents – even if there are fewer of them – will continue to be employed. Also, while Pajala has no other major industries other than health care workers who largely care for the town's elderly, Longyearbyen can pin some hopes on the rising tourism and research industries.

At the same time, Kristoffersen emphasized Longyearbyen is a far more unique and vulnerable community than those on the mainland seeking help, which she hopes will keep the local pleas from getting overlooked in the multitude of requests for assistance.

There's more! Visit www.icepeople.net for the complete story.

What's up

Dec. 9

7 p.m.: Longyearbyen Community Council meeting. Næringsbygget 3, Newtontoppen room.

7 p.m.: Evening Mass and fireplace social. Svalbard Church.

Dec. 11

6 p.m.: Tribute to Alf Prøysen, legendary Norwegian writer/musician, on what would have been his 100th birthday, by Longyearbyen Culture School. Kulturhuset.

Dec. 14

5 p.m.: Christmas concert featuring Polargospel, Longyearbyen Mixed Choir, Tundradundrene and other local performers. Svalbard Church.

5 p.m.: Movie: "The Rocket," Australian family/adventure, ages 11 and up. Kulturhuset.

7 p.m.: Movie: "The Hobbit: The Battle of the Five Armies," U.S./New Zealandic adventure/fantasy, ages 11 and up. Kulturhuset.

Dec. 15

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

Dec. 16

7 p.m.: Evening Mass and fireplace social. Svalbard Church.

Dec. 17

6 p.m.: Movie: "The Hobbit: The Battle of the Five Armies," U.S./New Zealandic adventure/fantasy, ages 11 and up. Kulturhuset.

Dec. 21

11 a.m.: Four Sunday of Advent Mass. Svalbard Church.

5 p.m.: Movie: "Operasjon Arktis," Norwegian family/adventure, all ages. Kulturhuset.

7 p.m.: Movie: "Exodus: Gods and Kings," U.S. drama, ages 15 and up. Kulturhuset.

Dec. 24

2 p.m. and 4 p.m.: Christmas Eve Mass. Svalbard Church.

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:

- *Denmark to U.N.: North Pole is ours*
- *Norway tests 5,000 soldiers near Russia*
- *Global reindeer population dropping fast*
- *'Tractor Girl' ends Holland-S. Pole drive*

...and the result will be chaos

PREPAREDNESS, from page 4

PREPAREDNESS, from page 5

See PREPAREDNESS, page 8

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