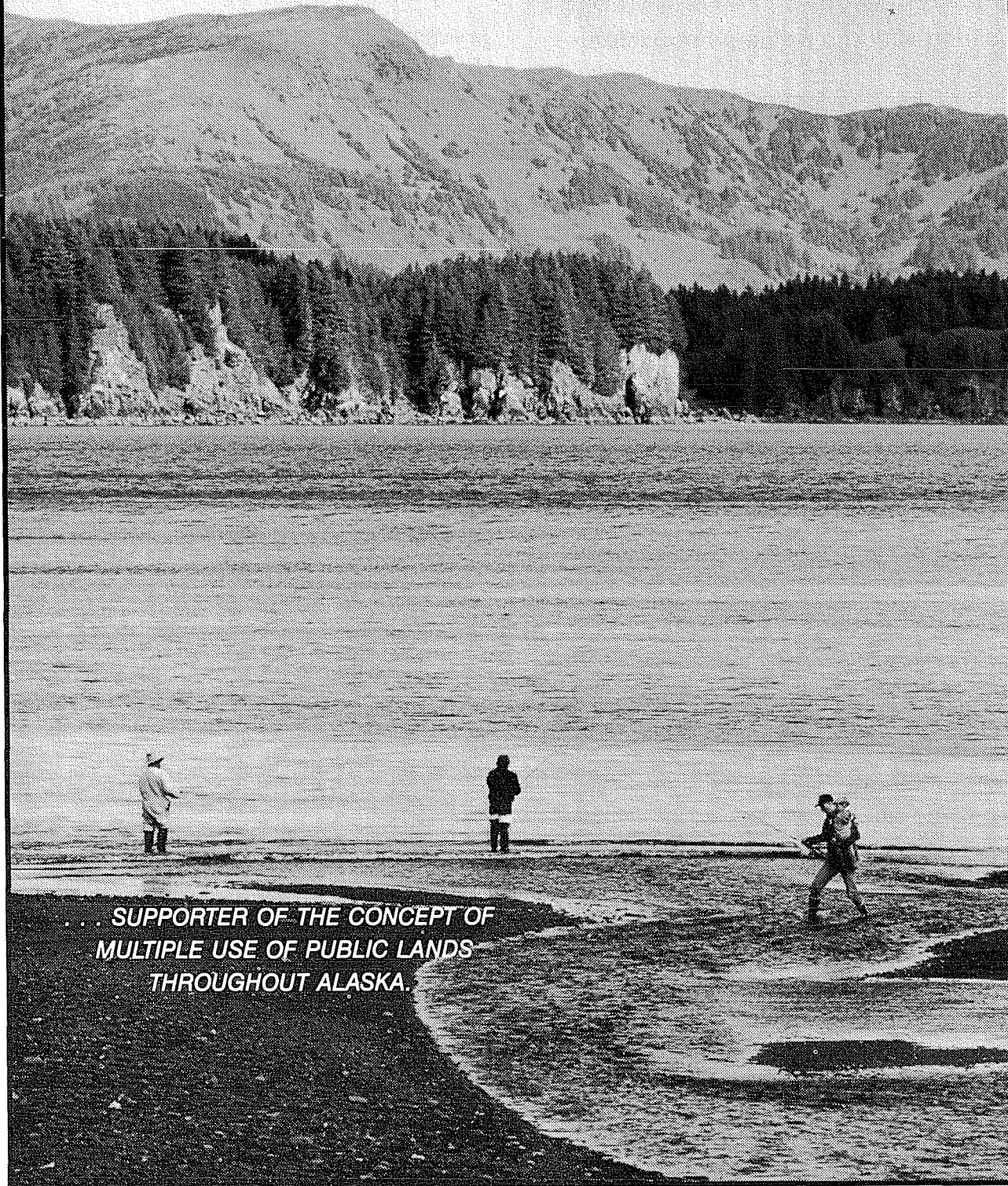


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Siege intensifies on Tongass loggers

New land withdrawals tighten noose around timber-dependent communities

Loggers and timber-dependent communities across Southeast Alaska are fighting for survival after multiple land withdrawals, changing government policies and countless environmental campaigns have closed most of the Tongass National Forest to logging.

