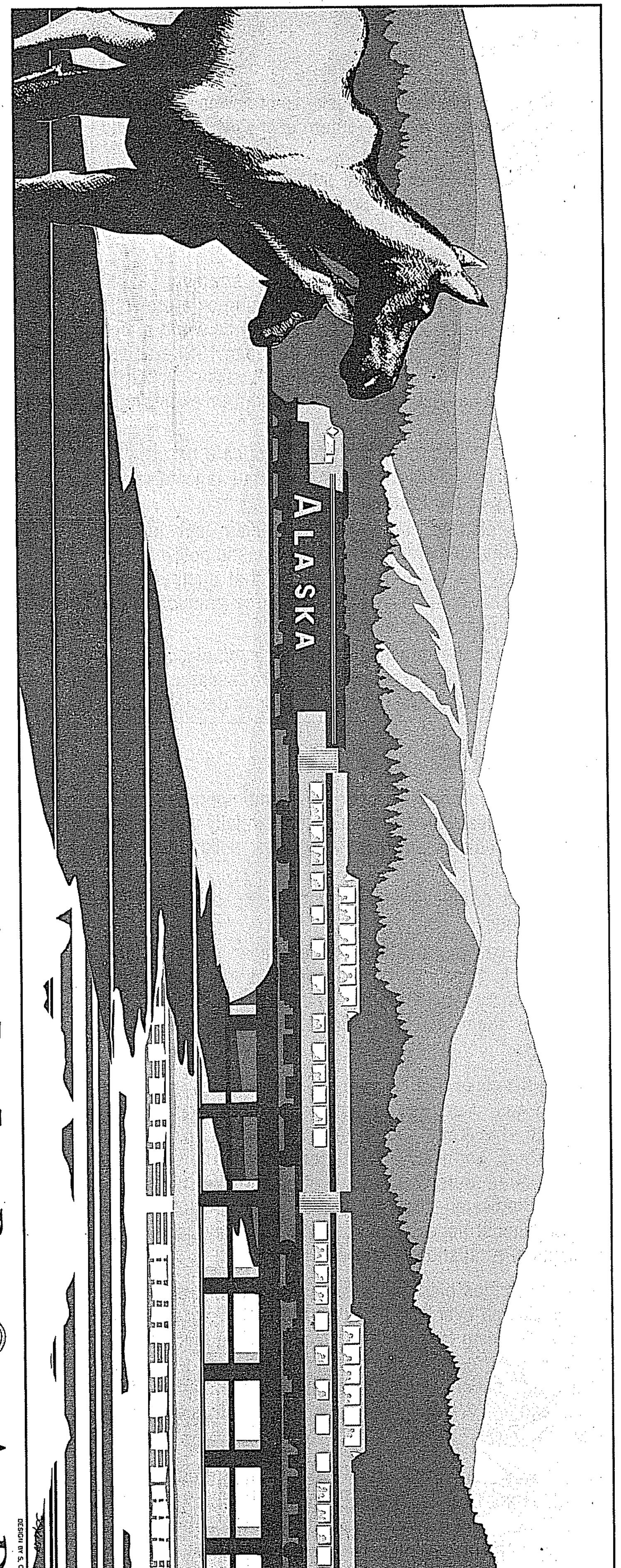

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OCS Moratoria Not The Answer

Fisheries director favors OCS development

Carl Sullivan, Executive Director of the American Fisheries Society, said America needs answers, not an offshore oil and gas leasing moratoria.

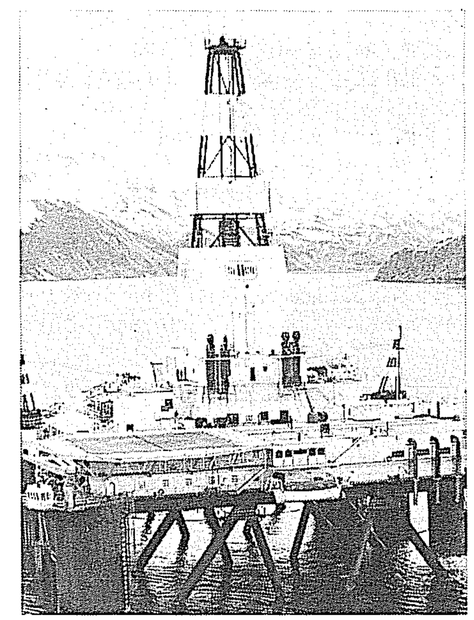
Speaking before the House Appropriations Subcommittee in Washington, D.C. last month, Sullivan urged the exploration and development of offshore resources to lessen dependency upon unreliable foreign suppliers. He said the sooner America discovers what, where and how much oil it possesses, the sooner it can begin to manage the resource intelligently.

