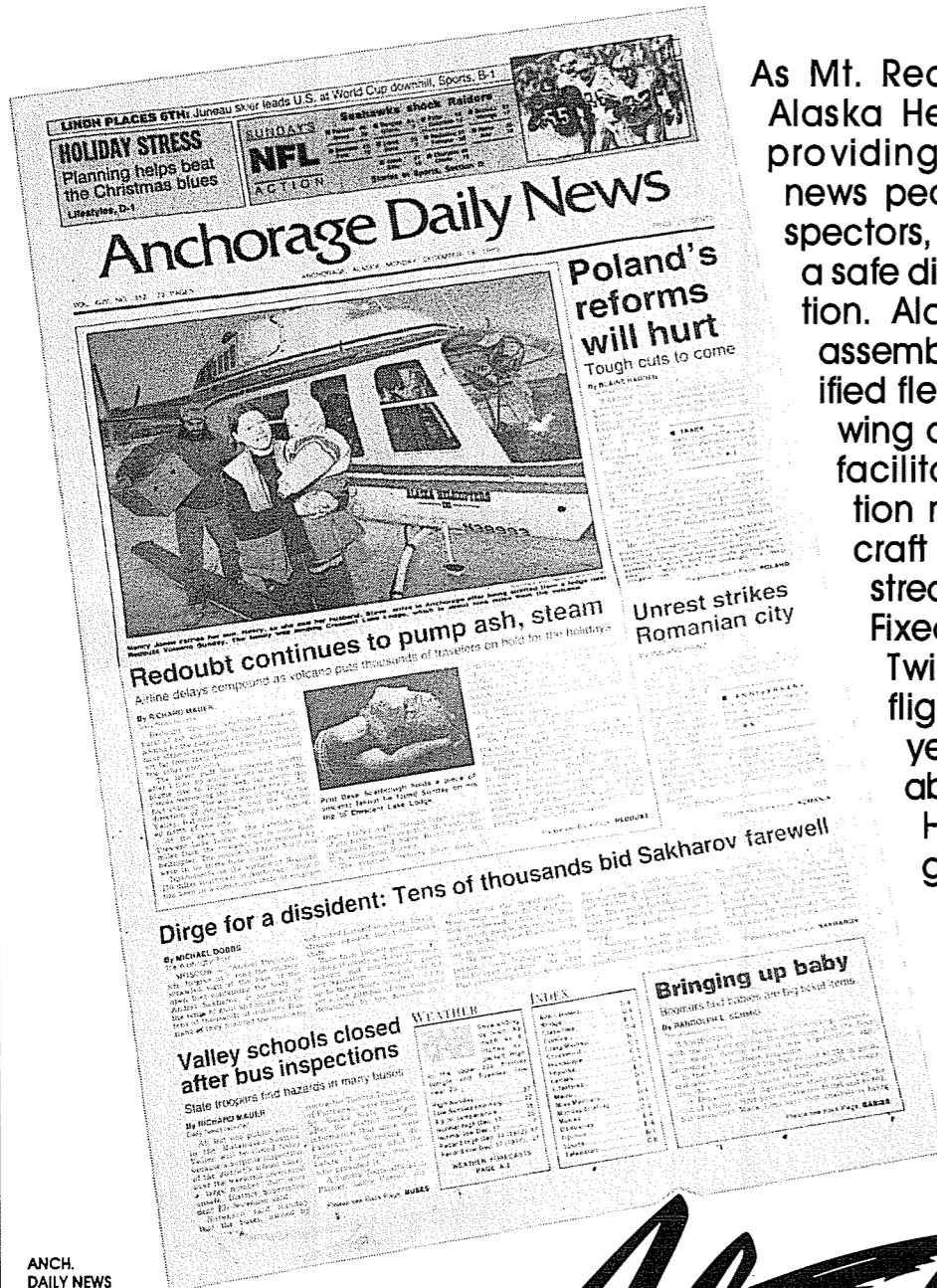


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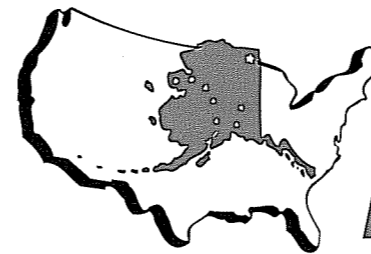
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Resource Review

February 1990

Tongass reforms pending

RDC urges Congress to delay action on bill

The Resource Development Council has urged Congress to delay action on legislation that would radically reform logging operations in the Tongass National Forest until a revised management plan is released this spring.

