



# 450M or bust

*Store Norske's restructuring plan seeks gov't loan to offset 537M kr. loss and start new subsidiary*

By **MARK SABBATINI**  
Editor

A restructuring plan relying on a 450-million-kroner loan from the Norwegian government was unveiled this week by Store Norske, which lost a record 537 million kroner in 2014 and only has enough cash to operate until the end of March.

The proposal, following the layoff of about

100 of Store Norske's 340 employees in December, is necessary due to "abnormally low prices in the coal market now and over the next few years," said Annette Malm Justad, chairwoman of the company's board of directors, at a press conference this week in Oslo.

"Coal production will run at a minimum level in 2015 and possibly in 2016, in anticipation of a better coal market," she said. "Meanwhile, we are conducting changes that will make it possible to operate cheaper, more efficiently and with lower staffing after coal prices have improved."

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REGJERINGEN.NO

Annette Malm Justad, chairwoman of Store Norske's board of directors, presents the company's proposed restructuring plan at a press conference this week in Oslo.



NORWEGIAN POLAR INSTITUTE

The *Lance* research vessel heads northward Sunday after departing Longyearbyen the night before to seek a spot where the ship will be frozen into the sea ice. The vessel is scheduled to remain at that site for about three months while researchers collect data expected to improve their knowledge about climate change before moving to a location further north for an additional three months.

# Lance a lock

*Ship freezing itself in ice for six months to study climate change*

By **MARK SABBATINI**  
Editor

It sounds like a punchline for skeptics: Climate change scientists are hoping to move forward by getting stuck.

But the researchers are serious enough they're parking the *Lance* research vessel in solid sea ice for six months for one of the most

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## Longyearbyen losing top leaders

*Mayor Christin Kristoffersen departing; top Conservative Geir Hekne unlikely to run again*

By **MARK SABBATINI**  
Editor

As Longyearbyen heads into choppy waters due to perhaps its worst economic crisis ever, it will need to find new leaders to guide the way.

Mayor Christin Kristoffersen, leader of the local ruling Labor Party, said this week she will return to her home in Tromsø after the

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MARK SABBATINI / ICEPEOPLE

Geir Hekne, left, and Christin Kristoffersen chat during a break in a Longyearbyen Community Council meeting in October. Both say they are not planning to run for reelection this fall.

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

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## Corrections policy

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

## Submitting material

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

## Yes, it's a polar bear and a nuclear freaking sub



UNKNOWN PHOTOGRAPHER / PROVIDED BY BLOGGER51

A polar bear inspects a Russian nuclear ballistic missile submarine after crew members threw out garbage – mainly old bread and plastic packaging – to attract the animal's attention. The photo, taken at an unknown location in the Arctic, resulted in a barrage of criticism from officials and environmental activists. "This way of waste management is very unfortunate," Svalbard Gov. Odd Olsen Ingerø told the *Barents Observer*. Russia has significantly increased its recent military activity in the Arctic, including naval exercises south of Svalbard. Norwegian officials say the exercises are legal in international waters and WWF told the *Observer* there are no international rules for dumping trash outside of a country's exclusive economic zone.

## Icesheet

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

It's bad enough climate change is screwing things up for pretty much every form of life in Svalbard, but now it's keeping even the dead from resting in peace. **Wetter and warmer climates are exposing and/or threatening to wash away the graves of roughly a thousand whalers in the archipelago**, according to The National Committee for Research Ethics on Human Remains (a.k.a. the Skeletal Committee – really). The whalers, who came mostly from the Netherlands and England during the 1600-1700's, were often buried at the tip of now-eroding beach ridges. "Norway has a duty to take care of these cultural monuments, which are not found elsewhere," said Snorre Haukalid, The Governor of Svalbard's cultural heritage advisor, in an interview with NRK. "While ordinary people clothes and objects are lost in the rest of Europe, the permafrost preserved them here." The Skeletal Committee has sent a letter to the Norwegian Directorate for



SYSSELMANNEN

**This is not as comfortable as it looks:** First we perish in the cold. Now we're getting crushed and gawked at because y'all weren't content with Hell being the only warm place for us.