And now, despite having succeeded in convincing Congress and the Forest Service to preserve more than two-thirds of the forest's old growth into exclusive domains for wildlife and recreational users, environmental groups have launched yet another public-opinion campaign depicting the Tongass as a last stand of ancient trees about to be shattered by clearcut loggers looting a national treasure.

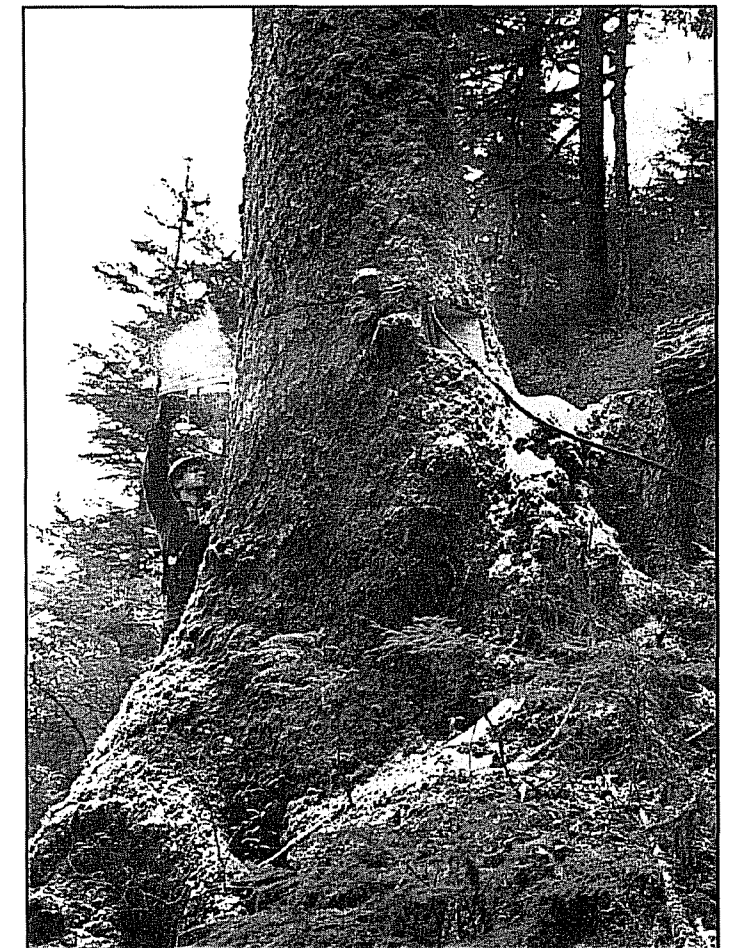
"Stop the Looting of Alaska," read the banner headline on a full-page advertisement in the New York Times last month. Representing the latest volley in the endless battle between preservationists and those who work in the woods harvesting trees, the ad was sponsored by a San Francisco-based coalition of environmental groups. It also ran several times in the Capitol Hill newspaper, Roll Call.

"The Tongass National Forest in Southeast Alaska is a major part of the world's last great intact temperate rainforest," read the ad. "But now, the trees are being clearcut and loaded onto ships for export to Asia. As the ancient forest is lost, so are the deer and the bear."

The ad included a clip-and-mail coupon inviting readers to join the "Alaska Emergency Response Team" for \$25 or more. "We must have a way of stopping the few who try to ruin the quality of life for the rest of us — and that includes the looting of Alaska's public lands," the ad said.

Media reports gave the advertisement prominent coverage and billed it as the beginning of a new public-opinion campaign against big oil and timber.

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More than 3,500 jobs in Southeast Alaska are directly tied to the timber industry, the largest year-round employer in the region. Dollars from timber harvesting multiply into thousands of spin-off jobs, purchases, services, tax payments and more.

Photo by Carl Portman



Message from the Executive Director
by Becky L. Gay

Campaign to promote opening of ANWR's Coastal Plain

One of the most well-supported policy directives in Alaska is for its elected officials to fight hard on opening the 1002 area of the Arctic National Wildlife Refuge (ANWR). There is no doubt that ANWR is a long-term effort. The seeds of education and persuasion have been sown many seasons before this. The task has never been easy, but the timing has never looked better.