Headed by Congressman Sidney Yates, D-Ill, the congressional hearing was called to hear comment on whether Congress should extend the OCS leasing moratoria.

Sullivan pointed out that in nearly 100 years since offshore drilling began, over 31,000 wells have been drilled in U.S. waters, and only one spill resulting in a significant amount of oil reaching land has occurred.

Of the three sources of American oil, OCS production has the least environmental impacts, Sullivan noted.

(Continued on Page 7)



ARCO Alaska's Sedco 708 semi-submersible drill rig lies in anchor at Dutch Harbor last year before being towed to the Navarin Basin. Of the nation's undiscovered oil and gas resources, over half are expected to be found offshore. According to Carl Sullivan, Executive Director of the American Fisheries Society, "the sooner we discover what, where and how much oil we have, the sooner we can begin to manage it intelligently." The American Fisheries Society urges the development of OCS resources "because we dare not become too dependent upon unreliable foreign suppliers."

OCS moratoria increases U.S. vulnerability

The United States is placing itself in a position of vulnerability to the Soviet Union by failing to adopt a strong Arctic development policy and long-term energy and mineral development strategy, according to Paula Easley, Executive Director of the Resource Development Council for Alaska, Inc.

Speaking before a congressional hearing in Washington, D.C. last month, Easley warned that Soviet strategy is aimed at aggressive development of Siberian oil, gas and mineral resources for the purpose of achieving foreign and defense policy objectives. She stressed that these objectives are targeted at increasing Western European and Pacific Rim dependence on Soviet mineral and energy resources.

The congressional hearing, headed by Congressman Sidney Yates, D-Ill, was called to hear comment on whether Congress should seek a delay in the nation's offshore leasing schedule, including the North Aleutian Basin Lease Sale set for December.

Once Western European and Pacific Rim nations grow dependent on Soviet resources to power their economies,

(Continued on page 7)

Alaskans... Working with **Alaskans** to improve the quality of life through sound resource development.

Message From The Executive Director

By
Paula P. Easley

Most of the folks who've been active in the Resource Development Council since its inception as OMAR ten years ago this month can't believe how some of the events of the decade have affected us here in Alaska. And most feel a sense of frustration that, 25 years after statehood, we still have not achieved the economic self-sufficiency we were so sure was within reach.

Who could have forecast the impact on land use of Section 17(d)(2) of the Alaska Native Claims Settlement Act of 1971, the section which was resolved by Congress in December 1980 as the Alaska National Interest Lands Conservation Act? Or the economic implications of the National Environmental Policy Act of 1969, the Clean Air and Water Acts of 1972, the Coastal Zone Management Act, and the Endangered Species Act of 1973? Or the Federal Water Pollution Control Act Amendments of 1972 which mandated federal protection of wetlands? Or the National Historic Preservation Act, Water Resources Planning Act and the Federal Land Policy and Management Act of 1976? Although not all-inclusive, these federal environmental laws have greatly impacted Alaska, primarily because they all govern land use, and land we have.

It is important to remember that nearly all of this legislation contained requirements for **planning** that has had significant impacts on state and local government and private property.

When the Coastal Zone Management Act was passed in 1972 to protect the coastlines, the people in Congress weren't thinking about Alaska, but about the more populated states where extensive coastal development had taken place. There was a legitimate need to avoid potential deterioration in these valuable resource areas.

Our organization urged the state to reject the carrot of federal planning money and do our own planning as it was needed, outside the mandates of the Coastal Management Act. We spent a lot of time and money trying to convince the powers that be that

(Continued on page 6)

New Resource Review

The Resource Development Council is pleased to present a brand new Resource Review to our readers this month. With a new format and a generous corporate sponsor, the **Resource Review** has been sent across Alaska to spread your Council's message on resource development and economic diversification.

For over eight years, the Resource Development Council has been publishing the **Resource Review** on a monthly basis to keep our broad membership in Alaska and the southern forty-eight informed on activities and efforts toward developing a strong private-sector economic base for Alaska.

Beginning this month, the **Resource Review** will be sent to our readers courtesy of a corporate sponsor who, like you, has a big stake in the economic well-being of Alaska. In April, we're pleased to welcome the Alaska Railroad Corporation as our first sponsor.

