1984

Missoulian's coverage of the Northern Tier Pipeline

Gordon G. Gregory
The University of Montana

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THE MISSOULIAN'S COVERAGE OF THE
NORTHERN TIER PIPELINE

By
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B.S., University of Nevada, 1974

Presented in partial fulfillment of the requirements for the degree of
Master of Arts
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[Signatures]
Chairman, Board of Examiners
Dean, Graduate School

[Signature]
Date June 1, 1984
The Missoulian's Coverage of the Northern Tier Pipeline (82 pp.)

Director: Charles E. Hood

This thesis analyzes coverage that the Missoulian—a 33,000 circulation daily—gave the Northern Tier pipeline issue. The analysis covers 1979 and 1980, when the pipeline company was particularly active in Montana. The aim of the study was to determine (1) how thorough the paper's coverage was and (2) if any inaccuracies or gaps in coverage had similar causes.

The Northern Tier pipeline was a proposal introduced in 1975 to build an oil port at Port Angeles, Wash. and a pipeline connecting it to Clearbrook, Minn. The route crossed the length of Montana. Northern Tier was a complex, plastic issue which generated much controversy. A lot of conflicting information was available and the polemics of the project's backers and detractors were plentiful. This made clear reporting difficult.

Results of this study show that many deficiencies in coverage were caused by the passive approach the paper took in gathering and displaying information. Indicative of this passive approach was the scarcity of depth and explanatory reporting. As a result, some pertinent aspects of the issue were not followed well in the paper's pages, and some confusing matters—particularly the pipeline's need—were not explained. Thus, although the Missoulian reported copiously about the subject, its readers often were ill-informed.
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PREFACE

In the twentieth century man became nature's rival as director of the environment. The tools and techniques to move mountains and rivers, denude forests, dry swamps, irrigate deserts and create new chemicals became practical during this century. Comparatively, 80 years ago we were in the dark ages of communication technology, transportation, agriculture, energy production and corporate development.

At the beginning of this century, removing 268 million cubic yards of material for the Panama Canal required four decades and the cooperation and financial backing of two countries. In the last three years the Bechtel Group Inc. has moved almost twice that amount of sand and rock just in preliminary efforts to construct Jubail, a planned city for 700,000 in Saudi Arabia.¹

Today man helps determine how acidic the rain will be, how much arsenic ground water will contain and how many parts per million of lead the air will carry. In much of the world, risk levels for cancer, mental retardation, heart disease and infant mortality are set as much by man as by providence.

There are three consequences of the great expansion of man's influence on his world, relevant to the news media:

¹Time, July 12, 1982.
1. Local news no longer is generated within a community only. Decisions by boards in Southern California affect stream and river flows in neighboring states. Japan's energy policy influences coal production in Montana, Colorado and Utah.\(^1\) And, as will be seen, the need for the Northern Tier pipeline was determined by actions taken in Canada, Mexico, Alaska and Washington, D.C., not in any of the states the pipeline was designed to cross.

2. The potential adverse impacts of man's activities have become more severe. Deforestation of the Amazon, which could be complete by the year 2000, may shift global weather patterns, drying entire agricultural regions.\(^2\)

3. Because building a pipeline, powerline, dam or strip mine is simpler today, their needs can be less obvious and dire than when they were feats that taxed man's abilities. Projects such as the Tellico Dam, Tennessee and Tombigbee waterway project and Clinch River breeder reactor are undertaken despite serious doubts about their needs.

The need for an informed public never has been greater, but many issues today are camouflaged in complexity. Information about a particular project may be contradictory, highly technical or unavailable. There may be disagreements among experts, and questions for some (such as benefits versus costs); the answers may be based on personal judgment rather than empirical data. Yet newsmen must try to

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present an accurate, complete view of any project. The public depends on them.

This thesis examines coverage a medium-sized daily paper gave a confusing, massive project called the Northern Tier pipeline. The paper is the Missoulian--33,000 circulation--published in Missoula, Mont. This study focused on selected permitting procedures in Montana and the question of the need for the pipeline. Because the need for the pipeline was a complex issue on which there was little agreement, it is discussed in depth before the description of the paper's coverage.
The concept of a West Coast to inland crude oil pipeline was inspired by three events in the early 1970s:

1. In 1974 the Canadian government announced plans to phase out its crude oil exports to the United States. Most of those exports were slated for the Northern Tier region.¹

2. In 1972 the largest crude oil reservoir yet found in the Western Hemisphere was discovered at Prudhoe Bay on Alaska's North Slope.

3. In 1973 the OPEC oil embargo made reducing the dependence of the United States on foreign oil a national concern, moving the U.S. Congress to decree that no Alaskan oil could be sold to foreign countries.

Canada supplied 45 percent of the imported oil used in the United States in the early 1970s. Some American refineries using Canadian oil had alternative sources. Those in Illinois, Indiana and Ohio, for example, could receive oil through pipelines from the Midwest and Gulf Coast. Refineries around Puget Sound were accessible to ocean tankers. Apparently refineries in Montana, North Dakota and Minnesota had no alternative to the Canadian oil.

¹The Northern Tier states are Washington, Oregon, Idaho, Montana, North Dakota, Minnesota, Wisconsin, Michigan, Illinois, Indiana and Ohio.
TABLE 1
DEFICIT PROJECTIONS*

<table>
<thead>
<tr>
<th>State</th>
<th>1985</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota</td>
<td>-90↑</td>
<td>-85</td>
<td>-50</td>
</tr>
<tr>
<td>Montana</td>
<td>-40</td>
<td>-40</td>
<td>-60</td>
</tr>
<tr>
<td>North Dakota</td>
<td>5↑</td>
<td>-5</td>
<td>-50</td>
</tr>
</tbody>
</table>

*Thousands of barrels a day.

↑A minus number indicates a deficit.

↑A positive number indicates a surplus

Source:

Various projections have been made concerning the regional shortage of crude oil. Table 1 gives Department of Interior figures published in July 1979.

A pipeline could have been built from the extensive Midcontinent pipeline system to Montana, connecting refineries in Minnesota and North Dakota along the way, but the vast quantity of Alaskan oil bypassing the West Coast seemed, to many, a more ready and logical source. West Coast refineries could not use all of Alaska's daily production. In early 1979 West Coast refineries used
about 72 percent of the 1.2 million barrels of oil Alaska was producing each day.¹ The bulk of the remaining oil was shipped through the Panama Canal to the Gulf Coast, where some of it entered pipelines feeding the Midwest and East. The Alaskan oil not sold on the West Coast was considered surplus and was labeled the West Coast Glut. Yet the oil wasn't surplus in the sense that it wasn't being used; it was used. But the trans-Panama route was expensive, adding about $2 per barrel to shipping costs. When crude oil prices were low—in 1979 Alaskan oil was selling for about $14 a barrel--this $2 was a substantial slice in oil company profits.²

The Northern Tier pipeline was one of four pipeline systems proposed to cut the shipping cost and deliver the oil to the Northern Tier region of the United States. Northern Tier's plan was to build an oil port at Port Angeles, Wash. and about 1,500 miles of large diameter pipeline to Clearbrook, Minn. Initial capacity could reach 709,000 barrels a day. Later, additional pumping stations could be added to bring daily capacity to almost one million barrels.

Northern Tier was a consortium incorporated in Montana in November 1975. Its original stockholders included the Curran Oil Company (Great Falls, Mont.), the Burlington Northern Railroad Company, the Chicago, Milwaukee, St. Paul and Pacific Railroad


Company and Western Crude Oil (Denver, Colo.). In October 1977 the U.S. Steel Company joined the group. In March 1979 Westinghouse Pipeline Company also became a Northern Tier partner and in May 1979 the Farmers' Union Central Exchange, Inc. joined the consortium. The Getty Oil Company, the last to join, acquired a 64 percent interest in June 1982.

The Northern Tier Pipeline Company, which had spent about $50 million by the beginning of 1982, concentrated on acquiring the necessary federal, state and local permits and licenses needed for construction. Three other pipeline proposals were advanced by the Northwest Energy Company, the Kitimat Pipe Line Ltd. and the Trans Mountain Oil Pipeline Company. All the plans, while differing in mode, had the same end: delivering Alaskan oil to Midwestern and Northern Tier refineries.

The Northwest Energy Company proposed the construction of an oil port at Skagway, Alaska, and a 710-mile pipeline to the Keg River in Alberta, Canada. From there the pipeline would connect with an existing pipeline that would carry the oil to the United States. Kitimat's plan called for construction of an oil port near Kitimat, British Columbia, and about 500 miles of pipeline to Edmonton,

---


2 Ibid.


4 Missoulian, Missoula, Mont., April 9, 1982.
Alberta. There it, too, would connect to an existing pipeline that would carry the crude oil to the United States. The Trans Mountain Oil Pipeline proposal called for an oil port at Low Point, Wash.—about 18 miles west of Port Angeles—and about 800 miles of pipeline emptying into the pipeline at Edmonton. For any of those pipelines to serve refineries in Montana, a 150-mile spur would have had to be built connecting the line at Edmonton to the Rangeland Pipeline which starts in Rimbey, Alberta.¹

Each of those pipelines bid for special federal consideration mandated by an amendment tacked onto the Public Utility Regulatory Act of 1978. Title V of that act required the Secretary of Interior to establish an accelerated schedule for reviewing each proposal, then recommending to the President which if any pipeline should be built. The President then would decide which pipeline would have precedence for federal permits. Because the chosen pipeline would be first in line for federal processing, its competitors would be at a fatal disadvantage.

On October 15, 1979 Secretary of Interior Cecil Andrus recommended that Northern Tier be given the President's blessing.² On January 17, 1980 President Carter accepted that recommendation, effectively eliminating Northern Tier's competitors.³ Over the

¹If one of the three trans-Canada pipelines were built, the Rangeland Pipeline Company was expected to build this section of line (U.S., Department of Interior, West to East Crude Oil, op. cit.


³Ibid., Jan. 18, 1980.
next year and one half, the pipeline company had fairly smooth sailing through the permitting processes of Montana, North Dakota and Minnesota. Washington state, however, was the bottleneck. In April 1982, after six years of periodic hearings, that state denied the company permission to build. Without that authority, the pipeline was doomed. A year later, on April 20, 1983, the Northern Tier Pipeline Company announced that it was folding.
CHAPTER II

THE ISSUE

In 1979 and 1980 the Missoulian published the equivalent of a 150,000-word book about the Northern Tier pipeline covering topics such as projected world crude oil supply and demand, international energy policies, pipeline and oil port safety, refinery economics, the physical properties of crude oil and fault zone patterns in Montana. During those two years the paper published 284 news stories, 91 letters to the editor and 35 editorials about the pipeline. If the coverage had been distributed evenly over those years, Missoulian readers would have found mention of the project in about two of every five papers. Tom Brown, Missoulian publisher, said, "Northern Tier received at least as much coverage as any of the other major issues at the time."¹

The pipeline deserved extensive regional coverage because (1) it would have been almost twice as long as the trans-Alaska pipeline and only slightly smaller in diameter,² (2) it would have constituted one of the largest steel construction projects in United

¹Personal interview with Tom Brown, Missoulian publisher, Missoula, Mont., April, 1982.

²The Alaska pipeline is 798 miles long and 48 inches in diameter. About 700 miles of the Northern Tier pipeline would have been 40 inches wide and about 800 miles would have been 42 inches wide.
States history, (3) it would have spanned the four major ecoregions in the Northwest, many major rivers and thousands of creeks and streams and (4) it would have skirted or touched the homes and communities of at least one quarter million people. During construction, silt and other contaminants would have polluted each body of water the pipeline crossed. Critical habitats, including those of bald eagles, whooping cranes, grizzly bears and black-footed ferrets—all threatened or endangered species—would have been damaged. Property values would have declined in some areas, and the influx of pipeline workers would have disrupted many communities.

The many pros and cons of the project provided much ammunition for its supporters and detractors. Debate was plentiful and often heated. The main argument, of course, concerned the need for the pipeline.

The Need for Northern Tier

James Schlesinger, Secretary of Energy, endorsed the pipeline, saying, "Only the willingness of Canada to continue oil imports scheduled for curtailment several years ago has enabled Northern Tier refineries to continue operation." James Edwards, President Reagan's

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2. Montana Department of Natural Resources and Conservation, Facility Siting Division, Final Environmental Impact Statement: The Northern Tier Pipeline, April, 1980.

first Secretary of Energy, said, "The need for this pipeline has never been more obvious. Our national security requires a pipeline across our northern states so that Alaskan oil can move to the interior of our country."¹

The answer to the question of the need for a pipeline was, in many ways, subjective rather than scientific. The need was determined by a personal judgment based primarily on individual values, not cost/benefit assessments. Some people felt that incurring a shortage of petroleum products or even the possible closure of refineries did not outweigh the environmental risks of building the line. Others argued that the pipeline was needed for the jobs it would provide or so refineries would have an optional source of crude oil.