In a letter to Senator Bennett Johnston (D-LA) and other members of the Senate Energy and Natural Resources Committee, RDC Executive Director Becky Gay said "we implore you to withhold consideration of this controversial legislation until you and your colleagues have had an opportunity to review new information contained within the Tongass Land Management Plan."

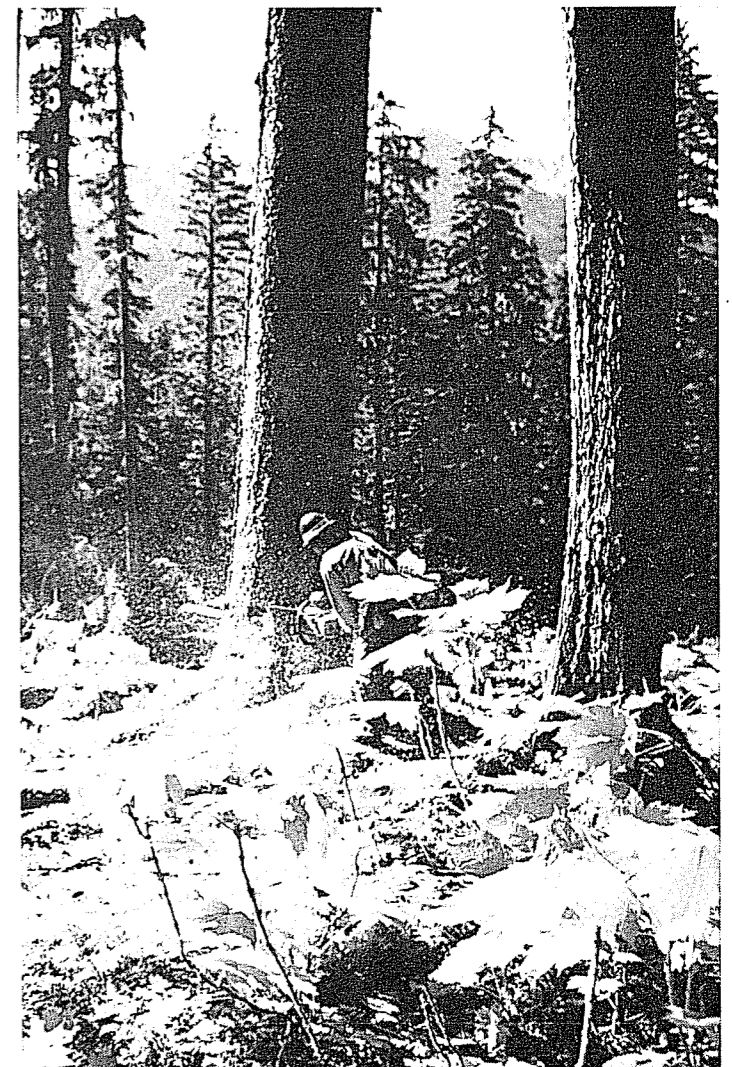
The information, which will reflect changes in public values, market conditions, knowledge in forest management activities and resource interrelations, will be out about June 1.

The Tongass Land Management Plan (TLMP) is being revised to address public issues within the current economic and political climate. When completed, the revised plan will guide future activities on the Tongass.

The plan was developed to provide workable solutions for the many complex management problems on the nation's largest national forest. TLMP considered all forest resources. Community stability, logging, Wilderness designations and the effects of activities on wildlife and fisheries were major concerns addressed in the plan.

Millions of dollars have been spent to gather and analyze new information on the Tongass.

(continued on page 6)



Thousands of Alaskans are directly employed on a year-round basis by the timber industry and many communities depend directly on the industry for their survival. Under the existing management plan, 90 percent of the Tongass will never be logged. Reforms would create new Wilderness areas, resulting in a further reduction in the available timber base.

WETLANDS

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Message from the Executive Director

by
Becky L. Gay

Listening in...

Denis Hayes, director of the first Earth Day (1970) and chairman of Earth Day 1990, was recently in Anchorage to speak at the Alaska Environmental Assembly conference. He shared his thoughts about the environmental movement, some of which I thought useful to pass on to you.