Through this new sponsorship program, we'll be expanding our circulation to reach more Alaskans. And you'll note expanded coverage of the issues, too.

If your company or organization is working to achieve broad public support for removing the barriers which inhibit investments in Alaska's economy, it should consider investing in the **Resource Review.** By sponsoring a **Resource Review,** you'll be making a direct investment in building support for industry in Alaska.

Interested corporate sponsors should contact Carl Portman at the Resource Development Council for details.

Resource Development Council, Inc.

The Resource Development Council (RDC) is Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in an orderly manner and to create a broad-based, diversified economy while protecting and enhancing the environment.

RDC invites members and the general public to its weekly breakfast meeting featuring local and nationally-known speakers on economic and resource development issues. The meetings are held on Thursday at 7:30 a.m. in the Northern Lights Inn. Reservations are requested by calling 276-0700.

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The RDC business headquarters are located at 807 G Street, Suite 200 in downtown Anchorage.

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Carl Portman
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Resource Review encourages its readers to submit articles, announcements and letters to the editor for publication. Send all correspondence to Resource Development Council, Resource Review, Box 100516, Anchorage, Alaska 99510.

OCS . . .

(Continued from Page 1)

Easley said that a shift in the world balance of power and erosion of the political framework of the Western economic system could occur in times of crisis.

Another aspect that concerns the Council is the Soviet strategy that seeks to control global resource production and trade. Such a strategy could be used by Moscow as an instrument to jeopardize American supply sources.

To emphasize the seriousness of this strategy, Easley testified, "Russia and Japan are now cooperating on a project to find oil offshore in what is believed to be one of the world's most promising areas, Sakhalin Island, north of Japan." She added, "we certainly can't blame Japan for using Russia as a supply source when Alaska has been prevented by law from exporting oil to Japan."

Easley urged that Congress consider America's oil development and minerals policies in the larger context of national security and the security of the Free World.

"Our foreign policies, our alliance policies, our defense policies and our environmental and other domestic policies must all be framed with the clear understanding that another world power is dead set on controlling global resource production and trade, to our detriment," Easley warned.

Given this view, she questioned the logic of placing huge amounts of on and offshore acreage off limits to resource production. She noted that environmental considerations did not support further delays in the national leasing schedule when industry's track record is examined.

The Council's executive director explained that of 45 exploration wells and 14 COST wells drilled in Alaska, not one resulted in environmental doom or decimation of fish and wildlife resources. She contended that industry has faced far more challenging weather and operational conditions in areas already explored than will be experienced in the North Aleutian Basin, an area at stake in the hearings.

In terms of America's own economic and national security needs, Easley noted that industry has failed to locate 75 percent of the oil needed to power the country by the year 2000. She also pointed out that domestic production and strategic reserves would provide only a few months' cushion in the event of an international emergency.

Easley echoed a sobering warning by Governor Richard Lamm of Colorado that unless the nation successfully addresses federal deficits now, the United States will be a "nation in liquidation by 1994."

"Even if he is only partly correct, and our country is merely in Chapter 11 by then, it seems we ought to be looking at every possible option of avoiding such a crisis," Easley said.

"Oil development is a vital key to reversing the skyrocketing trend of the federal deficit," she said.

While the largest segment of the U.S. balance of payments deficit is attributed to oil imports, OCS leasing payments to the federal government are one of the largest domestic revenue sources. Only taxes paid to the Internal Revenue Service surpass OCS revenues.

By reducing the balance of payments deficit and generating larger payments from OCS leasing, a big dent could be made in the deficit, Easley indicated.

Regarding the State of Alaska's position supporting delay of Lease Sale 92, Easley charged Governor Bill Sheffield with not representing the views of the vast majority of Alaskans.

"When he asks for an administrative delay in promising areas such as the North Aleutian Basin, he is representing the views of some rural residents, fishermen and environmentalists who constitute less than 20 percent of our population as reflected in recent surveys on OCS leasing," Easley said.

She explained that where exploration and development have taken place, many of the fears of residents have been resolved, and all but the most uncompromising and adamant opponents have then joined ranks with the majority in support of such development.

"I believe it is time we as a nation set aside the fears which have proved to be unfounded," Easley said. "By moving forward with confidence, optimism and the latest technological capabilities, we can once again get our nation on sound footing."