Title V of the Public Utility Regulatory Act of 1978 listed 15 criteria to judge the pipeline proposals. They included environmental risks, projected crude oil supply and demand, financial feasibility, capital and operating costs and safety. Most of these criteria were used to weigh one pipeline plan against another. Which was least likely to have its operation disrupted? Which would have the greatest national security advantages? Which would have the greatest net national economic benefits?

The criteria directly relevant to the issue of need were supply and demand estimates. The demand was the deficit—the amount of crude oil that Northern Tier states would be short without a new transportation system. The supply, many politicians assumed, was

the West Coast surplus. This was unfortunate, not only because there were other possible sources but because the surplus probably was too small to be significant.

The Surplus

Prior to the opening of the Alaska pipeline in mid-1977, West Coast refineries were using about one million barrels of foreign crude oil a day. When Alaskan oil became available, that rate was sliced to about one-half million barrels daily.\(^1\) In July 1979 the Alaska pipeline delivered an average 1.2 million barrels of oil a day to Valdez, its terminus.\(^2\) In October 1979 the West Coast used about 950,000 barrels of Alaska's crude oil daily. The remaining Alaskan production was surplus or glut.

Because the U.S. Congress banned foreign sales of Alaskan oil, the most economical markets (chiefly Japan) were eliminated. The oil not sold to the West Coast was shipped to the Gulf Coast via the Panama Canal. The trans-Panama route was workable, but it was expensive, adding about $2 per barrel over West Coast deliveries.\(^3\)

During the first quarter of 1979, before the near doubling of world oil prices, Alaskan oil producers could charge only about $14 per barrel, the average price of similar foreign crude oil.\(^4\)

\(^1\)U.S., Department of Interior, *West to East Crude Oil*, op. cit.
\(^2\)Ibid.
\(^4\)Ibid.
A year earlier, the well-head price of Alaskan oil was only about $11 per barrel.¹ The added transportation cost to the Gulf Coast was considered a disincentive to Alaska's oil owners. When the cost of shipping Alaskan oil through the Panama Canal to the Gulf and East Coast ports . . . is added to the high transportation costs on the trans-Alaskan pipeline, the revenue left to pay for the oil itself is not enough to justify developing any more of the already discovered resources on the North Slope of Alaska.²

It was reasoned that if the owners of the Prudhoe Bay reserve lost $2 in profit, they might cut production in the hope that the ban on foreign sales would be lifted or the West Coast would start using more oil. To the surprise of many, however, the owners of Alaska's oil didn't hold back production. By 1980 oil was being withdrawn from Prudhoe Bay at a maximum rate of 1.5 million barrels a day,³ making a surplus appear eminent.

One of the main areas of contention among analysts concerning the surplus was how big it would be. The Northern Tier Pipeline Company, the PACE Company⁴ and the Department of Energy predicted large increases in Alaskan oil production and, therefore, increases in oil surplus. The Department of Interior and others argued that oil production in Alaska would drop enough to eliminate the surplus.


²Ibid.


⁴PACE Company Consultants and Engineers, Inc. is an independent firm in Houston, Tex. It was hired by the pipeline company to conduct crude oil supply-and-demand analyses.
The differences in the forecasts were the result of opposing assumptions. The Department of Interior noted,

For the Alaskan North Slope to produce at the rate the Department of Energy and PACE foresee, given the anticipated decline of the Prudhoe Bay field after 1985, means that a large oil field with daily production rates similar to those of Prudhoe Bay will have to be found and developed before 1985. It is not at all clear from where such vast oil reserves will come.¹

The Department of Interior reported that production would not exceed 1.5 million barrels a day. Using the results of a study contracted by Alaska, the department said Prudhoe Bay production would be maximized if daily extractions were held to that level until natural declines began. The firm conducting the Alaskan study, H. K. Poolen and Associates, predicted that between 1985 and 1995 production would drop from 1.5 million barrels a day to 200,000.² Largely because of the study, Alaska has set 1.5 million barrels as the limit to be taken from Prudhoe Bay each day.

In its 1979 annual report, the Sohio Company, which owns 54 percent of the Prudhoe Bay reserve,³ called its North Slope holdings a "diminishing asset."⁴ Although it didn't give specific production forecasts, the report said current production rates would continue for about the next six years (until 1985), then begin tapering off.

¹U.S., Department of the Interior, West to East Crude Oil, op. cit., p. 15.
²Ibid.
³Newsweek, Sept. 27, 1976, p. 75.
⁴Standard Oil Company, op. cit., p. 2.
The report also called the 1.5 million barrel a day rate the "maximum efficient rate of production."\(^1\)

Although the glut continued to be used as a justification for a pipeline, its existence was brought into serious question by the end of 1979. On October 5, 1979 Sen. Henry Jackson sent a letter to Secretary of Interior Andrus expressing doubt that the surplus was real. Jackson, a Democrat from Washington, was chairman of the Senate's Energy and Natural Resources Committee. His staff surveyed West Coast refineries to learn why they weren't using more Alaskan crude oil. Results showed that, rather than there being too much Alaskan oil on the West Coast, some refineries could not buy as much as they wanted. After supplying figures showing how much Alaskan oil West Coast refineries were using, Jackson wrote,

> This should not be confused with how much [Alaska North Slope] crude oil [Petroleum Administration for Defense District] V refineries could use. When queried about how much more [Alaska North Slope] crude oil they could use, existing [Petroleum Administration for Defense District] V refiners reported they could process 181,000 more barrels per day of [Alaska North Slope] crude right now and could use up to 361,000 more barrels per day... if it were available.\(^2\)

Jackson also stated that three California refineries had shelved expansion plans because more Alaskan crude oil was not available.

The owners of Prudhoe Bay oil, Jackson surmised, were saving enough oil for their own Gulf Coast and Midwest refineries because

\(^1\)Ibid.

world crude oil supplies were tight and foreign oil cost more than their own: "Each barrel of [Alaska North Slope] crude oil delivered on the Gulf Coast means that the producer will not have to purchase a barrel of imported oil which costs more."¹

Several months later the *Wall Street Journal*, reporting Jackson's findings, dismissed the glut: "With foreign supplies limited, the producers need the Alaskan oil for their own refineries on the Gulf Coast and for those in the Midwest that are fed by Gulf pipelines."² The glut, according to the Department of Interior and Sohio, would not grow and probably would begin to diminish by 1985. The sharp increases in world oil prices made the extra transportation cost to the Gulf Coast insignificant, and the West Coast demand for Alaskan oil was increasing and, therefore, providing an optional market for the oil. In terms of a need for the pipeline, the glut seems irrelevant. The deficit was, however, the crux of the issue.

**The Deficit**

In 1976 *Forbes* magazine said that "thirteen land-locked refineries from Minnesota to Washington . . . will be out of business by 1982 unless someone builds a new pipeline from the Pacific to supply them."³ The Department of Energy predicted possible reduction in refinery operations without a new transportation system:

¹Ibid.
Analysis shows that between 1980 and 2000, refineries in Montana, North Dakota [and] Minnesota . . . will not be able to operate at the national average because of insufficient crude oil supplies. In these areas, economic refinery operation may not be possible after 1980 without additional supplies of crude oil.1

Minnesota, Montana and North Dakota were believed to be the states most likely to have shortages of crude oil. Most predictions called for daily barrel shortages of about 50,000 in Montana, 5,000 in North Dakota and 80,000 to 100,000 in Minnesota.

The Midcontinent pipeline system, with its two connections into the Northern Tier states in 1979, delivered primarily gasoline and other products to the region. Because there were no crude oil supply pipelines into the Northern Tier region, the area was referred to as landlocked. While leading energy forecasters tended to agree that some Northern Tier states would have crude oil shortages without new delivery systems, there was little agreement about the size of the shortages (see Table 2, p. 16).

In February 1979 the Department of Energy released a draft report about the future oil supply for the Northern Tier region. Its main author was Mario Cardullo, director of the department's resource transportation office. The report concluded that the region would be short about 214,000 barrels of oil a day by the year 2000. Many considered the report a recommendation that the Northern Tier pipeline not be built and the pipeline company's backers railed against the findings and called for a new study.

TABLE 2
DEFICIT PROJECTIONS*

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<tbody>
<tr>
<td>PACE</td>
<td>450</td>
<td>-</td>
<td>-</td>
<td>900</td>
</tr>
<tr>
<td>Department of Energy (Cardullo)</td>
<td>109</td>
<td>204.2</td>
<td>215.4</td>
<td>214</td>
</tr>
<tr>
<td>Department of Energy (McGregor)</td>
<td>30</td>
<td>-</td>
<td>80-250</td>
<td>50-870</td>
</tr>
<tr>
<td>Department of Interior</td>
<td>-</td>
<td>130</td>
<td>130</td>
<td>165</td>
</tr>
</tbody>
</table>

*Thousands of barrels a day.

Before Cardullo's team completed the final report, another study was undertaken by the Department of Energy. This one assessed the economic benefits of a Northern Tier supply pipeline. Steve McGregor, director of the Office of Oil and Gas Policy at the Department of Energy, oversaw the study which projected deficits of up to 900,000 barrels a day by the year 2000.

The McGregor study maintained that of the four proposed pipelines, the Northern Tier plan would provide the greatest savings and economic benefits to the nation.¹ Although the McGregor report, released July 11, 1979, did not consider nonpipeline supply alternatives and was not as thorough as Cardullo's study, it was the

Department of Energy's official statement of a West to East pipeline. McGregor's study was sent to the President and Cardullo's was shelved.

On August 21, 1979 Secretary of Energy James Schlesinger made public his department's recommendation that the Northern Tier pipeline receive the expedited federal handling designated by Title V of the Public Utilities Regulatory Act of 1978. John M. Deutch, Undersecretary of Energy, said that for the purpose of advising the President, you should consider the July 11 report and August 21 memorandum [Schlesinger's endorsement] as the full and final statements of the [Department of Energy's] findings and recommendations regarding the West-to-East pipeline proposals.¹

The greatest difference in opinions about the size of the deficit was between McGregor's report and the Department of Interior's findings. The same month that McGregor's 900,000 barrel a day deficit projection was released, the Department of Interior published a report that stated there would be a one-half million barrel a day surplus in Northern Tier and Midwest states by the end of the century. By the year 2000 the Department of Interior said that Montana, North Dakota and Minnesota would be short about 160,000 barrels a day--but this was juxtaposed with a 620,000 barrel a day surplus in neighboring states.² (See Table 3, p. 18.) The surplus was not excess oil but unused transportation capacity primarily in the pipeline system connecting the Midwest with the Gulf Coast.

¹Missoulian, Sept. 16, 1979, p. 3.
²U.S., Department of Interior, West to East Crude Oil, op. cit.
### TABLE 3
SUPPLY/DEMAND DIFFERENCES*

<table>
<thead>
<tr>
<th>States</th>
<th>1985</th>
<th>1990</th>
<th>2000</th>
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</thead>
<tbody>
<tr>
<td>Illinois, Indiana, Ohio</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Michigan</td>
<td>570†</td>
<td>520</td>
<td>620</td>
</tr>
<tr>
<td>Minnesota</td>
<td>-90‡</td>
<td>-85</td>
<td>-50</td>
</tr>
<tr>
<td>Montana</td>
<td>-40</td>
<td>-40</td>
<td>-60</td>
</tr>
<tr>
<td>North Dakota</td>
<td>5</td>
<td>-5</td>
<td>-50</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>50</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total surplus</strong></td>
<td>680</td>
<td>605</td>
<td>680</td>
</tr>
<tr>
<td><strong>Total deficits</strong></td>
<td>-130</td>
<td>-130</td>
<td>-165</td>
</tr>
</tbody>
</table>

*Thousands of barrel a day.

†A positive number indicates a surplus.

‡A minus number indicates a deficit.

**Source:**

The large variations in deficit projections were caused by the use of widely different assumptions. To figure crude oil demand, the Department of Energy had, for example, to estimate population...
levels, total energy demand, automobile mileage and type of fuel, life-style changes, the price of petroleum, the effectiveness of crude oil distribution systems and the probable market area for oil delivered through new supply systems. Influencing the projections most were future crude oil demand and the definition of market area. In general, the studies that predicted large deficits assumed that the demand for oil would continue to increase and that the market area for any new transportation system would include parts of the Midwest, East and South.