Alaska's Congressional delegation

leadership has never been more compelling nor well-positioned to help Alaska in this effort. Their guidance has been instrumental and will continue to shape our efforts.

Governor Knowles has continued to forge ahead on his ANWR efforts. Under his recently-released ANWR program, there will be a variety of strategies and projects undertaken, many similar to those initiated under former governors.

Governor Knowles said a well-known Alaskan will be put in charge of the door-to-door effort with Congressional offices and a coordinator will be hired to manage the effort under the direction of the Commissioner of Natural Resources. John Katz, longtime counsel and director of the Washington office of the Governor, has a vast history on the issue and will also be involved in the Congressional outreach.

Our favorite single-issue group, Arctic Power, is continuing its key involvement of educating America on the nation's energy future with regard to Alaska production. The Governor's office will continue to fund the group to coordinate tours of ANWR for key offi-

cial and staff. Bringing people to the North Slope to see for themselves has been a powerful tool of persuasion over time.

New informative materials will be created to make Alaska's case. Excellent and accurate charts, graphs and technical information will be distributed to fight the misinformation campaign on ANWR, which has been loud and long from the opposition. The merits will be presented again and again to anyone who will listen or vote.

Alaskans must win in a variety of forums, not just Congress. The President and many undecided officials must agree it is in the nation's best interest to explore and develop the coastal plain of ANWR. Alaskans have been working for years to also convince the general public, the media, friends and relatives of the same thing. Maybe it is time to reap the fruits of our labors.

Alaskans need to give their support and encouragement to Senator Stevens, Senator Murkowski, Congressman Young and Governor Knowles for their combined strength of effort to open the 1002 lands to orderly development.



Arctic Power will coordinate congressional tours of ANWR this summer. The tours include Prudhoe Bay operations, as well as the village of Kaktovik, which is located adjacent to the Coastal Plain of ANWR. Pictured is Kaktovik and the nearby Air Force radar site, which looms over the Coastal Plain.

Photo by Carl Portman

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.

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Writer & Editor
Carl Portman



RDC issues update

Young secures wetlands provision

Congressman Don Young secured a major wetlands provision in Clean Water Act reauthorization legislation which was introduced last month. Under the provision, all states with "substantial" conserved wetlands would operate under a less stringent wetlands permitting standard. The provision would allow for states to develop one acre of wetlands for every 10 acres of wetlands set aside in a conserved status.

The new provision would allow for the use of an additional six million acres of wetlands in Alaska because over 60 million of the state's 170 million acres of wetlands are in conserved status. Less than 200,000 acres of wetlands have been developed in the state.

Under the new provision, Alaskans would still be required to minimize wetlands losses, however, they would not be required to avoid wetlands and mitigate for wetland losses under the 404 Clean Water Act permit process. The same minimization rules would apply to State and Native corporation lands.

Young said the provision would streamline the permitting process and reduce the wait for government permits and clearances. The provision was adopted by the House Transportation and Infrastructure Committee which is working on the clean water bill. Similar legislation has been introduced in the Senate by Senators Stevens and Murkowski.

RDC and the Alaska Wetlands Coalition is working closely with the congressional delegation on the wetland bills.

Escort vessels considered for Cook Inlet

The U.S. Coast Guard has established a task force to determine whether tanker escorts are needed in Cook Inlet.

The task force will include a wide range of stakeholders, including industry, local communities, government agencies and environmental groups.

The Oil Pollution Act of 1990 mandated tanker escorts for Prince William Sound, Puget Sound and other waters, if necessary. The Coast Guard is now in the process of determining which waterways in the nation it will propose for tanker escorts. Earlier this year, the Coast Guard solicited comments from the public on whether the escorts should be required in Cook Inlet.

RDC has told the Coast Guard that a dedicated response vessel already exists in Cook Inlet and that the need for escort vessels is unwarranted. RDC noted Cook Inlet is a low volume port because of limited tanker traffic, and will continue to be so given trends in declining oil production. RDC also pointed out that ships have many navigational advantages in Cook Inlet, which is a large, open area of water, which gives ships considerable room to maneuver without the immediate threat of collision.

