

## MMS ENVIRONMENTAL STUDIES PROGRAM: ONGOING STUDIES

**Region:** Alaska

**Planning Area(s):** All Alaska Planning Areas

**Title:** Social and Economic Assessment of Major Oil-Spill Litigation Settlement for the Alaska OCS Region (AK-03-12)

**MMS Information Need(s) to be Addressed:** The potential social costs of major coastal oil spills are a public concern associated with OCS development in the U.S. Insofar as the effects of EVOS continue to frame community response to oil and gas development, comprehensive understanding of the event and its various effects are of MMS information needs to be addressed: Alaska OCS Region. This study will be used in EAs and EIS's for predicting and mitigating social effects potentially resulting from major oil spills and resulting oil-spill litigation. This information will be used for NEPA analysis and documentation for Beaufort Sea Lease Sales, Cook Inlet Lease Sales, Chukchi/Hope Basin Lease Sales, and DPPs.

**Total Cost:** \$252,000

**Period of Performance:** FY 2003-2008

**Conducting Organization:** Impact Assessment, Inc.

**MMS Contact:** [Chief, Alaska Environmental Studies Section](#)

### **Description:**

**Background:** Major oil spills such as the 1978 *Amoco Cadiz* and 1989 *Exxon Valdez* oil spill (EVOS) events led to a variety of documented social and economic effects. But spill-related litigation and settlement processes and their effects have not been a common topic of socioeconomic research. Regarding EVOS, social scientists speculate that final settlement and distribution of award monies will lead to various beneficial and detrimental secondary effects in addition to those related to the original spill and cleanup events and subsequent phases of litigation. The nature and intensity of such effects hypothetically relate to socioeconomic, demographic, and other attributes of recipients, and to the nature of experience with the spill and litigation.

A recently completed MMS-sponsored study about EVOS, its cleanup and litigation, which collected social impacts information and analysis, provides a comprehensive qualitative overview of general information which will provide useful background to the present quantitative effort.

**Objectives:** Analyses of data collected in spill-affected communities soon after the EVOS event report that existing social problems were heightened in relation to the influx of spill clean-up monies and resources, particularly in rural-Native communities where access to subsistence resources was limited. Subsequent analyses suggest that larger communities have benefited from opportunities such as eco-tourism that were not extant before the spill. It may be hypothesized that spill clean-up and restoration monies and resources served to amplify social, demographic,

and economic trends and attributes of the awardees in all cases at individual, familial, and community levels of analysis. The objective of this study is to test this hypothesis given potential future influx of monies and resources via final litigation settlement.

**Methods:** The study will require compilation and analysis of existing data, collection of new pertinent information, coordination with similar research conducted in the region, detailed comparative analysis, and development of summary conclusions. The methods are:

1. Compile and summarize existing data and scholarship regarding pre- and post-EVOS socio-economic conditions and trends on Kodiak Island. Continue to monitor annually updated public access data for changes in demographic trends throughout the study period.
2. Secure ethnographic research access from appropriate local authorities in two different Kodiak village communities. Also secure ethnographic research access to the City of Kodiak.
3. Conduct ethnographic fieldwork in all three Kodiak locations. The fieldwork will involve community level participant-observation in relevant public forums, as well as open ended conversations with a sample of community households in each location from different levels of socioeconomic strata. The fieldwork is intended to gather information about potential changes in key socioeconomic indicators such as: residency and migration patterns, occupational profiles, patterns of investment and return, specialization vs. diversification in commercial fishing operations, specialization vs. diversification in traditional subsistence activities, and other selected social practices.
4. Conduct focus-group forums in all three fieldwork locations to supplement and compare with insights gained from step 3 above. It is expected that different community-level concerns and issues relevant to the litigation settlement process will surface in a focus-group forum that go unexpressed at household level conversations.
5. Analyze the various data compiled above to develop a descriptive comparative analysis of the interim socioeconomic effects and expectations of the litigation experience in each community under investigation. Report the findings at the end of project Phase One (prior to final spill litigation settlement/award distribution).
6. After a final litigation settlement is reached, conduct a second round of fieldwork to gather comparable data for the same categories of variables from all three communities. Analyze the data and report the findings at the end of project Phase Two (some months after the final distribution of settlement awards).
7. Produce a detailed written summary analysis that is responsive to the original hypothesis of the project. Report on major insights and general recommendations relevant to the effective management of future potential oil spills and related litigation and settlement.

**Current Status:** The final EVOS litigation settlement is under distribution and the final round of fieldwork for this study is underway.

**Final Report Due:** July 2009

**Publications Completed:** None

**Affiliated WWW Sites:** <http://www.mms.gov/alaska/>

**Revised Date:** January 2009