Easley urged the congressional panel to not only support the appropriations request of the Minerals Management Service for scheduled lease sales, but to encourage immediate expansion of the OCS leasing program.

Fisheries . . .

He explained that purchasing foreign oil and importing it by tanker is the least desirable because it substantially adds to the balance of trade problems and poses a greater pollution hazard through tanker spills.

Land-based oil production is not without its environmental trade-offs, he added.

"OCS oil and gas production often leaves no scars or footprints," Sullivan testified. "Offshore structures increase habitat and carrying capacity for fish and other aquatic organisms, and then congregate them for easy recreational and commercial fisherman access."

Supporting his claim that commercial and recreational fishing around oil and gas structures is big business, Sullivan cited a Louisiana State University report that showed 75 percent of recreational fishing worth $640 million annually to the Louisiana economy is centered under the shadow of oil and gas structures. Another study indicated that 40 years ago sport fishing in Louisiana was almost nonexistent, but thrives today because of the establishment of offshore platforms.

Sullivan said bonus bids and royalties from offshore production have contributed over $60 billion to the U.S. Treasury compared to only $6 billion from far greater onshore production collected over twice as many years. He also pointed out that about 90 percent of the nation's most important conservation funding source, the Land and Water Conservation Fund, comes from OCS oil and gas revenues.

The American Fisheries Society executive urged the Congressional committee not to extend the offshore moratoria. "Should it be extended," he asked that "it not be done in the name of protecting the environment, because all alternative policies will have more undesirable environmental consequences."

Turbidity . . .

(Continued from page 5)

In a study completed by the Alaska Department of Fish and Game in January, biologist Denby S. Lloyd concluded a five unit increase in turbidity may reduce the primary productive volume of lakes by 75 percent and stream productivity by 3 to 13 percent or more.

Alaska's turbidity standard is stricter than most other states. It is also more stringent than the federal standard of 25 units above natural conditions.

Creation of habitat area dooms Kenai cattle project

A project that could have been an exemplary chance to develop Alaska's agriculture industry without an influx of state dollars suffered a deadly setback after the Kenai Peninsula Borough Assembly voted this month to endorse legislation establishing a 19,000-acre wildlife habitat area.

Efforts to develop a large cattle-export operation near Homer would be crushed if the legislature approves House Bill 280 which calls for establishment of a critical habitat area to protect winter feeding areas for moose. The habitat area, which would be managed by the Alaska Department of Fish and Game, includes a 3,000-acre grazing lease near Fritz Creek.

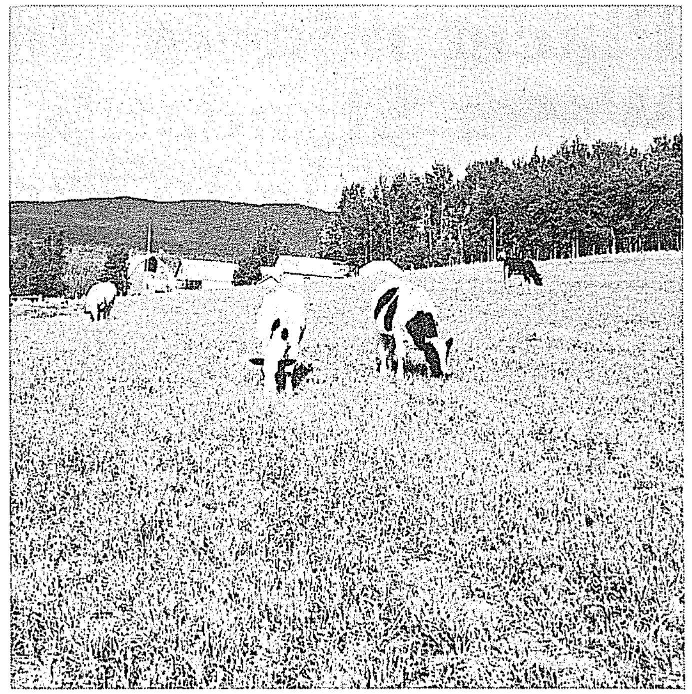
Han-A Samick America Corporation says the grazing lease is crucial to its plans to export up to 10,000 head of cattle annually to Korea. The cattle venture would be the state's largest farm export project, doubling the number of cattle raised in Alaska, according to Robert Breeze, President of the Alaska-Korea Business Council.