A Washington State Department of Ecology study said McGregor's findings overstated the deficit because of "incorrect assumptions about the price of crude oil and petroleum products,"1 The report also said that if McGregor's assumptions were adjusted to reflect climbing world oil prices and increasing supplies to the Northern Tier region, "the projected Northern Tier states' deficit disappears and becomes a possible surplus."2

Officials of the pipeline company based the success of their venture largely on a market area that included many non-Northern Tier states and on a growing demand for crude oil. In a letter to Montana Rep. Pat Williams, Northern Tier president Tom Kryzer said his company's analysis was based on, among other things, "the growth of demand in the market area," which included many Midwest states.3


2Ibid.

The department of Interior, Cardullo and Washington state considered only the 12 Northern Tier states in their studies. PACE, McGregor and the Northern Tier Pipeline Company included Midwest and Eastern states in their demand estimates. PACE's description of the pipeline's primary market area included refineries in New York, Pennsylvania, Kentucky, Missouri, Tennessee, South Dakota, Iowa, Kansas, Oklahoma, Nebraska and Utah.¹

In testimony before the Department of Energy, Jim Hodge, a Northern Tier vice president, said Cardullo's deficit figures were low because they "failed to take into consideration an additional 600,000 barrel per day deficit into the Midcontinent states."² Because those non-Northern Tier states already had adequate supply systems, to assume they soon would have crude oil shortages one had to expect that demand for oil would rise and that no new supply systems would be developed, neither would existing ones be expanded.

As world oil prices rose in 1979, demand began to slip. At the same time, other supply systems were being developed for some Northern Tier and Midwest states. Until the end of the 1970s, energy experts generally believed that demand for crude oil depended more on


supply than price. In the language of economists, energy was considered an inelastic commodity—something for which the demand is not tied tightly to price. As, however, the price of OPEC oil rose from an average $12.70 a barrel in 1978 to more than $30 a barrel in 1980,\(^1\) this view changed. After years of believing the demand for oil perpetually would rise, energy companies began predicting steady declines. The *Oil and Gas Journal* summarized what key oil companies were forecasting in 1981:\(^2\)

1. The role oil and gas play in the total energy supply in the United States would decrease from the 1980 level of 70 percent to 30 percent by the year 2000. In November 1981 oil and gas supplied about 50 percent of the total energy used in the United States.

2. The United States would consume an average 15 million barrels of oil a day in 1990 compared with 17 million barrels in 1980. By the year 2000 fewer than 13 million barrels of oil would be consumed daily in the United States.

At about the same time world oil prices were climbing, additional supply systems into some Northern Tier states were being developed. According to David Kem, a manager in Conoco's crude oil supply and trading department, "Since serious discussions began in late 1975 concerning a major pipeline alternate, the so-called Northern Tier supply systems have spawned many alternative supply activities."\(^3\)

\(^1\) *Oil and Gas Journal*, Sept. 21, 1981.

\(^2\) *Ibid*.

Those alternatives, Kem said, chiefly were the expansion of Gulf Coast originating pipelines and exchanges of oil with Canada.

The primary expansion activity was the construction of a pipeline from Illinois to Minnesota. The Northern Pipeline, a joint venture by the Williams Pipeline Company and Koch Industries, Inc. connected refineries in the Minneapolis-St. Paul area with the Midcontinent pipeline system. The pipeline opened in early 1981 and its daily delivery of up to 130,000 barrels of oil ended most speculation that Minnesota would have an oil shortage.

Montana's primary supply option was a system of exchanges of crude oil with Canada—United States crude oil was shipped to eastern Canada in return for Alberta oil pumped into the Northern Tier region. The Department of Energy described the exchanges:

A typical exchange transaction might involve a refinery in Minnesota that orders 5,000 barrels of west Texas crude sent through Midcontinent pipelines to Illinois. Because of transportation deficiencies from Illinois to Minnesota, the oil is shipped East by prior agreement in a Canadian pipeline to a refiner in Montreal. Simultaneously, the Montreal refiner arranges for the shipment of an equal volume of Alberta crude through the underutilized Interprovincial pipeline, which becomes the Lakehead pipeline in Minnesota. All such exchanges are made on a barrel-for-barrel basis.2

By 1979 exchanges of crude oil accounted for 100,000 barrels a day to the Northern Tier region (see Table 4, p. 23).

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1Oil and Gas Journal, Sept. 1, 1981.

### TABLE 4
VOLUMES OF UNITED STATES/CANADIAN EXCHANGES

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Barrels per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>(Average)</td>
<td>55,059</td>
</tr>
<tr>
<td>1978</td>
<td>January</td>
<td>74,779</td>
</tr>
<tr>
<td></td>
<td>February</td>
<td>80,838</td>
</tr>
<tr>
<td></td>
<td>March</td>
<td>83,737</td>
</tr>
<tr>
<td></td>
<td>April</td>
<td>64,849</td>
</tr>
<tr>
<td></td>
<td>May</td>
<td>78,926</td>
</tr>
<tr>
<td></td>
<td>June</td>
<td>96,566</td>
</tr>
<tr>
<td></td>
<td>July</td>
<td>87,088</td>
</tr>
<tr>
<td></td>
<td>August</td>
<td>108,665</td>
</tr>
<tr>
<td></td>
<td>September</td>
<td>95,000</td>
</tr>
<tr>
<td></td>
<td>October</td>
<td>104,392</td>
</tr>
<tr>
<td></td>
<td>November</td>
<td>110,240</td>
</tr>
</tbody>
</table>

**Source:**


The Department of Interior said,

As long as there is sufficient pipeline capacity to continue "swaps," this alternative appears to be the most efficient of the alternatives to supply light crude oil to the Northern Tier refineries.¹

¹U.S., Department of Interior, *West to East Crude Oil, op. cit.*, p. 25.
In his draft report, Cardullo cited three advantages of the exchanges:

1. Major new pipeline construction would not be necessary.
2. Environmental risks associated with a major new oil port on the Pacific Coast could be avoided.
3. Future United States/Canadian cooperation in energy matters would be encouraged.

To sum this montage of opinion and statistics, the pipeline company and its consultants maintained there would be at least a 700,000 barrel a day shortage of crude oil without the pipeline. This was predicated on an increasing demand for crude oil and the use of some non-Northern Tier states in the estimates. While the Department of Energy also said there would be an oil shortage, its 200,000 barrel a day estimate was considerably smaller. The Department of Interior, Washington state and several major energy companies said that crude oil demand would not increase. Without an increase in demand there would be no oil shortage in the Midwest because existing refineries have supply systems from the Gulf Coast.

Looking at all this in the clear light of 1983, we can see that the Department of Interior gave the most accurate projections. Demand for crude oil has dropped dramatically and many American refineries have shut down or slowed production because of it. There is no deficit in supply, just a considerable drop in demand.
CHAPTER III

COVERAGE OF THE ISSUE

Eminent Domain

There were some gaps and a few mistakes in the Missoulian's coverage of the eminent domain issue. For example, the paper didn't report that the pipeline company had acquired the power of eminent domain until nine months after it had been received.\(^1\) The legal challenges against the law that gave the company eminent domain were not covered well, neither did the Missoulian explain what the company would do with its condemnation power.

The nine-month delay in announcing that Northern Tier could condemn private property probably was excusable. The eminent domain law was 60 years old and rarely used. The law does not call for legal proceedings or hearings that could have generated news stories and most persons, including the Public Service Commission's lawyer, had not heard of it.\(^2\)

The law--Title 69, Chapter 13, Section 101 of the Montana Codes Annotated--automatically grants common carrier pipelines\(^3\) the power of

\(^1\)Northern Tier received the power of eminent domain in July 1978. The Missoulian reported it in April 1979.

\(^2\)Public Service Commission lawyer, Eileen Shore, said in a personal interview that she did not know the law existed until she received a letter from the pipeline company.

\(^3\)A common carrier oil pipeline carries oil for anyone who contracts with it.
eminent domain after a company agrees to be regulated by the Public Service Commission. Northern Tier quietly did this on July 27, 1978 in a letter to the Public Service Commission.

The Missoulian's first reference to the law was in an article about a March 8, 1979 public hearing in Missoula. The article quoted an unidentified person who said,

Since the pipeline would be a "common carrier" for different oil companies, the Northern Tier Pipeline Company will be able to use power of eminent domain to condemn private land for pipeline right-of-way.¹

Sen. John Melcher disputed this, saying the Montana Attorney General's Office had told him that Northern Tier could not condemn private property in the state. Melcher said witnesses who testified at the public hearing "should be asked to cite references" to support their claims.²

Jan Rappe, a persistent pipeline critic, did this in a letter printed in the Missoulian April 3.

Northern Tier Pipeline [Company's] proposed project qualifies as a common carrier pipeline under the definitions found in Title 69, Chapter 13, Section 101. . . . On July 27, 1978, T. C. Kryzer, president of Northern Tier Pipeline [Company] submitted a letter to the chairman of the Montana Public Service Commission [saying his company agreed to be regulated by the commission]. Upon acceptance, [Northern Tier Pipeline Company] would be granted . . . "rights and powers of eminent domain."³

Twice during the next week, Melcher admitted he was wrong—in an interview and in a letter to the Missoulian:

¹Missoulian, March 9, 1979, p. 1.
²Ibid., March 14, 1979, p. 1.
³Ibid., April 3, 1979, p. 4.
Jan Rappe is correct that Montana law permits oil pipelines the right of eminent domain. . . . I regret any confusion I may have caused Montana landowners who are subjected to this provision.1

But confusion over eminent domain wasn't eliminated easily. In his letter, Melcher said Rappe's contention that federal law allows oil pipelines eminent domain was incorrect: "Federal law does not provide condemnation authority for an oil pipeline."2 Melcher must have been referring to a confusing statement made by Rappe: "Applicable federal laws can be found."3

An April 11, 1979 story headlined "UM Professor Challenges Melcher's Pipeline Remarks" said the Secretary of Interior can grant rights-of-way for petroleum pipelines on federal land.4 The information came from University of Montana professor Robert Curry who had called the Attorney General's office in Washington, D.C. Melcher didn't respond to the letter and no mention was made again in the paper about federal eminent domain.

It wasn't until the middle of April that the Missoulian reported that Northern Tier had eminent domain. The article said the company had received it "last year."5 It also paraphrased Public Service Commission attorney Eileen Shore:

1Ibid., April 10, 1979, p. 2.
2Ibid.
5Ibid., April 14, 1979, p. 3.
Usually there are negotiations between the landowner and the company to determine a fair price for the easement, Shore said. She added that companies like to avoid litigation because of the time and expense involved and because juries tend to give healthy awards to the private landowner.\(^1\)

The article also referred to a Northern Tier attorney who called his company's plan of procedure in condemnation *complicated*. He said the company had a variety of options that could be used depending on the case. The *Missoulian* didn't, however, say what the complicated plan involved or what options the company had.

The news about the company's condemnation power seemed to harden pipeline opposition. The issue spurred letters to the paper and testimony at public hearings. The targets: Melcher and the pipeline company. Between April 11, 1979 and March 14, 1980, 14 letters in the *Missoulian* referred to the company's ability to force easements on private land.

According to the *Missoulian*, Melcher was grilled at a public hearing in Frenchtown, a hotbed of antipipeline activity. One resident said that Melcher was "naive beyond belief" if he thought the pipeline company would treat landowners fairly; "in past condemnation proceedings, the landowner has consistently been cheated."\(^2\) The final comment in the article came from a Six Mile area resident who asked Melcher if D. Michael Curran, a partner in Northern Tier, had contributed money to the senator's campaign. Melcher said he thought so.

\(^{1}\)Ibid.

\(^{2}\)Ibid., April 19, 1979, p. 1.
The same day that Melcher was questioned, the Department of Energy held a public hearing in Missoula on a draft report it had prepared on the future petroleum supply in the Northern Tier:

Testimony ended on a grim note when Larry Dodge, a University of Montana faculty affiliate, told those at the hearing that "at least 84" persons had told him they would "shoot before they allow a pipeline to cross their land."

"Montana would be only too ripe for a civil war over its natural resources," he concluded.¹

The April 20 Missoulian contained an article, an editorial and a letter concerning Melcher and eminent domain. The article was about the senator's efforts to change the pipeline's route so it would cross less private land. Melcher said he had asked the U.S.D.A. Forest Service and Northern Tier to look at a possible route to take the line away from the Six and Nine Mile areas and put it onto national Forest Service land. He did this "because of objections to the pipeline he heard Wednesday night [April 11, 1979] from landowners in the Six Mile and Nine Mile areas."² With the exception of some letters, the paper ran nothing more for six months about eminent domain. There was no follow-up story about the company's or the Forest Service's reaction to Melcher's suggestion to change the route.