Due to the Inlet's shallow water, smooth bottom and currents that run parallel to the shoreline, a ship can anchor if problems arise, RDC noted..

State oil and gas lease sales

RDC has expressed strong support for proposed oil and gas lease sales covering state land and water in and around Cook Inlet. RDC believes Alaska still has enormous untapped energy

potential and urged DNR to move forward with the sales. RDC is also encouraging the U.S. Minerals Management Service to move forward with federal OCS lease sale 149 in lower Cook Inlet. A number of RDC members also commented in support of the lease sale, responding to a March Action Alert on the issue.

A-J submits new schedule and plan

Echo Bay Mines has submitted a schedule and plan of new alternatives to the EPA to address concerns expressed by the federal agency in the TAR report released earlier this year on the re-opening of the A-J Mine near Juneau. Major items being considered are alternative tailings disposal sites and eliminating the use of cyanide.

ANILCA Title XI regulations

The National Park Service is expected to release new draft regulations for Title XI of ANILCA later this month. The draft regulations are the result of a lawsuit which the Trustees for Alaska lost in U.S. District Court. TFA appealed to the 9th Circuit, and then Assistant Secretary of Interior George Frampton withdrew the regulations. RDC and the Alaska Miners Association, represented by Pacific Legal Foundation, supported the NPS in its original regulations.

Glavinovich to head AMEREF

Geologist Paul Glavinovich was elected President of the Alaska Mineral and Energy Resource Education Fund (AMEREF). Glavinovich, a member of the RDC Executive Committee, was elected to the post last month at AMEREF's annual board meeting in Anchorage.

David Stone, Director of Public Affairs for Echo Bay Mines, was elected First Vice President and Teresa Imm, Resource Development Manager of Arctic Slope Regional Corporation was elected Vice President. Jim Deagan, an aide to Senator Frank Murkowski, was re-elected Secretary. Allen Bingham, a partner in the accounting firm of Deloitte & Touche, will serve as Treasurer.

AMEREF is a non-profit organization that provides a popular resource education program to schools throughout the state.

Follows to head Knik Glacier task force

Don Follows, RDC's volunteer tourism director, has been appointed Chairman of a task force studying the proposed development of a visitor center near Knik Glacier.

The visitor center would be built on a ridge about 50 miles northeast of Anchorage with a sweeping view of Knik Glacier. The complex would be connected to the Knik River Road by a low-profile tramway.

"I feel this project could establish a wonderful example of the state-private partnership that is necessary for the advancement of tourism in Alaska," said Follows. "It will take all parties working together to accomplish this very worthwhile development concept."

Loggers fight hungry tiger

(Continued from page 5)

new measures to take additional slices out of the land base reserved for harvesting. They worry that preservationists will not stop their relentless attacks until all of the forest is closed to logging.

While loggers await the outcome of the conservation zone issue, they now face another new threat to their timber base, a federal court order blocking logging across a wide swath of the northern half of the Tongass. The injunction, filed by a coalition of environmental groups, is likely to force new mill closures and the layoff of several hundred workers this summer.

The injunction suspends scheduled timber sales for more than a third of the total volume proposed for harvesting in the 1995 fiscal year. It also puts on hold nearly a third of the timber already sold in the last fiscal year. The order, which will remain in effect pending a final decision in the case, targets timber in the northern Tongass originally reserved under the Alaska Pulp Corporation's long-term timber contract, which was terminated by the Forest Service.

The ruling came just as Ketchikan Pulp Company was gearing up to cut timber in the area to supply its mills. The company already has closed one of its sawmills because of a timber supply shortage and may now have to close several logging camps. In addition, other companies which had planned to cut in the northern forest and sell their logs to Southeast mills may now be forced to scrub their plans.

Silver Bay Logging, an independent, bought some of the northern timber, but company president, Dick Buhler, said the injunction is like a stick of dynamite blowing up in one's face.

Ironically, environmentalists who fought for the cancellation of Alaska Pulp's long-term timber supply contract originally said they would not oppose efforts by the Forest Service to make the timber available to independent loggers in competitive sales. They said cancellation of the contract would allow independents and others access to the

timber, which in turn would help diversify and strengthen the region's timber industry. However, that view quickly changed after the Forest Service terminated the Sitka contract.