Cultural Heritage expressing concern there is no plan or money to preserve the graves, but the governor's office has received permission to excavate remains from some graves on Bjørnøya that will be preserved ... Luckily, **Svalbard also happens to be in a period of fertility for certain life forms, according to an Ice-Blog post with the clickbait title "Food and sex in Svalbard's icy waters"** (tinyurl.com/pgcqd). Irene Quaile, an environmental journalist participating in a research voyage aboard the *Helmer Hanssen*, notes "nocturnal goings-on" of the native marine life are "not for the faint-hearted, so I won't go into details ... Presumably it's not like with human beings, where there tends to be a rise in the birth-rate after major power cuts in some places. So why would sea creatures choose to have their young in the cold, dark, polar winter?" Being a tease, she says experts have given her answers, but she's not sharing them until the second (or beyond) date.



**IRENE QUAILE / ICE-BLOG**  
**OMG! Lots of filthy sex is happening under those covers:** And scientists are spending lots of time keeping a really close watch.



MARK SABBATINI / ICEPEOPLE

Workers load cases of cargo onto the *Lance* research vessel, above, shortly before its Saturday night departure from Longyearbyen. At right, crew members from the Norwegian Coast Guard's *Svalbard* icebreaker and Norwegian Polar Institute researchers board the *Lance* on Tuesday. The *Svalbard* is clearing a path through the sea ice until the *Lance* is far enough north to be frozen into the ice for the first of two three-month research phases.



NORWEGIAN POLAR INSTITUTE

## Learning about warming by freezing

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ambitious voyages ever undertaken by the Norwegian Polar Institute. The ship departed from Longyearbyen on Saturday, setting a course for 84 degrees 30 minutes north latitude and 25 degrees 0 minutes east longitude, where 20 scientists from ten countries hope to begin the first of two three-month periods in frozen ice.

"The entire system of the polar winter ice will be monitored, from cradle to grave," wrote Harald Steen, the expedition's leader, in the NPI's blog about the project ([tinyurl.com/ksefnny](http://tinyurl.com/ksefnny)). "The goal is to obtain data so that future models of climate change in the Arctic give as precise answers as possible."

The Arctic ice sheet has shrunk to historic minimums in recent years and seasonal first-year ice is increasingly present compared to multi-year ice, he noted.

"First-year ice is thinner, more brittle, and flatter than multi-year ice," he wrote. "It also drifts faster and exhibits different dynamics. Most of our knowledge about the effect of polar ice on the climate, ecosystems and the weather

is based on multi-year ice data, which isn't ideal for predicting the future of the Arctic Ocean."

The *Lance* met up Tuesday with the Norwegian Coast Guard's *Svalbard* icebreaker at 81 degrees 27 minutes north latitude. The icebreaker is clearing a path for the research ship until it reaches the designated freezing point.

"The *Svalbard* sliced through the one-and-a-half meter ice as if it was made of gingerbread, with us pacing after at a respectable seven knots," Steen wrote. "If we can maintain our current speed, we should arrive at our target location ... in approximately two days."

"Preparations are made for establishing the instruments and running the operation. Everywhere on board, people are discussing, planning, drawing and sharing experiences."

Researchers expect to spend the first three months drifting southward with the ice until it thaws, at which point the *Lance* will sail further north to a second freezing point and a new team of researchers will take over.