In September the Northern Tier Information Committee³ filed a petition with the Public Service Commission challenging the constitutionality of the eminent domain law. According to the

¹Ibid., p. 13.

²Ibid., April 20, 1979, p. 1.

³The committee, founded in the winter of 1979, was a western Montana citizen's group that actively opposed the pipeline.
Missoulian, the petition asked the Public Service Commission to determine whether or not it had to consider environmental impacts before granting the power.\textsuperscript{1} The basis for the challenge was that the state's constitution and the Montana Environmental Policy Act require completion of an Environmental Impact Statement preceding major state actions. The committee maintained that granting eminent domain was a major state action and, therefore, it required an environmental assessment.

A second article about the petition was printed that month. The three-inch story said the Public Service Commission was soliciting comments about the law because its constitutionality was being challenged and that public comments must be made by October 29, 1979.\textsuperscript{2} The Public Service Commission moved the final comment deadline to November 13, at the request of Northern Tier,\textsuperscript{3} and the paper reported it. On October 31, Sam Reynolds, editorial page editor, wrote,

\begin{quote}
Write a letter, grab someone's private property. That's Montana's eminent domain law for pipelines. It seems eminently unfair. But it can be done when a pipeline company writes a letter to the Montana Public Service Commission. The company states it will abide by the provisions of Montana's pipeline carriers' statute and--bang!!--it has the power to buy property from private citizens who are unwilling to sell.\textsuperscript{4}
\end{quote}

\begin{enumerate}
\item \textit{Ibid.}, Sept. 19, 1979, p. 1.
\item \textit{Ibid.}, Sept. 29 1979, p. 2.
\item \textit{Ibid.}, Oct. 31, 1979, p. 8.
\item \textit{Ibid.}, p. 4.
\end{enumerate}
With the exception of the mistake about buying land—the company would buy the easement from the landowner, not the land itself—the editorial explained the law and the petition well. Reynolds urged readers to write to the Public Service Commission about the petition.

In December, District Judge Peter Meloy ordered the Public Service Commission to stop its actions concerning the petition. Meloy said the commission didn't have authority to perform the review. The Missoulian reported this and said a court hearing on the ruling would be held December 19.

The article didn't say why Meloy was ruling on the Public Service Commission action or what the court case would address. That information appeared five weeks later when the Missoulian reported the hearing would be postponed until February 11, 1980. It explained that Meloy's action was a restraining order initiated by Northern Tier and that the District Court hearing would decide the "extent of the Public Service Commission's authority to regulate" Northern Tier. That was the last article about the court case. The Missoulian failed to tell its readers the outcome of the hearing in which Meloy ruled mostly in favor of Northern Tier, saying that because the pipeline company was working with the state to assess the environmental risks of the project, issuing eminent domain did not violate state law.

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1Ibid., Dec. 4, 1979, p. 1.
2Ibid., Jan. 12, 1979, p. 8.
3Ibid.
4Personal interview with Jan Rappe, pipeline critic, May, 1983.
In March 1980 the paper reported a suit filed by the Northern Tier Information Committee against the pipeline company to strike down the eminent domain statute. The suit claimed that the law violated the state constitution and the Montana Environmental Policy Act. This article was the paper's only mention of the suit. The eminent domain law battle was not covered for one year.

On February 22, 1981 the Missoulian said a bill had been introduced in the legislature to limit the state's authority to grant eminent domain. The bill would require that all state permits be issued and that the public Service Commission determine a project was in the public interest before eminent domain could be granted. The Missoulian reported that

The bill would require that a company wanting to use eminent domain powers for a project would first have to obtain any required state permits for that project. In addition, for some projects, the Public Service Commission would have to determine that granting of the power of eminent domain would serve the "public convenience and necessity."  

On February 25 the Missoulian reported the defeat of the bill by the House of Representatives 55 to 42. That was the end of the battle against the pipeline company's eminent domain power and, with the exception of two letters, the end of the paper's coverage of the issue.

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Melcher's Second Hurry-up Bill

Sen. Melcher and other politicians were concerned that permitting procedures were hampering Northern Tier's chances of being built. In 1977 Melcher introduced Title V of the Public Utilities Regulatory Act. Apparently dissatisfied with the Department of Interior's progress on Northern Tier's application, the senator introduced another bill to speed federal handling of Northern Tier's permit. It would (1) require the Secretary of Interior—not the President as Title V mandated—to decide which pipeline would receive the special federal handling, (2) move the deadline for completion of the final environmental impact statement from August to July and (3) limit judicial review by making any court challenge to the Department of Interior's decision illegal and setting a 60-day limit on court challenges based on the constitutionality of the bill.

The Missoulian covered the bill well at first. It was explained, commented on editorially and, with the help of a full-page letter to the editor, it put Melcher's involvement with the bill into an enlightening historical perspective. The paper failed, however, to keep track of the bill's progress.

The first mention of the speed-up bill was in Don Schwennesen's April 1, 1979 column. He wrote that Melcher wanted the review process hurried because the three other pipeline proposals were inferior and there was no need to take the time to prepare detailed impact statements on them. The column also said the pipeline
review process already was being expedited and that the new legislation might limit legal challenges against the pipeline.¹

Between April 1 and the middle of the month, the Missoulian carried three stories that referred to governmental delays in processing the pipeline permits. One concerned Montana Rep. Ron Marlenee's desire to push the review process along.² Another mentioned Melcher's concern about the lack of progress,³ and the third contained complaints by the pipeline company's president about government red tape slowing federal approval.⁴

On April 13 the Missoulian ran an Associated Press story about Melcher's introduction of the bill.⁵ Only a quarter of the article related to the bill and that portion contained superficial information. Most of the story was devoted to what officials of the Northern Tier and the PACAT Pipeline⁶ had to say about their projects.

An article the following day said the senator would meet again with Frenchtown residents. It also said the bill would prohibit court challenges against the administration's decision, which now would be made by the Secretary of Interior instead of President Carter.

¹Ibid., April 1, 1979, p. 11.
²Ibid., April 5, 1979, P. 13.
³Ibid., April 7, 1979, p. 4.
⁴Ibid., April 9, 1979, p. 2.
⁵Ibid., April 13, 1979, p. 2.

⁶The PACAT line was a proposal to build a 270-mile pipeline across Guatemala. It would be used by crude oil tankers that otherwise would travel through the Panama Canal.
An attempt to explain why special legislation was not needed was made by Jan Rappe in an April 17 letter:

Sen. Melcher is upset by what he has termed Department of Interior "foot-dragging." It must be understood that the proposed Northern Tier pipeline will be the largest crude oil transportation system of its kind in the lower 48 states. . .

The National Environmental Policy Act was set up by Congress to ensure that a system of checks and balances existed to protect the general welfare of all citizens, especially in projects of this size. Federal law requires that an environmental statement be issued to study the impacts. The Bureau of Land Management was the agency responsible for preparing the statement.

The draft was made public in January and we found it to be completely inadequate. The final [Bureau of Land Management] impact statement will include the [Bureau of Land Management's] own research, the findings of the Department of Energy as well as citizen input. . . . The Environmental Policy Act contains appropriate safeguards to ensure that the best interests of the country are achieved while protecting the rights of the individual. This process should not be rushed. The Department of Interior isn't dragging its feet but just complying with the law. 

Hearings on S. 968 were to be held by mid-May. Schwennesen reported this in his column which also gave some background for the bill, discussed Melcher's involvement with similar legislation passed for the trans-Alaskan pipeline and added some new information:

Melcher also was a sponsor of the 1973 legislation that authorized the building of the Alaska pipeline and that headed off court appeals.

Congress approved that measure by a wide margin, even though critics at the time argued that the pipeline would cause a West Coast oil surplus and was designed to allow export of Alaska oil to Japan.

To allay those fears, Melcher also supported a provision in the Alaska pipeline measure that prevents export of Alaska crude oil.

S. 968 actually amends a similar measure sponsored by Melcher last year. That measure was intended to speed up a pipeline decision, but, according to Melcher, it was changed by the House and ended up as Title V of the Public Utility Regulatory Act of 1978.

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1Ibid., May 17, 1979, p. 4.
In the end, it probably further delayed a decision by setting up a new federal permit procedure under which four pipeline consortiums (instead of just Northern Tier) have applied for permits.\(^1\)

The new information was that the 60-day limit and the bill's number was S. 968.

Reynolds printed a harsh editorial against the bill on May 14, the day it was scheduled to be heard in committee. Reynolds called the bill "pernicious in all its parts."\(^2\) The only new information in the editorial was that S. 968 would remove a 60-day extension option during which the President would have had to make his decision.

Reynolds quoted from the bill and ended by criticizing the senator:

Melcher's bill says that "... the actions of the federal officers concerning the issuance of the necessary rights-of-way, permits, leases and other authorizations for construction and initial operation at full capacity of said pipeline system shall not be subject to judicial review under any law. ..." Melcher's bill would even prohibit a judge from issuing an injunction to stop the administration from going ahead with construction and operation of a pipeline. No injunctive relief would be allowed.

A protesting Montanan could do nothing to stop the project, however damaging it might be to his livelihood and property. Thus would Sen. John Melcher protect the interest of his constituents.

This bill, S. 968, should be shot into oblivion—all of it—leaving not a single pestilential feather to float down and contaminate the statute books.\(^3\)

Much of the text of the judicial review section of S. 968 appeared in a 5,300-word June 1 letter to the editor. The letter,

\(^{1}\)Ibid., p. 17.

\(^{2}\)Ibid., May 14, 1979, p. 4.

\(^{3}\)Ibid.
written by Mavis McKelvey, told about Melcher's efforts to speed the authorization of the trans-Alaska pipeline in November 1973. Quoting a June 1973 Missoulian column, the letter said:

In Melcher's bill, HR. 9130 (Melcher was a member of the House then), it is directed that the trans-Alaska pipeline shall be built immediately and any possibility of further appeals in the courts based on the National Environmental Policy Act is specifically forbidden in the bill.

In other words, Melcher has said the trans-Alaska pipeline shall be built, but any citizen's concern about the environment, legitimate or otherwise, may not be brought before the courts under NEPA, even though recourse to the courts often is the last resort the citizenry has, and is a right supposedly guaranteed under the constitution.¹

The letter said the bill basically was a "rewrite of the trans-Alaska Pipeline Act."² Printed one and one-half months before the deadline that S. 968 would set for the release of the final impact statement, the letter also said,

So far only a draft [Environmental Impact Statement] has been completed on one of the proposals, the Northern Tier pipeline, and it is already out of date. Because of the hundreds of changes made by the [Northern Tier Pipeline Company], and the thousands of challenges to the adequacy of the [Bureau of Land Management's] information, the final [Environmental Impact Statement] will be a substantially different document.

So far nothing has been released on the other pipeline proposals that route through Canada. In spite of this, the bill says that the secretary of interior shall issue his decision approving one of the route proposals within 45 days from the completion date.³

This was another issue the paper did not keep track of. It never told its readers what happened at that hearing or that the bill failed to make it out of committee. The Missoulian never referred to S. 968 again.

¹Ibid., June 1, 1979, p. 5.
²Ibid.
³Ibid.
The Environmental Impact Statement process was mentioned in Schwennesen's June 7 column. He said the final Environmental Impact Statement should be released in the fall but said nothing about S. 968.

To refresh your memory, here's what's going on. Northern Tier originally applied for a pipeline permit to cross federal lands, under terms of the Mineral Leasing Act of 1920, which provides for such things.

Then spurred by Sen. John Melcher, Congress passed a new law last year that set up a special new procedure to speed up the pipeline permit process.

By that time, Interior had almost finished the draft impact statement on Northern Tier's original application. But three other companies quickly scurried to apply for pipeline permits under terms of the new law. Northern Tier was forced to do the same.

That left Interior sitting with a draft impact statement on one pipeline under one law—but with new directions from Congress to review four pipeline applications under a new law....

The impact statement was mentioned again on August 6 when the paper said the final Environmental Impact Statement would be published in the fall—several months after the deadline set by S. 968. Thus, as with the three eminent domain challenges, the Missoulian failed to keep track of the legal actions.

Montana's Legislative Control

The state's inability to control the pipeline was not limited to eminent domain. A loophole in Montana's Major Facility Siting Act exempts pipelines from that law's jurisdiction. Unlike the eminent domain law, which caught most people by surprise, the problem in the siting act was known to many, particularly pipeline opponents. It didn't, however, receive much attention in the Missoulian until the state's final impact statement was released.