Breeze told a Resource Development Council public forum earlier this year that the Korean firm wants to use up to 80,000 acres of rolling grassland as the base for the ranch. The project would employ up to 300 people and create a market for Alaska livestock and for all surplus barley now grown in Alaska.

The Anchorage attorney noted that local governments on the Kenai Peninsula are "destroying the prospects for developing agriculture." In the past month, the Homer City Council and the Kachemak City Council have joined the Kenai Peninsula Borough in supporting creation of the habitat area.

Breeze said that local government action has sent a signal to any private group that wants to develop agriculture on the peninsula that their industry isn't welcomed there.

"That unfortunate," Breeze said. "One day the Kenai Peninsula will need agriculture as one of the foundations of its economy. The oil will not last forever."



The Kenai cattle venture would be the state's largest farm export project, doubling the number of cattle raised in Alaska.

The House bill puts strict limitations on development in the habitat area, forbidding residential and agriculture development. State biologists claim grazing areas must be preserved to protect moose populations in the area.

However, Breeze disagrees, pointing out that in Sweden studies have shown that moose actually benefit from the habitat disturbances associated with agriculture development.

The habitat area is unnecessary for the well-being of moose, "but if its purpose is to prevent agricultural development, it will certainly accomplish that," Breeze said.

Economic Development Workshop Planned

Community leaders from across Alaska are expected to participate in a Resource Development Council economic development workshop May 6 at Settler's Bay Lodge in Wasilla.

The workshop is being held at the request of mayors and city managers who participated in the Council's annual conference in February. The Settler's Bay meeting is the first in a series designed to assist community leaders in advancing economic planning at the local level in response to state revenue declines.

Invited participants have been asked to compile and report on the sources of earned income from local, federal, state and private-sector activities in their communities. The meeting will focus on those findings as well as the local impacts of reductions in government funding. A five-year strategy for local economic enhancement will also be discussed.

Executive Director Message . . .

(Continued from Page 2)

unnecessary constraints to development were being established in local land use plans that communities would live to regret.

Recently an industry executive who's now working for government told me his company thought we were a bit radical in our position on coastal zone management back in those early days.

As a government official he now sees the emphasis on protection and more protection, little regard for the needs of the development community and unnecessary delays and high costs of permitting from CZM consistency requirements and restrictions. He said, "You were right, and we should have listened to you."

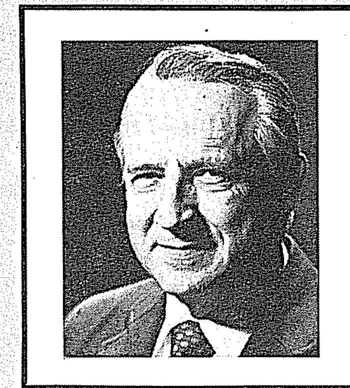
Too often environmental and wildlife protection decisions are made in total isolation of other concerns.

This situation is aggravated by the very structure of our state agencies. In Alaska, contrary to most other states where fish and game resources are managed by their natural resource departments, we have a huge department devoted to that resource alone. It is easy to see how our Department of Fish and Game, with twice the employees of the entire Department of Natural Resources, is able to more effectively advance its protection goals. This powerful department has no mandate to balance the concerns of other resources with those of its single charge, the management of fish and game.

With a fraction of the employees, DNR must balance the concerns of water, agriculture, forestry, parks and recreation, oil and gas, mining and land before coming to the interagency bargaining table. The same goes for protection of the environment which eludes the balancing act by being a separate department, the Department of Environmental Conservation.

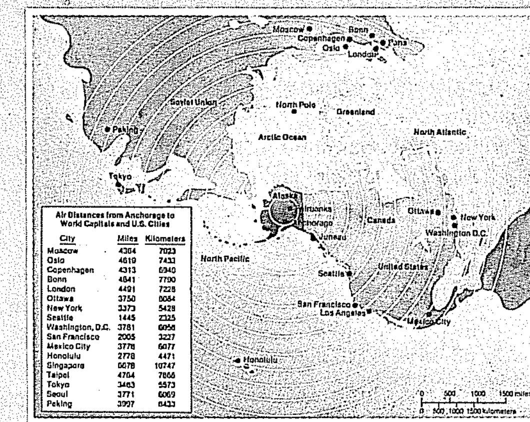
It's really astounding that these three departments now operate with "equal power" when deliberating on permits, land plans, the state's position, etc. This is not the power structure envisioned in the statutes!