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

## HEADLINES STOLEN FROM SVALBARDPOSTEN

VERDENS NORDLIGSTE AVIS

### UNIS wants 'doubling' plan hastened due to Store Norske

The University Centre in Svalbard is hoping to drastically accelerate plans to double its students and staff in the wake of the Store Norske crisis, telling the Norwegian central government the university is ready to play a bigger community role in Longyearbyen. "UNIS is here because the institution has a socially beneficial strategy," UNIS Administrative Director Ole Arve Misund said. UNIS had approved a plan to double in size during the next 20 years, but is now asking the government to support and provide funds allowing the expansion within a few years. The expansion would include more courses, speeding up the development of Svalbard Research park and building about 160 new student housing units.

### Apartments, cabins renting for 20K during solar eclipse

A rate of 20,000 kroner a night and mandatory multi-day stays are the current standard among Longyearbyen residents offering their homes and cabins for rent during the March 20 solar eclipse. "When demand is so great, I think people are willing to pay whatever," said Paal Lund, who is requiring a five-night stay at his Elvesletta apartment. Many of the vacant rooms are being advertised at the [airbnb.no](http://airbnb.no) website, but Spitsbergen Travel is also offering 25 rooms at Spitsbergen Guesthouse – at 20,000 kroner per person, double occupancy, with a four-night minimum – after a large group cancelled some of its reserved rooms there.

### New Conservative leader will try to take over city council

A new leader of Svalbard Conservatives will attempt to wrestle control of the Longyearbyen Community Council away from the Labor Party during this fall's municipal election. "We need a targeted and realistic industrial policy," said Kjetil Figenschou, 28, a supervisor at Store Norske's mine at Svea. "And it is urgent." While he will lead the party's effort to control the council, Figenschou said he does not expect to be the party's top-ranked candidate in the election.

## Weather forecast for Longyearbyen

Wednesday	Thursday	Friday	Saturday
Clear. E winds to 45 km/h. High 12C (-20C wind chill), low -13C (-19C wind chill).	Clear. SE winds to 35 km/h. High -13C (-20C wind chill), low -16C (-23C wind chill).	Partly cloudy. SE winds to 42 km/h. High -16C (-22C wind chill), low -19C (-26C wind chill).	Clear. E winds to 39 km/h. High -16C (-22C wind chill), low -19C (-26C wind chill).
24-hour darkness	24-hour darkness	24-hour darkness	24-hour darkness
<b>Extended forecast:</b> Sunday, p. cloudy, -11C (-17C), -18C (-24C), light 0:00h; Monday, cloudy, -7C (-13C), -11C (-17C), light 0:00h; Tuesday, cloudy, -4C (-9C), -7C (-12C), light 0:00h; Wednesday, cloudy, -3C (-8C), -4C (-9C), light 0:00h			
Data provided by <a href="http://storm.no">storm.no</a>			

## Just another school night in Svalbard



LONGYEARBYEN YOUTH CLUB

Youths gather Tuesday night for a cookout, sleepover and "outdoor disco" at a trapper's cabin used by Longyearbyen School. The overnigher marked the start of a national "Year of Outdoor Recreation" campaign, with other locals participating in activities such as polar swims and overnight camping in Endalen. Temperatures were about minus 10 degrees Celsius with a wind chill of minus 25 degrees. Information about planned activities is available at [tinyurl.com/kcau4qx](http://tinyurl.com/kcau4qx).

## Seeking a 450M loan after a 537M loss

### BAILOUT, from page 1

Store Norske expects its operating costs in 2015 to be 300 million kroner lower, or nearly 30 percent, than in 2014, Justad said.

The loan would provide 400 million kroner for Store Norske's current operations and 50 million kroner for a new subsidiary "to develop new business activities beside coal mining," according to a statement by the company.

"The new business will be based on Store Norske's expertise in industrial activities and logistics in the Arctic, as well as the company's existing infrastructure and real estate on Svalbard," the statement noted.

The company's reported loss in 2014 is considerably more than the estimated 400 million kroner predicted in published reports during the final quarter of the year. But Longyearbyen Mayor Christin Kristoffersen, who has been lobbying government ministries and members of Parliament to support assistance for Store Norske, said the amount of the requested loan was expected and she believes

those expressing support will not change their stance due to the higher loss.