1Ibid., June 7, 1979, p. 8.
In the early spring of 1979 the Missoulian printed a story about a speech in Great Falls by Peter Funk of the Montana Environmental Information Center. Funk said the pipeline company would have a free hand during construction because the line didn't qualify for review under the siting act, so the state had little oversight authorization.1

An article about how President Carter's energy plan might influence the pipeline also quoted Funk. The article was the second of a three-part series on Montana's energy development in relation to Carter's energy policies. Because Carter was expected to endorse Northern Tier, the reporter wrote, "That leaves the decision-making up to the states the pipeline will pass through."2 In the article, Funk disputed this:

Under Montana law, Funk said, the pipeline does not qualify as a major facility and thus is not governed by the Major Facilities Siting Act. . . . If the pipeline did come under siting act regulation, state officials would have one life-or-death say over the pipeline's construction in Montana.3

The article said Montana's control was piecemeal and limited to about 30 minor permits regulating such things as stream and road crossings, none of which could be used to influence the line significantly. Funk said that "if any of these relatively minor permits is not granted, the pipeline company will be able to revise its plans in order to comply with the terms of the permit."4

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1Ibid., May 13, 1979, p. 8.
2Ibid., Aug. 6, 1979, p. 11.
3Ibid.
4Ibid.
In "Northern Tier Power Supplies Not Guaranteed,"¹ Dave Janis, coordinator of Montana's Environmental Impact Statement effort, was questioned about the possible lack of adequate power for the pipeline. Janis said he didn't know if there was a problem in energy supplies to run the pumping stations because his agency didn't address the question in its analysis. "The state's only concern in this matter is issuing permits to the project for highways, streams, and state land crossings,"² he said. Janis also said that if the pipeline wasn't exempt from the siting act, the power supply would have been studied by the state.

Apparently there still was confusion about the state's role. Schwennesen's August 26 column implied that the state had the power to block the pipeline. After saying President Carter's decision on the pipeline was due October 15, weeks before Montana would issue its final Environmental Impact Statement, Schwennesen asked, "What happens if the feds say yes to Northern Tier and the state says no?"³

About five months after that column appeared, the state's final impact statement was released. The Missoulian printed two stories about the release of the impact statement and that the report said the state had no authority over pipeline construction. A front page story said,

The state of Montana issued its final Environmental Impact Statement for the proposed Northern Tier pipeline Wednesday, concluding that the state is virtually powerless to stop the project. . . . Montana law gives insufficient authority to state

¹Ibid., Aug. 18, 1979, p. 1.
²Ibid.
³Ibid., April 24, 1980, p. 2.
and local agencies to prohibit the construction of pipeline projects such as the Northern Tier pipeline.¹

The second article, on page 2, said pipeline opponents had known the state could do little. In it, Rappe briefly explained the siting act exemption.²

Reynolds wrote an editorial about the exemption: "What can the state do? The [Environmental Impact Statement] gives the answer: Nothing. Not one thing can Montana do to stop or even effectively control the pipeline's construction."³ Reynolds urged the legislature to correct the flaw at its next session. The legislature did not amend the siting act.

**Coverage of the Need Question**

The tangled topic of the pipeline's need was the central question and salient concern of the Northern Tier issue. Certainly environmental, social and economic impacts were important to Montanans, but need was the primary issue.

Coverage of the need question is divided into two segments: The deficit and the surplus. The deficit section is further divided into the paper's coverage of the three major federal studies,⁴ which provided much of the independent analytical information, and its

¹Ibid., April 24, 1980, p. 1.

²Ibid., p. 2.

³Ibid., April 29, 1980, p. 4.

⁴The principal studies are Cardullo's Department of Energy draft, Petroleum Supply Alternatives, op. cit.; McGregor's Department of Energy Analysis of West-to-East Pipeline Applications, op. cit.; and the Department of Interior's Report to the President, op. cit.
coverage of the myriad events and side issues related to the question. These events included changes in the Canadian cutoff timetable, Midcontinent supply systems, permitting procedures that address the need question and reports about changes in energy-use patterns. This part of the thesis describes and sorts the bird's nest of information the paper provided about the necessity of building the Northern Tier pipeline.

**The Deficit**

*Major federal studies.* Nowhere was the existence of conflicting information about the pipeline more apparent than in the federal government's attempts to study the need for a new transportation system. The findings that implied a pipeline wasn't needed were adamantely contested by Northern Tier backers, and the studies contradicted each other. These polemics affected the news coverage because the disputes, not the contents of the reports, dominated the *Missoulian*'s treatment of the studies.

In February 1979 the Department of Energy released the draft version of its principal study of the Northern Tier oil supply situation. The *Missoulian* ran four stories: two discussed the report's findings and two were about reactions to the report. The first story was about a leak to the *Seattle Times* by an unnamed Department of Energy official. Information about the report was a secondary lead. The article said another pipeline company was proposing an oil port on the Washington coast:
A second major oil pipeline firm—Trans Mountain Pipeline [Company]—wants to build a tanker port on Washington's Olympic Peninsula, a Seattle newspaper reported Tuesday.

And in a related development, the other firm seeking to build such a port, Northern Tier Pipeline [Company], was dealt a blow Tuesday by the federal Department of Energy, which leaked preliminary results of a study concluding, among other things, that the need for Northern Tier's pipeline may have been overstated. . . .

The report leaked Tuesday by Department of Energy could pose a serious problem for the Northern Tier [Company].

As proposed, the pipeline would have the capacity to carry more than twice as much oil as needed to northern and Midwest states by the year 2000, the study says.

"What we saw in the study is that the demand for additional pipeline capacity may be overstated," said a federal official familiar with the report, which is to be released Wednesday.1

The Missoulian printed a second story about the report two days later. In "Melcher Blasts Report on Need for Oil Pipeline," the senator called the study "pathetic," the work of "amateurs," and he urged the Secretary of Energy to reject it and start over.2 The story also said the draft was being withheld, but that Sens. Henry Jackson and Warren Magnuson, Washington state Democrats, were trying to get it released.

The article quoted Jim Hodge, a Northern Tier vice president: "We do feel that the study when released will be favorable toward Northern Tier."3 But the study wasn't favorable. On February 24 another story about the study said a new pipeline could usefully carry about 300,000 to 350,000 barrels a day of Alaskan oil to Northern Tier states: "For economic reasons, the refineries would

1Missoulian, Feb. 21, 1979, p. 1.

2Ibid., Feb. 24, 1979, p. 2.

3Ibid.
probably prefer to continue receiving a mix of "sweet" [low sulfur] and "sour" [high sulfur] oil than make the necessary conversions to process more high-sulfur crudes,"1 which Alaska supplies. The story did not say what deficit projections the report made. Neither did it directly mention the West Coast glut. It did say that Melcher had termed the study "pathetic" and "not factual" after he had read its summary.2

The fourth article, February 27, concerned the pipeline company's responses to the Department of Energy's draft report. Hodge maintained that the report underestimated the future shortage by about 150,000 barrels a day.3 The article also quoted Steve McGregor, director of the Office of Oil and Gas policy at the Department of Energy, who said the report didn't consider non-Northern Tier states. McGregor said the Northern Tier pipeline, via existing pipelines that could be fed from it, could expand its market area to much of the Midwest, making it profitable.

Although the Department of Energy report was one of the key studies determining need and was supposed to be a cornerstone for the federal decision on which the pipeline would be endorsed, the Missoulian ran no story of its own about what the study said. Neither did the paper explain why Melcher attacked the study so vehemently or what the market area would be (Northern Tier's chief point of contention with the study).

1Ibid., Feb. 24, 1979, p. 2.
2Ibid.
3Ibid., Feb. 27, 1979, p. 1.
In two stories about Department of Energy hearings, the paper printed some basic findings of and rebuttals to the study. An Associated Press story in April about a Department of Energy hearing in Seattle was the Missoulian's first mention of the report's deficit projection: "The [Department of Energy] report says the maximum need will be 400,000 barrels of oil a day" in the Northern Tier region.\(^1\) The story also said that Northern Tier disputed the Department of Energy's figures. Keith Kovacs, a consultant for Northern Tier, said the Department of Energy's deficit estimate was far understated because the analysis did not consider the 12 Midwest states the pipeline could serve. At a similar hearing in Missoula, Hodge said the Department of Energy's deficit projection was about 600,000 barrels a day too small. Hodge also said his company could find markets in nondeficit areas because it could "compete economically with existing systems."\(^2\)

A curious twist occurred in July 1979. A final Department of Energy report was released on the Northern Tier supply situation, but Cardullo wasn't the author. McGregor was, and the study used some assumptions different from those in the draft. Cardullo then completed his final report, but it was not used by the Department of Energy and he was ordered not to discuss his findings.

The Missoulian reported the Department of Energy rift in October in an Associated Press story based on a report in the Seattle Times:

\(^1\)Ibid., April 5, 1979, p. 3.

\(^2\)James R. Hodge, unpublished prefiled testimony, op. cit.
Federal officials apparently disagree on the merits of a study on various pipeline alternatives to pump oil from the West Coast to the Midwest.

The Seattle Times reported Thursday that Steve McGregor, director of the federal oil-and-gas policy office, is at odds with Mario Cardullo, head of the federal energy transportation section of the Department of Energy, over a study by Cardullo. The Times reported that the disagreement began in February when Cardullo's office prepared a draft report that was unfavorable to the pipeline route proposed by the Northern Tier Pipeline [Company] from Port Angeles to Clearbrook, Minn.

Cardullo's draft study said Northern Tier's pipeline was designed with more than twice the capacity needed to meet projected Midwest oil refinery deficits in the year 2000. After the draft was made public, the [Department of Energy] quietly decided not to use the yet-to-be released final version as its official position on the various pipeline proposals.

On July 11, the [Department of Energy] released a study prepared by McGregor's office which put Northern Tier in much more favorable light.1

With the exception of the statement that McGregor's report put Northern Tier "in much more favorable light," the article did not mention McGregor's findings. Later, the Missoulian did run a story about McGregor's results although the information was brief and general:

The proposed Northern Tier oil pipeline . . . could provide the greatest economic benefit of four proposed west-to-east oil pipelines. . . .

The most important variable affecting net national economic benefit is savings in tanker movements from Valdez, Alaska, to the U.S. Gulf Coat," the study said.

If there is a substantial surplus of Alaska North Slope crude, these savings are largest for Northern Tier and this proposal yields the greatest net economic benefit.2

McGregor's report estimated that Northern Tier states could be short

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up to 900,000 barrels a day by the year 2000. That differed widely from a Department of Interior report also released in July 1979.¹

The Department of Interior concluded that by the year 2000 Northern Tier states would have a net surplus of 540,000 barrels a day without any of the proposed pipelines. The report was not released until later that fall. The Seattle Times received an advance copy and the Missoulian picked up the story. The article made six statements:²

1. In all likelihood, none of the four proposed lines would be needed.

2. Montana and Minnesota "will have a gap between crude oil supply and demand" of 165,000 barrels a day.

3. Michigan, Illinois, Indiana and Ohio probably will have a surplus exceeding 600,000 barrels a day by the year 2000.

4. The surplus of Alaskan oil on the West Coast may not remain much longer.

5. The proposed pipelines might not choose to process oil supplied by any of the lines as other crude oil sources become available.

6. "The problem with supply in the area [Northern Tier states] is considered minimal."

A response to the report by Montana Rep. Ron Marlenee, a strong supporter of Northern Tier, was printed two days later. The

¹The U.S., Department of Interior report was entitled West to East Crude Oil, op. cit.

article said Marlenee believed the report contained favorable recommendations from the Departments of Justice, Defense, Transportation and State.\(^1\)

Contents of the Department of Interior study also were printed on August 29. The article repeated much of the information given previously and added that Montana's daily share of the deficit would be 40,000 barrels by 1985 and 60,000 barrels by the year 2000. Minnesota's daily crude oil shortage would be 90,000 barrels in 1984 and about 50,000 barrels in the year 2000. The story also said North Dakota would have a 50,000 barrel a day deficit in the year 2000\(^2\) and that Oregon, Washington and Idaho would have a combined 5,000 barrel a day shortage.

Referring to the West Coast surplus, the article said the Department of Interior believed the glut would evaporate as Prudhoe Bay production began to decline in 1985. If the surplus was to be maintained, the article quoted the report, then "a large oil field with daily production rates similar to those of Prudhoe Bay will have to be found and developed before 1985. It is not at all clear from where such vast reserves will come."\(^3\) This was one of the few Missoulian articles that mentioned alternative supply sources: "The best way

\(^1\)Ibid., Aug. 25, 1979, p. 16.