Unless and until Alaska's leaders see the wisdom of a more balanced approach to development of its resources versus their protection, we will see little improvement in our state's business climate in coming years. We simply have to work harder to bring about rational change.



A Letter From Our President

By Charles R. Webber



"The Air Crossroads of the World" has been a slogan of the Anchorage Chamber of Commerce for many years. As Alaska's geographical and geopolitical position strengthens, we find this slogan applicable to other interests in addition to aviation.

With Alaska lying at the center of a trade hemisphere stretching from Europe to the Orient, the state finds itself positioned between the two great superpowers and at equal distances between the major business areas of the world. A map outlining Alaska's geographical and geopolitical position would show Anchorage at 4,500 miles from Northern Europe, 3,500 miles from Japan and Korea and 3,500 miles from the financial and industrial center of the Northeast United States.

A simple look at this map would show Alaska's geographical advantage over other U.S. industrial centers in distances to overseas markets. Perhaps this is the map that we in Alaska should use when detailing the importance of Alaska resource development in terms of markets, financing and technology.

Alaska should no longer be viewed as the "white spot" at the top of the map.

Coalition to focus on resource policies

A coalition of prodevelopment organizations has formed to address major policy issues affecting Alaska's economic future. The group has been named the Alaska Resource Policy Coalition.

At a meeting last month in Fairbanks, the Steering Committee, headed by Chairman Pro-Tem Paula Easley and Mayor Bill Allen of Fairbanks, met to discuss organization structure and planned activities. Easley is Executive Director of the Resource Development Council.

Eighteen Alaska organizations have accepted the initial invitation to join the policy coalition and other groups are invited to join.

Former state legislator Robert H. Bettisworth was elected permanent chairman, and offices will be situated in Fairbanks at 924 Kellum, number 303.

The Coalition's first undertaking was implementation of a state economic development policy. Introduced as HB 256, the measure passed the Alaska House Wednesday, April 3, on a vote of 35 to 4. Easley said a number of Coalition members spoke in favor of the legislation.

Other issues to be addressed this year by the coalition, Easley said, are policies on land use, regulation and water use.

The Steering Committee adopted a two-fold statement purpose which was: to coalesce as organizations to generate broad support for favorable state development policies and to formulate and advance policies to remove impediments to resource development.

Among the current coalition members are the Alaska Loggers Association, the Alaska Miners Association, Alaska Building and Construction Trades Council, the Alaska Visitors Association, Fairbanks North Star Borough, Alaska Trucking Association, Greater Kenai Chamber of Commerce, Anchorage Convention and Visitors Bureau, Alaska Society of Professional Engineers (Fairbanks), Alaska Professional Hunters Association and the Resource Development Council.

Alaska miners urged to fight for rights

Miners in Alaska can successfully fight national economic and regulatory trends that have cast a dark cloud over the United States mineral industry, says former Nevada congressman Jim Santini.

On a recent visit to Fairbanks where he addressed a gathering of Alaska placer miners, Santini said Alaska has a unique opportunity to mold or change the regulations that are plaguing the mining industry elsewhere.

Santini recommended that Alaska form a separate state mining agency to act as a buffer or defense against the numerous attacks on mining. He also encouraged miners to get involved in the many federal and state land management plans being written.

"You have a chance to put the local people's opinions into the federal decisionmaking," he said. Education of citizens and students is also important, Santini said.

Miners also need to get more involved in advocacy organizations and act both collectively and individually as representatives of their industry, he said.

Santini represented Nevada in Congress from 1974 to 1982, serving as chairman of the Mines and Minerals Subcommittee. He was once called "Mr. Minerals" by Arizona Rep. Morris Udall.

Rural Alaska faces economic disaster

Rural Alaska is on the verge of an economic disaster that could send shock waves throughout the state's private sector and threaten the quality of life of residents not only in bush, but urban Alaska.

In a speech before the Resource Development Council earlier this month, Mayor David Hoffman of Ruby warned that bush Alaska has become too dependent on state spending, and with rapidly declining oil revenues, an alternative economic base must be developed quickly.

"You may think this imminent economic collapse is only a rural problem, but it is your problem too," Hoffman told the Council.

He said if the bush economy collapses, urban Alaska would be flooded with up to 30,000 economic refugees. Hoffman predicted urban Alaskans would face tremendous pressures to prop up the old order with new tax dollars. In addition, businesses in Anchorage and Fairbanks would lose a valuable market for goods and services if the bush economy fails.