Hayes delineated global problems facing the planet, the "distant threats of climate shifts, boundary shifts and oceans rising" with an eye toward anticipating and avoiding those ills. This he called his "self-undoing hypothesis" in which "you describe the future with such horror that people are motivated into doing something about it." He joked his hypothesis was the mirror image of self-fulfilling prophecies with the added problem of "if successful, your credibility diminishes" since the supposed dreaded event never takes place.

He chastised the environmental movement for "over-dependence on government," saying that for "every dollar raised, 99 cents were used to influence government," actions which Hayes called "heroic mistake(s)" in spending. Although he did not elaborate, I assumed the criticism included the huge legal expenditures created by the plethora of lawsuits brought by most of the groups represented in the audience.

Wetlands agreement modified, now in effect

The highly-controversial wetlands agreement between the Environmental Protection Agency and the Corps of Engineers went into effect this month following three delays in its implementation.

The Memorandum of Agreement (MOA), which has been bitterly opposed by Alaska's congressional delegation and the State of Alaska, will be used nationwide in evaluating permit applications to build on wetlands.

According to Senator Frank Murkowski, the new MOA does address some Alaska concerns expressed to the White House and the EPA. Murkowski believes the MOA is more flexible than the original one.

The Municipality of Anchorage, the State of Alaska, ARCO and two regional native corporations, Doyon Ltd., and Arctic Slope Regional Corporation, have filed complaints against the original MOA. In addition, communities across Alaska have flooded the White House with resolutions opposing the MOA and expressing concern over the no net loss of wetlands policy.

Hayes also said the environmental movement "had not asked enough of ourselves and our supporters. Too much finger-pointing and not enough looking within at individual lifestyle changes" were criticisms he cited. Hayes added, "You can't build a movement with people who just write checks. You must have people who have congruence between articulated principles and their behaviors." Hear, hear.

Hayes asserted there are 10 million "card-carrying environmentalists" even after accounting for duplicates among the groups and causes. He felt their next thrust should be to increase membership with more minorities, farmers and organized labor. He addressed the need to diversify and pull constituencies together for the opportunity nearing, which, as he sees it is "the inflection point in history, the environmental moment" of the 1990s.

Of course, achieving the environmental movement's goals is "not easy, cheap or painless," as Hayes noted. With regard to funding, an oblique reference to a "peace dividend" was offered as a solution for costly advances. To the uninitiated, it sounded suspiciously like transferring Pentagon budget cuts directly into environmental programs, but surely there is more to his approach than reallocating the federal budget.

Overall, Mr. Hayes drew a thought-provoking picture of the environmental movement, its history, its successes and its failures. Other than blaming President Reagan for almost everything bad that happened in the last decade, the speech was insightful. It ended as a recruiting speech, although it was a classic example of "preaching to the choir."

As responsible developers and producers of resources, RDC members should actively enhance their own outreach program to individuals who, in many cases, think like just consumers. Try to help your environmental friends become more open-minded and to take a conservation interest in their own lifestyle, not just yours. Practice what you preach and set an example. It's still good advice.

Previously, the MOA implemented rigid sequencing ending with required mitigation. Restoration of an acre of wetlands for every acre developed would have been required in most cases. The language was too restrictive and would have seriously hampered any new private or public development on wetlands in Alaska, a state where most remaining developable lands are considered wet.

The latest version of the MOA now recognizes there are areas of the country where wetlands constitute a majority of the land type. In those areas, according to the modified MOA, minor losses of wetlands may not require acre-for-acre mitigation.

Under the modified agreement, when determining whether mitigation is required, the Corps and EPA would consider the importance of the wetlands to be developed, the effects of the wetlands loss on the ecosystem and whether nearby wetlands are already protected.

(continued on page 7)

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 1990 legislative priorities & concerns



Capitol Concerns

by
Debbie Reinwand
Projects Coordinator

There are a number of bills pending in the last session of the 16th Alaska Legislature that concern RDC and its membership. These bills range from resource and economic development measures, to restrictive land management plans, to bills that affect resource businesses.

Since it is an election year, there is an abundance of legislation pending that bears watching - particularly the myriad bills that would establish additional state park land and wilderness areas.