\(^2\)This figure probably is a printing error and should have said 5,000; U.S., Department of Interior, *West to East Crude Oil*, op. cit.

\(^3\)Missoulian, Aug. 29, 1979, p. 1.
to handle the shortages inland might be to swap oil with Canada, increase production locally or buy Mexican oil and ship it north through existing pipelines.¹

Northern Tier's reaction to the Department of Interior's findings followed three days later. Jim Hodge, interviewed by a Missoulian reporter, said the Department of Interior had failed to consider the entire market area, including Midwest states: "By no means is it a market study."² Hodge also said the study was just a draft report and predicted the final report would be much different.

This was the bulk of the coverage the three studies received. Cardullo's final report was issued October 17, but no story about it appeared. One indication of its contents appeared in the October 6 story about the Cardullo versus McGregor reports:

Sources familiar with the final version . . . . [said] it may predict an oil supply deficit for West Coast refineries in the latter part of the century, in contrast to a West Coast oil glut that exists now.³

Events and side issues. In addition to its coverage of the reports, the Missoulian printed many stories about the pipeline's need. In toto, they shared a dominant characteristic of the federal studies: an abundance of contradictory statements and information. Any confusion the contradictions created was fed by the diversity of events the paper covered that provided information about the

¹Ibid.

²Ibid., Sept. 1, 1979, p. 11.

³Ibid., Oct. 6, 1979, p. 1.
pipeline's need. Some of the information relevant to the question appeared in stories that didn't mention the pipeline, but those articles which weren't tied directly to efforts to assess the project's need presented much information.

The year 1979 opened with the rejection of a certificate of need by the Minnesota Energy Agency for the Northern Tier pipeline. The action received front page coverage in a story saying, "Northern Tier would not have a big enough crude oil market to make the pipeline profitable." John Millhone, director of the agency, said the pipeline would need to ship about 600,000 barrels a day to be profitable. But deficit projections at the time forecast a daily shortage of only about 100,000 barrels by 1980 and fewer than 500,000 barrels in the year 2000.

The article also said Millhone based his decision to reject the permit on the deficit projections and on two other factors: a new pipeline (Northern Pipeline) might be built from Illinois to Minnesota, connecting the state's primary refinery center with Gulf Coast suppliers, and the Canadian cutoffs, originally scheduled for 1981, would be delayed until 1985. There were few other references

1An example is the article, "Gas Shortage, Oil Glut Coexist in California," Missoulian, May 6, 1979, which gave a good description of the surplus—its causes and impacts—yet said nothing about Northern Tier.

2Missoulian, Jan. 11, 1979, p. 1.

3The Northern Pipeline received the Minnesota Certificate of need in 1977. At the time of Minnesota's rejection of Northern Tier, Northern Pipeline still had to receive approval from several other states.
to the size of the deficit; most that did appear in the paper used figures from federal reports.

At a public hearing Jan Rappe said,

Our whole national energy plan is based on conservation. That will not, however, be fostered by pumping 900,000 barrels of oil down a pipeline into states with a shortfall of only 160,000 barrels or less.¹

In a letter in mid-1980, figures from Cardullo's draft report and the Department of Interior's study were used to argue against the pipeline. The letter also said the Northern Pipeline would take care of most of Minnesota's crude oil needs: "Minnesota, which has the lion's share of the projected shortfall, will most likely receive all the oil it needs from a new pipeline [the Northern Pipeline]."²

Several articles provided figures for the Canadian exports and cutbacks. These were, to some extent, indications of the size of the deficit. One, in October 1979, gave considerable information, including the amount of Canadian oil Montana refineries had and were using. The article said that (1) as much as 41.4 percent of the 153,000 barrels of crude oil Montana refineries can handle each day has come from Canada, (2) Canada's exports had dropped from 55,000 to 14,000 barrels a day and (3) Cenex had depended on Canadian oil for 53.5 percent of its crude oil, Conoco for 60 percent, Exxon for 23 percent and Phillips for 31 percent.³


²Ibid., June 22, 1980, p. 4.

In another article Michael Curran, then president of the pipeline company, said, "We were importing more than one million barrels per day from Canada, but that had been cut down to about 200,000 barrels daily now." Curran made his remarks six months before the October article appeared. A final reference to the amount of oil Canada traditionally had supplied the state appeared in an article that quoted Montana Gov. Thomas Judge, who said that in 1978 Canada supplied Montana with 45 percent of the crude oil used in the state's refineries.2

Regardless of the size of the deficit, its effect was the most important concern. What would a deficit of crude oil mean to the people in the region? As important as the question was, there was little specific information about it in the Missoulian. There were a number of references implying a deficit was bad without saying specifically why. For example:

1. Northern Tier will "help provide a steady supply of domestic crude that we so desperately need" (Montana Rep. Ron Marlenee).3

2. "Those of us living in the Midwestern part of the United States will be in need of crude oil and would like to see construction [of Northern Tier] commence at the earliest possible date" (North Dakota Gov. Arthur Link).4

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1Ibid., April 9, 1979, p. 2.
2Ibid., Jan. 20, 1980, p. 3.
3Ibid., June 24, 1979, p. 2.
3. Northern Tier is a "national necessity. . . . We have to get that oil to the Midwest" (Idaho Sen. Frank Church).¹

4. "There is a critical deficit of efficient means of transporting crude oil into this region, which the Northern Tier will alleviate" (Max Deibert, Northern Tier consultant).²

5. "It is clear that some arrangement will be made to get Alaska oil from the West Coast to the Midwest" (Sam Reynolds, *Missoulian* editorial page editor).³

Some people were saying or implying that a shortage of crude oil would affect the availability of diesel and gasoline. Explaining his support for Northern Tier, Gov. Judge said, "Anyone who experienced the diesel fuel shortage last summer can understand the need to help meet this state's future energy requirement."⁴ A representative of the Helena Chamber of Commerce said at a meeting where the organization endorsed Northern Tier, "As an agricultural state, anyone can see the wisdom of continuing supplies of crude for our state."⁵

Sen. Melcher, in letters and articles, said several times that without a new supply system to Billings, the state would run short of petroleum products. A June 1979 letter said,

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Preventing the acute current shortage of petroleum products from becoming chronic means that our refineries must be assured of stable crude oil supplies. Despite doubts that may have been raised in some minds, environmental experts rate oil pipelines as the best method of transporting petroleum.¹

Jan Rappe answered Melcher's letter 19 days later:

Sen. Melcher, in his opening remarks, implies that Montana now has a diesel shortage because new pipelines are being delayed. The issues are, of course, unconnected.

Using oil industry figures, a group of economists from Energy Action in Washington, D.C., arrived at the following facts: we have more crude oil in the [United States] this year than last year yet we have less refined products. Why? Certainly for the present we do not have the shortage of crude oil that pipeline proponents would have us believe.²

Other statements by Sen. Melcher in the Missoulian follow:

1. Montana and other states have much at stake for assurance of petroleum supplies for trucks, tractors, trains and cars.³

2. Unfortunately, so much time has already been wasted on the Northern Tier line permits that we face petroleum shortages in Montana and other Northern Tier states right now. The situation will be much more serious when farm field work starts.⁴

3. I shall not ignore the fact that we need to make sure of a stable source of crude oil supply after 1981 for Montana's citizens and its basic industries, including agriculture. [If Northern Tier is not environmentally acceptable], we will still have to look for other alternatives for getting petroleum into our area.⁵

By sending a Billings Gazette editorial to the Missoulian as a letter to the editor, Melcher had the following statement printed:

¹Ibid., June 3, 1980, p. 4.

²Ibid., June 22, 1980, p. 4.

³Ibid., April 13, 1979, p. 8.

⁴Ibid.

⁵Ibid., May 29, 1980, p. 4.
The pipeline company's "patience is much greater than that of motorists waiting in the gas pump lines across the area they wish to serve."1

The Surplus

Missoulian readers interested in the phenomenon called the oil glut found substantial information in the paper in 1979 and 1980. The combination of letters, editorials and articles presented historical, current and future views of the West Coast surplus. Most of the important questions about the glut were addressed. The origin of the surplus was explained in a column, a letter and an article.

Don Schwennesen's column provided the first explanation of the surplus. Writing about S. 968, Melcher's bill to accelerate the federal review process for Northern Tier, Schwennesen said:

S. 968 represents the same kind of hasty congressional decision-making that allowed the Alaska pipeline to be built in the wrong place, causing the West Coast oil surplus that the Northern Tier pipeline supposedly would solve.

Melcher also was a sponsor of the 1973 legislation that authorized the building of the Alaska pipeline and that headed off court appeals.

1Melcher introduced the Gazette editorial as follows:

At the moment, there is an interesting difference of opinion within the Lee newspaper family in Montana which, I am sure, does not indicate a family feud but is a matter of interest. One of the Missoulian's sister papers in the Lee group in Montana, the Billings Gazette, recently published an editorial very favorable to the Northern Tier pipeline. Another Lee newspaper, the Independent Record at Helena, regarded it as worthy to be reprinted and did reprint it. . . .

Believing that the viewpoint of these two Lee papers is newsworthy under the circumstances, and would be of interest to Missoulian readers, I write this "Letter to the Editor."

Missoulian, July 31, 1979, p. 4.
Congress approved that measure by a wide margin, even though critics at the time argued that the pipeline would cause a West Coast oil surplus and was designed to allow export of Alaska oil to Japan.

To allay those fears, Melcher also supported a provision in the Alaska pipeline measure that prevents export of Alaska crude oil.¹

When authorization of the Alaska pipeline was being debated, opponents of the Prudhoe-Valdez route argued that a trans-Canada route would take the oil where it was needed--the Midwest--and avoid a possible West Coast surplus. In a letter by pipeline critic Mavis McKelvey to the Missoulian describing Melcher's efforts to aid the trans-Alaska pipeline, the fate of this route was discussed.

Sen. Walter Mondale, who favored a trans-Canada pipeline from Alaska to the Midwest, introduced an amendment that called for an independent study by the National Academy of Science that would compare the economic and environmental consequences of a trans-Alaska and a trans-Canada pipeline. It was rejected.

The committee's justification for its action was summed up in the following paragraph from its report: "Regardless, whether the 1969 decision of the owner companies in favor of an all-Alaska route was the wisest or most consistent with the national interest at that time, and regardless whether the administration's early commitment in favor of the route was made on the basis of adequate information and analysis, the committee determined that the trans-Alaska pipeline is now clearly preferable because it would be on stream two to six years earlier than a comparable overland pipeline across Canada."²

Professor Les Pengelly of the University of Montana brought an article about the surplus to the attention of the Missoulian, which printed it on the editorial page. It was entitled "Alaska Oil Like a Wandering Tribe."³

¹Ibid., May 13, 1979, p. 17.
²Ibid., June 1, 1979, p. 5.
Long ago when ordinary people were naively debating the best way to get Prudhoe oil to market, an economist with a funny name and a Naknek legislator with a sense of humor suggested a pipeline down the Alcan Highway to the Midwest.

Meanwhile, a consortium already had bought pipe from Japan to build a line to Valdez so that's the way it was, take it or leave it in the ground folks, and soon Alaskan newspaper editors went into paroxisms if anyone even mentioned alternatives. No maple leaves would ever shake our tree.

Today Prudhoe crude is burbling its costly way from Valdez to Texas via Panama and Alaska's profits have shrunk to a poultry sum. In a word, the goose is laying brass eggs.¹

In a letter, Rappe explained where Alaska-produced oil was going:

In the first three months of 1978, 46 percent of the Alaska oil was absorbed on the West Coast. Only 2.7 percent stayed in Alaska. The remaining 51.3 percent was and is being shipped through the Panama Canal to the Gulf States.²

Rappe also said the glut wasn't excess oil as its name implied: "To say that there is a 'glut' of oil is misleading. Alaska oil is not accumulating in ever-increasing quantities on the West Coast."³

An incisive description of the glut was given in a wire service story explaining why California had a gas shortage and an oil surplus:

About 400,000 barrels a day of Alaskan oil is shipped aboard tankers that pass off California's coast on a route from the Valdez terminal of the trans-Alaska pipeline to a transshipment station at sea west of Panama. It is transferred to small tankers that carry the oil through the Panama Canal to Gulf Ports.