The groups that went to court seeking the injunction claim the Forest Service should have redone environmental impact studies of the sales before it offered the trees to other buyers. But a recent Senate-approved amendment to a spending reduction bill, if enacted by Congress and signed by President Clinton, could scuttle the lawsuit and overturn the injunction.

The amendment, introduced by Senator Ted Stevens, declares that an environmental impact study prepared for selling timber to one buyer "shall be deemed sufficient" if the Forest Service sells it instead to other buyers.

"My amendment clarifies congressional intent that Environmental Impact Statements are not required simply because there is a different buyer than originally anticipated," Stevens said.

Loggers pointed to the latest court action as just one more example of why environmentalists can't be trusted.

"It's like feeding a hungry tiger," said timber specialist Thyges Shaub of the growing appetite environmentalists have for more wilderness. "They keep coming back for more; using one excuse after another, renegeing on one pledge after another," said Shaub. "They continue to ratchet the noose around real working people in Southeast."

The timber industry is slowly losing ground in an era where the Forest Service's mission of using the national forests to produce timber for a domestic timber industry has evolved toward a national park management philosophy where land is reserved for the exclusive domain of wildlife and recreation.

Although Pacific Rim timber markets are red-hot and Alaska has up to 16 percent of America's commercial forested lands, groups who demand exclusive access to public land may prevent the establishment of any forest products industry of substantial size in Alaska. The timber industry in the Tongass is the economic mainstay of many Southeast Alaska communities, but it's withering, just like many of the over-mature trees in the forest.

Environmentalists say they want a

"It's like feeding a hungry tiger. They keep coming back for more; using one excuse after another, renegeing on one pledge after another. They continue to ratchet the noose around real working people in Southeast."

Thyges Shaub
Shaub & Associates

small-scale timber industry that can coexist with fishing, tourism and recreational users, but industry and local communities insist that the current level of logging is compatible with other uses. They point out that wildlife populations are stable or increasing and fishing harvests have been at or near record levels. They also note that logging roads have become the mainstay of a prosperous tourism and recreation industry, and despite over 40 years of logging, tourism continues to grow.

Since 1954, 340,000 acres of trees have been harvested in the 17 million-acre Tongass National Forest. That's less than 2 percent of the Tongass or 20 percent of the area specifically allocated for harvest. At the annual pace of logging over the past 40 years, there are enough trees left in the harvest areas to last more than 150 years. By then, areas cut earlier in the rotation cycle will be covered with healthy trees.

The industry says with modern forest management practices and a climate which lends to rapid regeneration, the small portion of the forest set aside for logging can sustain its mills and timber-dependent communities in perpetuity.

RDC is hopeful Congress will see beyond the highly-charged rhetoric and fund-raising schemes of national environmental groups and reach a consensus that will allow the Southeast timber industry to continue. RDC is also optimistic that the new state administration in Juneau will encourage the establishment of a forest products industry in Southcentral and Interior Alaska focusing on the vast forests already consumed by infestations.



Thoughts from the President

by David J. Parish

Legislature heads for home stretch

With roughly a month left in the legislative session, the hardest work still lies ahead on many of RDC's legislative priorities. We are entering the time of the year when important decisions are made quickly. People and organizations who are most able to respond quickly are the most effective in the final days and weeks of the session.

This year's legislative leadership and new administration have already achieved a number of major accomplishments. Governor Knowles announced late last month a state-sponsored campaign to educate Congress and others on the merits of opening the Coastal Plain of ANWR to oil and gas development. And earlier this session, both houses of the Legislature passed a resolution requesting Congress to increase statutory flexibility on wetlands use in Alaska.

There are still many legislative items that remain to be dealt with, including:

- **State Budget:** State expenditures still exceed revenues by roughly \$500 million. The State cannot afford to continue living beyond its means, a situation of concern to all resource development industries. As the Legislature and Governor attempt to deal with the problem, serious discussion of meaningful solutions usually evokes loud opposition from special interest groups. Let the Legislature know what you think needs to be done.