"I think that one of the important things to remember is this is for the development of Svalbard," she said. "This is not providing money for coal, as such."

Monica Mæland, Norway's minister of Ministry of Trade, Industry and Fisheries, said in a prepared statement "we have a good dialogue with the Board as part of own monitoring," but declined to say if her agency will support the proposed loan.

The request for help comes as the Norwegian government, which owns 99.9 percent of Store Norske, is facing a severe crisis of its own due to a 60 percent drop in crude oil prices since June. The kroner has dropped 27 percent against the dollar during that time and top Norwegian leaders conducted emergency meetings this week to plot a course for what's expected to be a long-term oil slump.

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

## Kristoffersen open to run for Parliament

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municipal election in October and may consider running for Parliament two years from now. Geir Hekne, the local Conservative Party leader and deputy chairman of the council, also appears unlikely to seek reelection.

Hekne has stated previously "it might be healthy that someone else takes over" due to the time commitment required. He said it's difficult for him to fulfill that commitment because of his job as the Longyearbyen Fire Department's firemaster.

Kristoffersen announced her departure this week, saying she hasn't been able to spend sufficient time with her family since the July 22, 2011, mass shooting at Utøya. One son, Viljar Hansson, suffered near-fatal injuries and another, Torje, was with his brother at the time.

She has worked on numerous projects as mayor, including seeking a new harbor and helping start a new college-level engineering program, and has spent the past few months

lobbying the Norwegian government on behalf of Store Norske. The mining company is facing a long-term financial crisis that has already taken a heavy toll on Longyearbyen's economy, but she said she believes new leaders will be able to guide the city through.

"I think we have done what we can do for the development of Svalbard," she said. "The next four years will be another kind of work and another dynamic."

Kristoffersen, who rose swiftly and finished fourth in the Labor Party's rankings for the Troms region during the 2013 national election, said she is open to running for Parliament in 2017 if the regional party supports her.

"I will of course do that because its my party and I would like to contribute in any way I can," she said. However, "it not's directly related" to her decision not to run for reelection in Longyearbyen.

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

## What's up

### Jan. 13

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

### Jan. 14

6 p.m.: Movie: "Tinker Bell and the Legend of the NeverBeast," U.S. animated/fantasy, ages 7 and up. Kulturhuset.

### Jan 16

7 p.m.: Irish dinner and performances featuring the Corner Boys band, Svalbard Irish Dance Ensemble and Tønsberg Irish Dance Ensemble. Kroa.

### Jan. 17

1 p.m.: Movie: "Paddington," Canadian/French/British adventure/family, ages 7 and up. Kulturhuset.

### Jan. 18

11 a.m.: Mass. Svalbard Church.

5 p.m.: Movie: "Paddington," Canadian/French/British adventure/family, ages 7 and up. Kulturhuset.

7 p.m.: Movie: "Taken 3," U.S. action, ages 15 and up. Kulturhuset.

### Jan. 19

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

### Jan. 20

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

8 p.m.: Svalbard Seminar: "Return of the polar bears?" by polar scientist Jon Aars. UNIS.

### Jan. 22

8 p.m.: Svalbard Seminar: Review of large-scale emergency exercise in November and safety tips for expeditions. UNIS.

### Jan. 24

Noon: Seminar focusing on overcoming substance abuse by Hågen Haugrønningen and André Jenssen. Huset. Second seminar Jan. 26 at 8 p.m. Details at [tinyurl.com/p6upsvl](http://tinyurl.com/p6upsvl).

### Jan. 25

11 a.m.: Mass. Svalbard Church.

## What's online

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

- *Russia moves Arctic troops near Finland*
- *China's first Arctic mine is in Greenland*
- *Canada on alert for Arctic spies, attacks*
- *Climate change for skeptics in 30 seconds*