This is the portion of Alaska's Prudhoe Bay field production that is surplus. It is owned by Standard Oil [Company] [Ohio], which is a subsidiary of British Petroleum. Neither [British Petroleum] nor Sohio has significant refining capacity or

¹Missoulian, June 25, 1979, p. 4.
²Ibid., April 19, 1979, p. 4.
³Ibid.
marketing facilities in the West, and the oil must be taken where the markets are. Federal law prohibits export of any oil that moves through the trans-Alaska pipeline. It is this oil that is described as "glutting" the California market. It never gets ashore here. Meanwhile, the Western markets have absorbed about 800,000 barrels a day of the Alaskan oil.¹

The article gave figures on how much the other Prudhoe Bay producers withdrew from the field and used and concluded, "Only Sohio and [British Petroleum] have a problem with the alleged 'glut.'"²

While the size of the surplus was not being debated in the paper, two other aspects of the issue were: (1) what problems did the glut create and (2) how large would it be in the future? The first question was answered differently in 1979 than it was by mid-1980. In 1979 the glut problem was that the extra expense of shipping it to the Gulf Coast was cutting into producers' profits, and it was feared Alaskan production might be restricted.

In April 1979 an economic consultant who specialized in energy testified at a committee hearing by the Washington State House of Representatives. His testimony was printed on the Missoulian's editorial page in October 1979:

All the proposals for east-to-west oil pipeline systems are directed firstly at the surplus of crude oil on the United States' West Coast created by the increase in Alaska production. The present necessity to ship that oil through the Panama Canal to Gulf and East Coast ports costs about $2 per barrel relative to sales on the West Coast or in the Far East. When this charge is added to the high transportation cost on the [trans-Alaska] pipeline, the revenue left to pay for the oil itself is not enough to justify developing any more of the already discovered resources on the North Slope of Alaska.

²Ibid.
The official ceiling price for Alaska North Slope crude is more than $11 per barrel, but the 1978 average was only about $5, with some shipments to the East Coast netting less than one dollar. The surplus not only reduces the incentive to develop new oil in Alaska, but also results in shutting in known oil reservoirs in California.¹

There were shorter references to the high cost and resulting disincentive of shipping the oil to the Gulf Coast:

Although there is a ready market for this oil at refineries in the Middle West and Gulf states, the oil's owners incur considerable financial loss because they must pay transit costs that are much higher.²

Two-thirds of the oil potential in Alaska can't be developed unless there is a market for the oil.³

Following the abandonment of the Sohio pipeline, which would have taken Alaska oil from Long Beach, Calif. to Texas, a wire service story said, "Its abandonment means that the eastern part of the country will not be able to reduce its oil imports significantly through increased Alaskan production."⁴

Arguments that the glut was restricting oil production in Alaska ended by 1980. The reason was a survey of West Coast refineries by Sen. Henry Jackson's office. The results, which appeared in the paper several times, surprised many.

The Missoulian in October 1979 ran an Associated Press story that said there wasn't enough Alaska oil available to West Coast Refineries:

¹Ibid., Oct. 12, 1979, p. 4.
²Ibid., May 6, 1979, p. 1.
³Ibid., April 9, 1979, p. 8.
⁴Ibid., March 11, 1979, p. 8.
Oil producers' unwillingness to divert Alaska oil now being shipped to the Gulf Coast casts doubt on the need for a West to Midwest oil pipeline, according to a congressional study.

Three West Coast refiners have permits to expand their refineries to use more Alaska crude, Jackson said, but they "are not going ahead now because they cannot get the supply."\(^1\)

The Associated Press story appeared two days before Secretary of Interior Andrus endorsed Northern Tier. Four days after Andrus' announcement he said there might not be enough Alaskan oil to supply the pipeline.\(^2\)

The *Wall Street Journal* explained in February 1980 why the surplus had disappeared and the *Missoulian* printed several pieces about that article. The editorial page printed two articles about it. One was by Reynolds:

Remember that famous glut of Alaska oil on the West Coast? So much oil was backed up that the United States had to dig a trench 1,500 miles long from Port Angeles, Wash. to Clearbrook, Minn., right through the Missoula Valley (not to mention other fragile areas of Montana) to get the oil to the Middle West.

It was too expensive to deliver the Alaska oil by tanker through the Panama Canal to Gulf of Mexico ports, where it could then be piped to Midwest refineries.

Remember all that? Well, none of it is true any longer. There is no glut on the West Coast. And shipping Alaska oil through the Panama Canal is now cost efficient.\(^3\)

The reason: some West Coast refineries modified their equipment to handle more Alaska high-sulfur oil. Others expanded existing capacity. They were spurred by the decline of production in the lower 48 states and the uncertainty and high cost of supplies from foreign sources.

But the price of oil from Alaska's Prudhoe Bay is controlled by the government. That has made it a bargain to West Coast refiners. In addition, it has made it highly profitable to ship the oil by tankers through the Panama Canal to the Gulf Coast.

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\(^1\)Ibid., Oct. 14, 1979, p. 1.

\(^2\)Ibid., Oct. 20, 1979, p. 2.
The result: West Coast refiners can't get as much Alaska crude as they would like and are equipped to handle. The glut has vanished.¹

No refutation of the apparent demise of the oil glut appeared in the paper. A passing shot at the glut was made in March 1980. A letter quoting the Wall Street Journal and describing why the glut evaporated said that all the West Coast refineries now wanted the Alaskan oil: "Everyone wants. It's sort of like the ugly duckling that turned into a beautiful swan."²

²Ibid., March 10, 1980, p. 4.
CHAPTER IV

DISCUSSION

Projects the size and complexity of the Northern Tier pipeline present formidable problems for local news media. The profusion of information (much of it conflicting), the issue's changing status and its international scope made it difficult even for expects to understand it and stay abreast of it. Northern Tier was a whirlpool of voices and texts spewing figures, opinions and predictions that became jumbled in time, significance, context, fact and fiction.

For editors and reporters who deal with dozens of issues and events simultaneously under the "crushing influence of the clock," delving deeply into the web of Northern Tier seldom was possible. What would have helped the Missoulian most in its coverage of the pipeline? Publisher Tom Brown said,

More reporters and time. That's the age-old limitation in a newsroom: You have only so many reporters and so much time and so much money to spend. And Northern Tier required more than we sometimes had.

Nevertheless, this study suggests that the paper's approach to reporting restricted the coverage as much as did its limited resources.

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The Missoulian appeared passive in most of its efforts to gather and provide information about the pipeline. The paper was more a mirror of events and statements than a participant in the generation of information. Many questions were not answered in its pages. Many confusing situations and conflicting data were left unexplained and much relevant information was not reported. Many of the flaws in the paper's coverage could have been avoided had it dug a little or had it given its readers more of the available information. The telling symptom of this passive approach is the scarcity of investigative and explanatory elements in the paper's Northern Tier stories.

The Missoulian's Investigation

Many journalists say investigative reporting is special because it involves an effort to uncover wrongdoing. Bob Green of Newsday defined investigative reporting as "the publishing of significant material that someone is trying to hide."¹ Leonard Sellers said the investigative reporter "goes after information that is deliberately hidden, and the information is hidden because it involves a legal or ethical wrong."²

For many environmental issues, which may require persistent probing by reporters, this definition is too narrow. Often the environmental story is not about mistakes or wrongdoing. Information


may be hidden but not necessarily by design. Much of the relevant information about Northern Tier wasn't concealed by unscrupulous officials; it was hidden in the smokescreen of the issue's complexity.

A better description of the type of reporting Northern Tier required probably is depth reporting, what Neale Copple of the University of Nebraska said was "telling the reader all the essential facts in a way that brings the story into the reader's environment."\(^1\) Getting the facts often requires what seems a useful definition of investigative reporting: "an aggressive digging into reality."\(^2\)

The Missoulian missed or delayed reporting many essential facts because it didn't search for them. Some of them were well hidden and difficult, maybe impossible, to dig out. Others would have emerged with the first investigative probe. For example, amid the debate about the plight of some refineries if Northern Tier was not built, a debate in which plant closures and widespread fuel shortages were forecast and refuted, one pertinent voice was absent—the refinery representative, the person critically concerned and involved with crude oil supply and demand.

In 1979 and 1980 the Missoulian did not print a story, editorial or column in which representatives of oil refineries told of their needs. The nonspecific cries of politicians were given play, as were the countering voices of the pipeline's foes, but these were


\(^2\) Bruce Locklin, *Nieman Reports*, op. cit., p. 28.
indirect observers. The question of the refineries' need for the pipeline was a crucial consideration. If those plants had alternative supplies, the threats of lost jobs and fuel shortages were misguided. If, however, refinery managers said there were no economic alternatives to a new pipeline, Northern Tier's proposal would gain considerable validity.

What were the positions of Montana's seven refineries? In 1980 the manager of each refinery said Northern Tier's fate would have no influence on his plant's operation and that, while the pipeline could provide an alternative, optional supply source, use of it would depend on the tariffs charged and the type of oil the pipeline delivered. That is one example where the paper failed to do a simple investigation that probably would have helped clarify a concern repeatedly debated in the paper.

Another example involves coverage of the eminent domain issue. As noted, the paper's first mention that Northern Tier had eminent domain was in a story about a public hearing at which someone said the pipeline company could condemn private land in Montana. Three weeks later Mercher said in a Missoulian interview that this was incorrect—that the company did not have condemnation powers.

The paper did not try to settle the dispute by calling the Public Service Commission. It wasn't until after the paper printed a letter explaining how and when Northern Tier had acquired eminent

1In the spring 1980 I interviewed the managers of Montana's seven refineries for an article I was preparing.
domain, and Melcher had admitted he was wrong, that the Missoulian did its research. Five weeks after the public hearing story and nine months after Northern Tier acquired eminent domain, the paper reported that "Northern Tier Pipeline [Company] received the power to condemn private land in Montana . . . last year."¹

The paper appeared willing to quote people but less ready to verify the accuracy of the statements. Sometimes this allowed biased spokesmen to have the only voice in the paper about particular aspects of the issue. The Missoulian ran four articles about the first study by the Department of Energy on the need for a new West to East pipeline. The report was unfavorable to Northern Tier. Two of the stories gave brief details of the study. The other two were largely concerned with Melcher's contention that the report was "pathetic," and the work of "amateurs."² Six months later the second Department of Energy report supported the pipeline. The only reference in the paper about the validity of the study's findings was a comment by Peter Funk, a vocal pipeline foe, who called the report "awful, just terrible. . . . you could hire a high school person who could write this."³

These reports supposedly contained the best information available about the pipeline's need, but the public's perception of quality and reliability was left to the mercy of people whose credibility was questionable. Were the studies done poorly? If so,

¹Missoulian, April 14, 1979, p. 3.
³Ibid., Aug. 6, 1979, p. 11.
did this mean the federal government had inadequate information on which to base its judgment of the pipeline proposal? Were Melcher's and Funk's statements exaggerations? If not, what was wrong with the reports? The *Missoulian* and its readers needed answers to those questions.

By printing statements without checking the substance behind them, newsmen may miss important stories that would emerge through routine checking. This happened in the paper's account of the amount of control Montana had over the pipeline. Eight months before the *Missoulian*'s apparent discovery that Montana could neither stop nor significantly control construction of the pipeline, it printed two stories quoting people who said the state had very little power over Northern Tier.

In August 1979 the paper reported a speech by Peter Funk of the Environmental Information Center. Funk said the state's only control over the pipeline was through about 30 minor permits regulating how the line would cross roads, streams and state lands—that the permits were little more than guidelines for construction, setting limits on the company's activities.¹ Several weeks later, Dave Janis, who was responsible for drafting the state's Northern Tier impact statement, said in another article, "The state's only concern in this matter is issuing permits to the project for highways, streams and state land crossings."² He also said the state could not prohibit

construction because the pipeline didn't qualify for review under Montana's key environmental law. There were no follow-up articles telling whether or not Funk and Janis were correct.

It wasn't until April that the paper seemed to discover the state's lack of control over the pipeline. That information came with the release of Janis' final impact statement. Then the Missoulian ran a front page story about the lack of state power and a page two story saying what pipeline opponents had known for months—that the state had little say over Northern Tier. Two days later an editorial denounced the state's impotence and urged the next state legislature to remedy the situation.

The paper understandably treated this as big news, but it had the information nine months earlier. If the Missoulian had been looking for the facts its readers needed to understand the significance of the pipeline, Funk's or Janis' statements would have signaled that something important had surfaced.

These examples show that reporting, without investigating, can result in superficial coverage, and that investigations often can be no more than checking facts. Environmental stories like Northern Tier need depth reporting. Without it, the maze of figures, comments and contentions may present a confusing, shallow picture. The two Department of Energy studies, called pathetic and awful, had widely different conclusions. One said there was no need for a

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1Ibid., April 24, 1980, p. 1.