"It is clear that Anchorage and Fairbanks have a major stake in the survival of rural Alaska," Hoffman said. "If the bush takes a fall economically, many Anchorage vendors of goods and services are also going to take a fall."

To illustrate the nature of a typical village economy, Hoffman presented a chart that showed 65 percent of the earned income in a rural village directly related to annual government appropriations. In addition, government transfer payments such as longevity bonuses and social programs were shown to play a major role in many rural areas.

"Most of our economic refugees are going to face increased crime, domestic violence, health problems and suicide, plus a whole other set of problems resulting from cultural dislocation."

Of all earned income in a typical village, about 42 percent flows from the state operating budget. The state dollars are targeted for salaries of city government and school district employees. Approximately 16 percent of a village's earned income is based on state-funded capital projects with an additional 7 percent from federal government dollars. All private commerce accounts for only 35 percent of the earned income.

If the rural capital budget is eliminated, 16 percent of the earned income of villagers will disappear, Hoffman warned. If 10 percent of the rural operating budget is eliminated, another 4 percent of earned income will be lost.

"What we have to do is start thinking the way people in the mill towns of Pennsylvania and Ohio and West Virginia are thinking. For the past seven years, these people have been working to diversify regional economies that were based on a single industry such as steel which has since gone into decline."

— Mayor David Hoffman, Ruby, Alaska

If such cuts occur, at least 20 percent of bush Alaskans would be forced into Anchorage in search of work, Hoffman said.

"Even the most traditional subsistence hunter and fisherman needs cash to pay for gasoline and for new snow machines and boats," the Ruby mayor pointed out.

With 20 percent of 150,000 rural Alaskans forced to relocate to Anchorage and Fairbanks, the infrastructure in those communities, including schools, health care and transportation, would be severely strained. In addition, those new urban residents would bring with them little savings. Meanwhile, social and personal problems associated with unemployment would likely rise in the urban communities, Hoffman said.

"The regulation of placer mining and all other rural industries should be based partly on cost-benefit analysis. Our final regulatory decisions must be heavily affected by economic considerations."

Hoffman urged the Resource Development Council to continue its work in promoting regional economic diversification to develop a new rural economy which is less vulnerable than the present one.

"What we have to do is start thinking the way people in the mill towns of Pennsylvania and Ohio and West Virginia are thinking," Hoffman suggested. "For the past seven years those people have been working to diversify regional economies that were based on a single industry such as steel which has since gone into decline."

Hoffman said those communities are now developing new strategies to preserve what they can of their old industries while vigorously working to develop new ones. He said those strategies are not based on massive government subsidies; rather they are based on the "efficient and intelligent pooling of the combined resources of business, labor and government."

In developing a strategic plan for rural economies, Hoffman said Alaska must begin by dealing with the bush, since rural areas will suffer the most from big spending cuts. He said any state rural industrial policy must generate specific plans which will promote existing private-sector activities while developing new winning industries.

"The first and most obvious thing we have to do is to quit killing what little private industry we currently have in the bush," Hoffman stressed. "The people who are writing the turbidity regulations certainly aren't thinking about rural development."

Hoffman recommended that regulation of placer mining and all other industries be based partly on cost-benefit analysis.

"Someone should be able to tell me how many bush jobs will be lost by each set of turbidity regulations and how much miners will have to invest to come into compliance." He added, "How much will the grocery store and fuel company in Ruby suffer from each set of proposed regulations?"

Hoffman echoed the Resource Development Council in stressing that final regulatory decisions must be heavily affected by economic considerations.

The Ruby mayor suggested the state focus much more on developing service industries in the bush and less on industries which produce bulky commodity goods, such as agriculture products. He suggested the state transfer all state civil servants who work on rural development out to the bush to boost rural development.

"The people who are writing the turbidity regulations certainly aren't thinking about rural development."

"I seriously think that these people, or at least their jobs, should be shipped out to us," Hoffman said. "It isn't at all impractical. The impractical situation is the one we currently have where state employees are busy taking care of rural people without really knowing who those people are and what they think."

Placer miners claim Water Standards are impossible to meet

Governor Bill Sheffield told placer miners in Fairbanks that if they form operating agreements with the state on 30 Alaska rivers and streams, they won't be forced to shut down this summer.