- **HB 121:** The salvage timber bill has passed the House and Senate and has been sent to the Governor. RDC supports this bill and believes it will serve as a vital forest management tool to help manage dead and dying forest in Alaska. Opponents of logging are hitting the Governor's Office hard, so please weigh in with your support of HB 121.

- **Royalty reduction legislation:** HB 207, the Governor's royalty incentive bill, recently passed the House Resources Committee and was in the Finance Committee at the time of this writing. It was expected to reach the House floor around Easter, before heading to the Senate.

HB 207 would encourage production from smaller fields and prolong the production life of declining fields and would encourage the state and the industry to work together to



RDC board members met with Governor Knowles, Senate President Drue Pearce, House Speaker Gail Phillips and other legislators during a recent visit to Juneau. Pictured above are Dan Keck, Lyle Von Bargen, Elizabeth Rensch, Jim Weeks, Governor Knowles, Becky Gay, Dave Parish, Thyges Shaub, Ken Freeman and Carl Portman.

change the economic equation for these fields. The bill sends a positive message and could enhance Alaska's ability to compete for investment capital.

This bill is no doubt one of the major items of legislative interest this session. Jim Palmer, Director of External Affairs at BP Exploration (Alaska), Inc., will brief the RDC membership on this issue at the Thursday, April 20 breakfast meeting in Anchorage. Call RDC for updates on the bill and be ready to send in your fax in support of it.

- **Waste disposal permits:** HB 128, a bill applying to waste disposal permits and the granting of exemptions for certain activities, is in Senate Rules, its last committee of referral. It is expected to reach the Senate floor, but the new administration may not be favorably inclined to support this legislation. RDC and the Alaska Miners Association both support the bill.

- **HB 169:** This bill, which recognizes DNR as the lead agency for mining, has passed the House and is now in Senate Resources.

With bills moving through committees on a daily basis, it's important to check with RDC for up-to-the-minute progress reports. The most important thing RDC members can do on these issues is speak up and be counted.

Loggers face new assaults on declining timber base

(Continued from page 1)

In a scathing editorial, the Voice of the Times in Anchorage called the ad "unadulterated garbage," labeling it as "yet another fund-raiser to save Alaska from Alaskans."

"Environmental alarmist groups have become a dime a dozen in recent years," The Times said. "New ones pop up every day. Unfortunately for Alaska, half of the swarm of fear mongers has targeted this state to 'save.'"

The Alaska Forest Association (AFA) called the ad unfair and misleading, and said it continues to give the public the wrong impression that the Tongass is in peril.

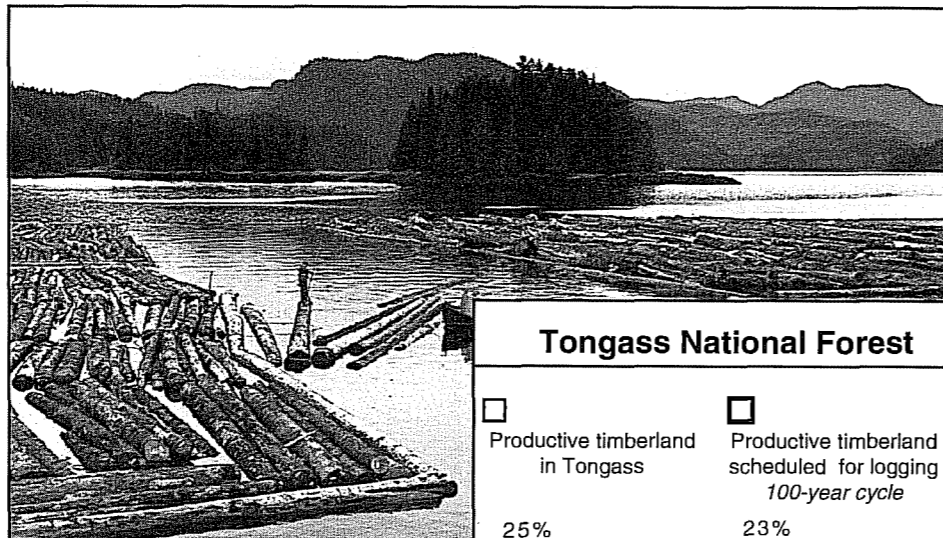
"Environmental groups should work to strike a balance and not just shut down access to resources," said Chris Gates, Executive Director of AFA. "Unfortunately, the public isn't getting objective and accurate information. People who contribute to these campaigns truly believe Alaska is under assault and they feel compelled to respond with their hard-earned dollars to save what's left."