2Ibid., p. 2.
new pipeline because crude oil deficits would be minor. The other maintained that at least one new pipeline was needed to avert massive oil shortages. The Missoulian reported the gist of each, but it didn't analyze on its own the quality or validity of the reports.

Even after the paper finally reported the weakness in the state's regulatory laws regarding pipelines, it didn't find out how such loopholes originated or what effect they were likely to have on the quality of the pipeline's construction. When public issues involve contradictions, a constant search for and reporting of the truth is essential to inform the public. By neglecting research, by primarily providing the claims and counterclaims, charges and reassurances, the Missoulian sometimes supplied the ingredients for confusion, not understanding.

The Missoulian's Attempt to Explain the Issue

Besides its lax effort to dig out information, the Missoulian did little to explain the facts that were revealed or to analyze diverse stories. Many stories were fragments of a broad collage that needed to be organized and interpreted. Many journalists today accept the need for explanations in news stories. Markel said,

News is the report of a contemporary event or trend—a report that supplies background and explanation, that avoids partisanship and propaganda and that indicates, as far as possible, the truth.¹

The Missoulian provided explanations with gusto only once. Mostly, the paper's attempt to explain the issue in its news articles was limited to rare labeled news analysis, an occasional story that gathered a collection of already-reported facts into a single piece and a few wire service stories that explained incongruities of the issue. Few of the news stories by the paper's staff carried explanatory elements beyond a perfunctory description of the pipeline, such as "Northern Tier is a proposal to build a 1,500-mile crude oil pipeline from Port Angeles, Wash. to Clearbrook, Minn."

Two characteristics of the issue created the need for frequent explanations: one was its complexity. The West Coast oil glut, for example, one of the simpler aspects of the issue, was a product of Alaska oil production, the ban on its foreign sale, the limitations of West Coast refinery capacity, the lack of inland transportation systems and the relative cost of shipping Alaska oil to the Gulf Coast through the Panama Canal. To understand the glut, one must know the relationship of each of these other situations.

Explanations in the news stories were needed because of the long period during which the story developed. Northern Tier evolved. Its myriad components surfaced piecemeal. While many of those pieces alone justified news stories, readers periodically needed to have them gathered up, sorted and put into enlightening perspectives.

Coverage of S. 968 might have misled some readers because the major provisions of the bill, instead of being presented in a

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1 Hypothetical example.
single story, were revealed in installments. The measure was designed
to (1) advance the deadline for the completion of the federal impact
statement, (2) speed up a key federal decision and (3) limit legal
protests by prohibiting court challenges to the federal decision about
the pipeline and by setting a 60-day limit for constitutional
challenges against the bill.

Coverage of S. 968 was poor partly because the components
of the bill came out in the paper over six weeks. The only time the
Missoulian listed the major provisions together was in an editorial
printed the day the bill was to be heard in Congress. That editorial
was the paper's final mention of the measure.

That the bill somehow would limit citizen access to the
courts was reported in April 1979, and mentioned several times in the
next six weeks. It wasn't, however, until the middle of May that the
paper, in a Don Schwennesen column, explained how access would be
restricted. Schwennesen's column was printed the day before the
bill was to be heard. Until then the Missoulian's coverage of this
aspect of the measure was condensed to "court challenges to the impact
statement would be limited"\(^1\) and the bill would expedite "court
procedures for any court cases as a result of this special procedure."\(^2\)

Where the paper failed most in its coverage of S. 968 was in
not explaining the substance of the bill--how it would expedite the
permitting process and restrict legal activity. The Missoulian

\(^1\)Ibid., April 13, 1979, p. 11.

\(^2\)Ibid., May 4, 1979, p. 4.
described the decision in several ways: (1) a "federal decision on the proposed Northern Tier pipeline,"\(^1\) (2) a decision about "which if any pipelines to carry Alaska crude oil to the middle west will be approved"\(^2\) and (3) an action taken by the Secretary of Interior on the final impact statement.\(^3\) The decision was the key element in S. 968. Whatever it was, Melcher, the bill's author, apparently felt it important or questionable enough to protect it from court action.

The coverage implied the decision was a blanket federal approval for Northern Tier to start laying pipe. It wasn't. The decision was a selection of which of four pipeline proposals would receive special federal processing instituted by Title V of the Public Utilities Regulatory Act of 1978. To understand S. 968, readers needed background of Title V, which was introduced by Melcher and passed two years before S. 968 was proposed. Without a knowledge of Title V, readers could not fully understand Melcher's new bill.

Reporting spot news items without providing relevant background often does little more than alert readers that something is happening. Sometimes the important aspect is found in the background, which may give reasons for the consequences of or the solution to an isolated event first noticed by a newsman. For example, in mid-1979 an odd forecast was made by the Department of Interior. The *Missoulian* reported that a draft Department of Interior

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\(^2\) *Ibid.*, June 1, 1979, p. 5.

report predicted a large net surplus of oil in the 11 Northern Tier states and that Michigan, Illinois, Indiana and Ohio, where most of the region's refinery capacity is, would have more than 600,000 excess barrels of oil a day by the year 2000.

An oil surplus during a period of dwindling supplies is extraordinary, especially for largely nooil-producing states, but no reasons were given by the paper. That was unfortunate because an explanation would have provided some insight into one of the most misunderstood aspects of the issue. The surplus wasn't an overabundance of oil but excess transportation capacity in the same states Northern Tier officials designated as their primary market area.

The Department of Interior was saying that an expected drop in demand for oil would cause existing pipelines feeding Midwestern and Northern Tier refineries to be underused. Had the paper explained the bases for the bizarre sounding prediction, readers would have been able to better understand that the proposal for a new pipeline depended on increasing demands for oil. This would have simplified a complex situation and related the need for a pipeline to crude oil needs in the Midwest.

Explanatory articles also are needed for stories with no news pegs. Such was the case for one of the most pertinent concerns of the Northern Tier issue. Arguments about the likelihood of a crude oil shortage were of secondary importance to the question of what would happen if refineries couldn't get enough oil. Most forecasters agreed that Montana would not have enough crude oil by 1990, but no
one explained what this would mean. Would the price of petroleum products skyrocket? Would there be any increase? Would farmers and motorists, as Sen. Melcher and Gov. Judge hinted, run out of fuel? Perhaps there would be shortages of home heating oil. With the exception of a few quotations, mostly from politicians, the Missoulian did not report this central concern or raise the questions.

To make a rational decision about whether or not the pipeline should be built, the public needed to be able to weigh the pipeline's impacts against the benefits. This information was not easy to obtain. It wasn't in federal or state reports. It's possible that no credible material was available about the consequences of an oil shortage, but the questions should have been raised and attempts made to answer them. Perhaps all the paper could have done was provide scenarios or draw comparisons with previous oil shortages; but, by omitting any mention of what its readers could expect if no pipeline were built, only the loose implications of politicians received attention.

The benefits derived from explanatory reporting are evident from the times the paper did provide such details. A New York Times news service article headlined "Gas Shortage, Oil Glut Coexist in Calif."¹ gave a cogent explanation of how there could be long lines of cars bidding for scarce supplies of gasoline while there were long lines of oil tankers reluctantly bypassing the West Coast on their costly way to Texas. This article helped to explain the perplexing phenomenon and causes of the oil glut.

In July 1981 a *Missoulian* reporter wrote a four-part series describing the main issues involved in the pipeline. He wrote about the environmental dangers, the company's strategy to win final approval and to make a profit and he discussed the arguments about the pipeline's need. The series gave readers a concise, clear overview.

The paper printed a few articles that, while having a hard news peg, primarily were a potpourri of scattered pipeline items introduced by transitions such as "meanwhile," "in addition," and "on another front." These articles didn't directly explain particular aspects of the pipeline; but, by combining items reported separately, often months apart, readers could receive a broader view of the issue.

Northern Tier was confusing in part because it was a continually changing issue. The companies that made up the consortium often changed as did their proposal. Too, the supply of and demand for crude oil in the country, on which the pipeline's need rested, underwent dramatic changes after 1979. By simply reporting news items as they appeared, without providing background reasons or explaining the changed context under which the new information emerged, the news value of many stories was diminished. This is evident in much of the *Missoulian*'s treatment of Northern Tier.
CHAPTER V

CONCLUSION

It's easy to look at a newspaper's performance on a particular issue and find flaws: questions that weren't asked or answered, cases where a reporter was misled or failed to give a needed explanation, scant coverage given an important topic while trivia received broad play. The lapses in the Missoulian's treatment of Northern Tier are not, however, as important as the reasons behind them.

Rating his paper's performance on the pipeline, publisher Brown said, "We did a good job. We put in a lot of time. We put in an awful lot of stories on it."1 Missoulian correspondent Richard Eggert, who wrote dozens of stories about the pipeline, said, "I'd rate the coverage as good. The local issues concerning western Montana we covered very well indeed."2

If Northern Tier primarily was a local issue and one were rating straight, hard news stories with well-defined pegs, the paper's performance was good. But Northern Tier primarily was a nonlocal issue and good reporting involves more than a display of immediate facts. News isn't a collection of facts anymore than a disease is a list of symptoms. Most newsmen know this. Eggert defined news as "the

everyday element in a free society that permits people to make valid
democratic decisions."¹ This takes more than hard news stories. It
requires background material, explanations and a sifting of information
to find significant information.

Brown said the goal of his paper was "to try to cover Northern
Tier in the kind of depth that would allow people to know and make
intelligent decisions about it. To have a public opinion based on
some knowledge instead of just emotionalism."² But the Missoulian
often failed to do that because it was content to act as a mirror,
displaying only what was put before it. The excuse for this passive
approach is that deeper, more thorough reporting is an unavoidable
casualty of the ceaseless pressure to gather, decipher, process and
disseminate the great volume of information that newsmen encounter
daily.

"Time is a tyrant"³ in journalism, but it doesn't have
absolute rule. It would have taken little time to call a refinery in
Billings to learn about its position concerning the pipeline's need
or to check statements saying the state had little power over the
line. The Missoulian printed eight stories about Sen. Melcher's
S. 968, but it never explained what the bill would do.

¹Ibid.

²Personal interview with Tom Brown, loc. cit.

³Richard Harwood, "Can Newsmen Do Better on the Facts?" in
Of the Press, By the Press, For the Press, and Others Too, Laura
The four-part explanatory series by a *Missoulian* reporter undoubtedly was time consuming, but it did more to inform the public than a dozen other articles. When Melcher admitted he was wrong when he said the pipeline company didn't have eminent domain, the newspaper said,

The senator said the problem in finding the statute occurred because it was filed with laws relating to the state's Public Service Commission rather than eminent domain. (The *Missoulian* . . . quickly found the law in question by looking under Pipeline in the general index of the Revised Codes of Montana).¹

The information about the company's eminent domain power was not difficult or time consuming for the senator or the paper to acquire. They just had to look.

The fundamental aim of journalism is noble, but newsmen can lose sight of their objectives. The habits of expediting the editorial process can cause newsmen to cover only the easily pegged stories and to depend on what Philip Foisie of the *Washington Post* called "contrived" news: hearings, communiques, speeches and procedural court maneuvers.² Journalists cannot treat many of today's issues in this way and provide all the necessary information.

There is no question that we live in volatile times, that the economic, political and environmental systems of our society are becoming more interdependent, and that the potency of our technologies hold increasingly graver threats. The interdependence of our social

¹*Missoulian*, April 14, 1979, p. 3.

systems means that communities cannot be isolated havens. The world is shrinking because the individual's environment is expanding.

If the press is to keep the public informed about the events that affect it the most, the news media must develop methods to acquire and process far more information than in the past. This particularly is true for small dailies. Reporters cannot rely on the straight, hard news format or be content to cover only what happens in their vicinities. Our shrinking world is becoming complex and is erasing community boundaries.

The Missoulian is a medium-sized daily. It has limited resources and cannot afford correspondents in all the areas from which relevant local news is generated. Like the rest of the news media, however, it must recognize that today's world demands much more of the press. It must realize that the routines of journalism that suffice for some traditional local beats work poorly for many broader issues.

The responsibility of the press has grown and, as George F. Will has explained, how the press fulfills its responsibility will affect the health of our society:

This nation's premise is that history is made not by impersonal forces but individuals' choice. However, since 1933 the choices have been becoming complicated faster than journalism has been becoming capable of clarifying complexities. Because history here is the history of the minds of free persons, the quality of the history we shall make in the next 50 years depends to an unprecedented, and perhaps dismaying, extent on the quality of journalism.1

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