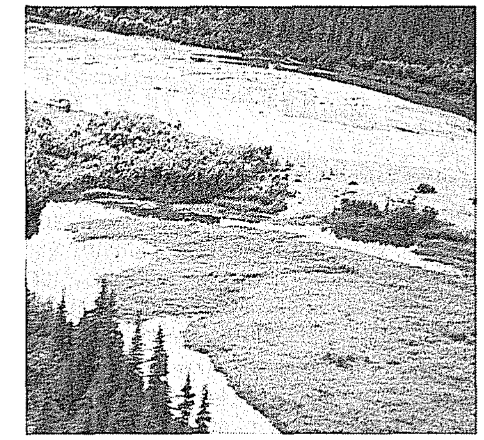
Miners at the Seventh Annual Conference on Alaska Placer Mining had expressed fears the state would close down the industry for violating water quality standards. The placer miners contend that state water pollution laws for placer mines are impossible to meet.

Sheffield's plan will apparently allow most placer miners to operate at least during the upcoming season. But in discussing his blueprint for the industry in 1985, the Governor warned that while water from Alaska's rivers and streams should be available to support industrial activity, those industries using water for its activities must not adversely affect downstream users, whether they're people or fish.

Department of Environmental Conservation Commissioner Bill Ross said that miners on the 30 "priority" streams this summer will not be cited for violating the state's turbidity standards as long as they are complying with operating conditions specified by agreements with the state.

"What we want you to do is to work with us to come up with practices that will crack the turbidity barrier by the time this season starts," Ross said.

Miners on non-priority streams will not be prosecuted under turbidity standards if they are making good faith efforts toward cleaning up discharged water.



Placer miners contend that water pollution laws for placer mines along Alaska's rivers and streams are too stringent.

Sheffield also announced that the state will enforce new standards for actual sediment content in water, settlable solids, coming from placer mines. The stricter settlable solids standards will be enforced on both priority and non-priority rivers and streams.

The turbidity standard, which measures the amount of light blocked by sediment in the water rather than the amount of sediment itself, is a different and much more difficult standard for miners to meet.

Speakers at the Fairbanks conference urged miners to chip in for lobbying efforts against the standards, claiming they are impossible to meet.

In a state project completed last summer on water treatment technology, researchers were not able to bring mines into compliance with state water quality regulations, said miner Del Ackels.

"The people that are in Juneau do not know what's happening," Ackels said. "They are totally ignorant on what's happening in this industry."

"Everyone from the governor to the subsistence person is on our backs about meeting the state turbidity regulations," said miner Bob Ault. But he said the technology does not exist to bring mines into compliance with those regulations.

The turbidity regulations require that water coming from mines be no more than five turbidity units over natural stream conditions. The standard presently applied to drinking water is 5 units above natural conditions.

Miners are required to conform to the turbidity standard at the end of pipe, not 500 feet downstream. The stipulation requiring end of pipe compliance has drawn widespread protest among miners.

(Continued on page 7)

Placer Miners Hear Common Problems of Alaska Industry

Persons attending the Seventh Annual Conference on Alaska Placer Mining in Fairbanks March 30 were treated to an informative summary of the common problems Alaska industries face in developing their resource.

A nine-member panel, moderated by RDC Executive Director Paula Easley, stressed that there is too much emphasis on "protection, protection, protection," and too little support for development of the state's resources. Closely related to this concern was the frustration of dealing with overwhelming inconsistencies of state, local and federal land management plans.

Some constraints mentioned by industry representatives were common to other economic sectors — the need for reasonable regulations, access to resources, development of transportation systems, land classifications that allowed development, availability of land in private ownership and stable tax policies.

State government took some heat for what was described as an unwieldy permit system, lack of stable goals and priorities for development, inability to conduct statewide resource inventories and a multitude of conflicts between agencies of government.

One strong criticism of government was its unwillingness to revise permit stipulations and regulations when experience had proved a need no longer existed for the restrictions.

Speakers emphasized the need for markets for Alaska products and raw materials. They bemoaned not only the lack of basic infrastructure, but the costs of developing it. Foreign competition and low prices in world markets were repeatedly cited, as was the need for research, technological improvements and higher product quality.

Private industry itself was taken to task for its unwillingness to cooperate with various industry sectors, i.e., fishermen vs. miners, miners vs. loggers, foresters vs. farmers, etc.

Panelists were Harold Heinze, petroleum; Terry Brady, forestry; Chris Mitchell, fisheries; John Sims, commerce; Del Ackels, placer mining; Morris Thompson, regional corporations; Hank Geigerich, hardrock mining; Bill Allen, local government and Jim Drew, agriculture.