But perception is often not reality, Gates warned, explaining that only a fraction of the forest has been disturbed by logging, which provides 30 percent of the private-sector jobs in the region.

"Under the most aggressive harvesting plan proposed, 80 percent of the old-growth forest will still be intact in the year 2015, and two-thirds will never be touched," Gates said.

Through the passage of the Alaska National Interest Lands Conservation Act of 1980 (ANILCA), Congress closed all but 1.9 million acres of the 17 million-acre national forest to cutting, leaving two-thirds of the 5.7 million acres of commercial-forested lands for the exclusive domain of wildlife, fishermen and recreational users. Ten percent of the Tongass, about 30 percent of the forested land, was supposed to be dedicated to supporting timber-dependent communities through the harvesting of

Perception versus reality



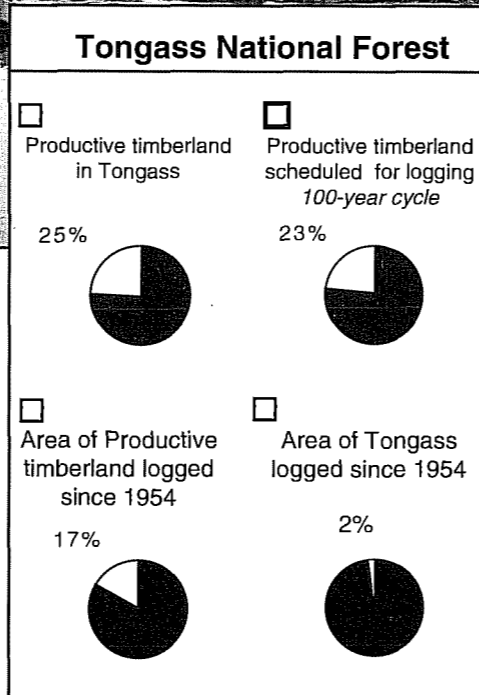
Many Americans believe the Tongass is an ancient rainforest on the brink of destruction from out-of-control logging. In reality, most of the forest has been and will remain closed to logging.

Total Area:	17 million acres
Productive timberland:	5.7 million acres
Open to logging (100-year cycle):	1.7 million acres
Logged since 1954:	340,000 acres

timber on a 100-year rotation cycle, meaning that areas logged in this century would be grown back and ready for a second harvest in the next century.

That was the plan — the supposed "final balance" struck by Congress, environmental powers and timber interests — but it hasn't worked out very well for communities dependent on logging.

Not content with a 90 percent share of the pie, preservationists have relentlessly launched, since the passage of the ANILCA compromise, a series of public-opinion campaigns designed to



create fear and the perception of a forest threatened by out of control, non-sustainable, logging. The campaigns were successful in establishing the Tongass as a "cause." Well-meaning citizens from coast to coast responded to passionate and emotional pleas to "save" the Tongass, which they came to believe was a last stand of ancient trees. Hundreds opened their wallets to the cause of silencing the chain saw.

In 1990, Congress passed the Tongass Timber Reform Act, which added additional land to the no-cut

"There is no such thing as an ancient forest. A forest isn't something you can freeze in time, all trees die, only to grow back again. People should have access to a reasonable number of trees to support forest-dependent communities."

Chris Gates
Alaska Forest Association

zones. Thousands of acres bordering salmon streams, beaches, scenic passages, critical wildlife habitat areas and muskegs were put into buffer strips prohibiting logging. Formulas on how timber was to be paid were changed and a new allowable mix of high and lower-value logs was established. The end result of the reform package and subsequent administrative decrees was yet a smaller timber base for loggers, tighter environmental standards on industry operations and rising costs to log lower-quality trees in more remote, higher-cost areas.

The siege on the timber industry didn't stop there, it only intensified.

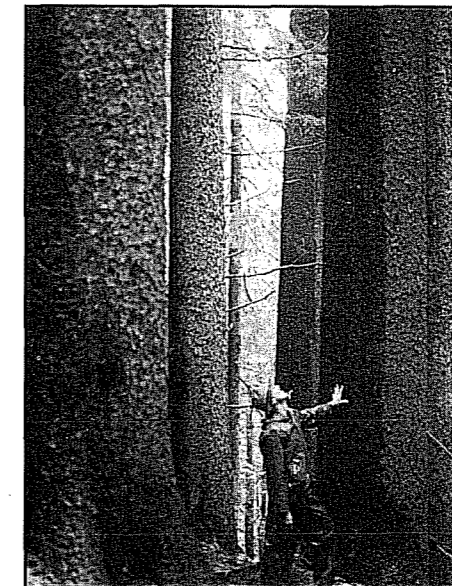
In response to new legal challenges and still more pressure from environmental groups, the Forest Service followed the Tongass reforms with additional cut backs in the amount of timber it was suppose to make available to industry from the small, remaining slice of the Tongass open to logging. In what was widely-viewed as a political move by the Clinton administration, a long-term and vital timber supply contract was canceled last year. Mills have since been forced to close, more than one-thousand Alaskans have lost their jobs and local communities dependent on timber dollars have been shaken.

"There has been a series of compromises over the years and with each settlement the loggers end up losing yet another slice of a shrinking timber base," said Troy Reinhart, Industrial Relations Director for Ketchikan Pulp

Company. Ketchikan Pulp, which holds the only remaining long-term timber supply contract in the Tongass, is suffering from a shortage of logs due to administrative appeals and litigation filed by environmental groups on timber sales.

In recent months, there has been yet another new round of land withdrawals, which has only served to tighten the noose around timber-dependent communities.

In September, the Forest Service



Two-thirds of the commercial forested lands, which includes the bulk of the old-growth forest, is closed to logging. Only ten percent of the entire Tongass National Forest is open to logging.

announced intentions to withdraw an additional 600,000 acres of new habitat conservation zones in the Tongass, in response to a petition filed by Arizona environmental groups demanding that the Alexander Archipelago wolf and the Queen Charlotte Island Goshawk be listed as threatened under the Endangered Species Act. The petition was considered most unusual and set a precedent since not only is neither animal endangered or threatened, but substantial hunting quotas are allowed on the wolf. Yet the petition worked as the Clinton administration has pressed forward with the new withdrawals, which close approximately a third of the slice of the forest reserved for harvesting.

The Forest Service, however, in spite of a seven-year effort to amend the Tongass land management plan,

says the new no-cut zones are "short-term" measures, expected to stay in place pending scientific studies and the completion of the plan. But most communities believe the 600,000 acres will remain closed.

Just last month, the U.S. Fish and Wildlife Service reported that the wolf does not qualify as a threatened species because the best available information indicates its population is stable, but the agency said its preliminary finding was influenced by the Forest Service's decision to move forward with the new conservation areas. This action is seen as a ploy to justify the habitat withdrawals in spite of no evidence to support listing of either the wolf or goshawk. A decision on the goshawk is expected in May.

"The Forest Service has yet to demonstrate the need for habitat conservation areas and such extensive protection for goshawk nests," said Gates, the Alaska Forest Association Executive Director. "The unwarranted removal of 600,000 acres is a huge blow to the Southeast Alaska timber industry and the individuals and communities supported by timber dollars, and should not be forced on the region without a demonstrated need."

Meanwhile, Regional Forester Phil Janik is expected to make a decision soon about the implementation of the conservation zones. Senator Ted Stevens, however, has recently won approval of an amendment in a spending bill that would prohibit the Forest Service from spending money to set up the habitat zones for animals that have not been declared threatened or endangered. The funding prohibition would delay the establishment of the zones through September 30, the end of the 1995 fiscal year, but it may not survive the Clinton veto pen. The amendment would allow 300-acre buffers around active goshawk nests.

Environmentalists are enraged over the Stevens' amendment, claiming that substantial additional protections even beyond what the Forest Service has proposed are needed to ensure healthy wildlife populations. But with so much of the forest now closed to logging and reserved for habitat protection and recreational uses, loggers strongly oppose

(Continued to page 6)