In addition to the bills listed below, RDC continues to follow its priorities established in 1989 - an act establishing forest management agreements; a "no more Wilderness" resolution; stable business environment; and ANWR support.

In particular, RDC is following:

HB 409 - An act relating to the reform of certain environmental conservation laws and the administrative penalties for their violation

This bill would give the Commissioner of the Department of Environmental Conservation sweeping authority to slap fines of up to \$25,000 a day on alleged violators of state environmental law. Existing law already gives DEC authority to enforce the state's laws - problems in the past have been with application, not the enforcement statutes. The bill changes the procedures followed in non-

emergency situations, allowing DEC to issue an arbitrary compliance order that deprives businesses of their right to due process. The business must comply immediately with whatever DEC says or face civil and criminal prosecution. This bill affects all industries - timber, fishing, tourism, mining, retail ventures and the general public. Concerned members should testify against this bill.

HB 346 - Establishing the Yakataga State Game Refuge

Introduced by the House Resources committee, this bill would designate the Yakataga State Game Refuge, from Cape Suckling to Icy Bay, southeast of Cordova. A restrictive land management plan, the game refuge would prohibit most resource development projects. RDC opposes HB 346.

SB 2 - Addition of land to Kachemak Bay State Park and Kachemak Bay State Wilderness Park

This bill would add further wilderness land to the Kachemak Bay State Park. There are provisions for construction of a commercial lodge, one or two public use cabins and trails on Nuka Island. RDC opposes SB 2.

SB 345 - Relating to delay and cancellation of lease sales under the oil and gas leasing program

Sponsored by Senate President Tim Kelly and Sen. Arliss Sturgulewski, both R-Anchorage, would restrict the avenues under which the DNR commissioner could cancel oil and gas leases. RDC supports SB 345.

SB 430 - An act establishing the Susitna Remote Recreation Area

Proposed by the Susitna Valley Association and the Alaska Center for the Environment, this bill is sponsored by Sen. Pat Rodey, D-Anchorage. This bill would encompass 3/4 of the land proposed in the Susitna State Forest, and would put much of the land in a restrictive management plan. RDC opposes SB 430.

Wetlands agreement...

(continued from page 2)

The changes regarding mitigation are outlined in a five-page "notice," presumably meant to clarify the intent of the MOA.

The MOA as originally proposed mandated a rigid, three-step sequencing process requiring avoidance, minimization and then compensatory mitigation. Builders would first be required to avoid using wetlands and then minimize development on wetlands for those projects that move ahead. Finally, for every acre of wetlands that is disturbed, a minimum of acre-for-acre replacement would be required in most cases.

The most significant change in the latest version of the MOA is a provision that relaxes the avoidance/minimization/mitigation process when a project would result in insignificant environmental losses.

The notice provides that "the MOA will be reconsidered in light of development of a comprehensive no net loss policy." Presumably, the Domestic Policy Council (DPC), a presidential task force that is formulating the national wetlands policy, will be the agent of change in the MOA.

Alaska's congressional delegation and the State of Alaska hope the DPC recommendations will account for the unique circumstances and needs of Alaska in the national wetlands policy.

After weeks of tough negotiations, Alaska has won some concessions in the wetlands agreement, but serious reservations remain about the MOA and the evolving policy. At press time, RDC and other organizations were studying the MOA and the substance of the modifications. However, the notice makes it clear that the DPC will at least reconsider the MOA as it strives to develop a national policy on wetlands.

After numerous meetings with senior members of the Bush administration, Alaska officials in Washington, D.C. now believe that Alaska's unique wetlands situation is better understood by the principals of the DPC. Yet while some progress has been made, there are still many hurdles to overcome in the formulation of the national policy. One is to ensure that the DPC considers the challenges posed in Alaska where a high proportion of developable lands are wetlands and where technical and non-technical challenges exist regarding compensatory mitigation.

The Resource Development Council is closely monitoring the ever-changing events in Washington. With the question of how to achieve no net loss now in the DPC's court, RDC and the Alaska Wetlands Coalition will work vigorously with state and federal officials to see that Alaska's concerns are addressed.

Tongass timber industry under fire

Major reforms could threaten Southeast Alaska economy

(continued from page 1)

Last summer the U.S. House voted to radically reform logging operations in the Tongass. The House bill strips the Tongass and its resource-dependent communities of multiple-use protections guaranteed in the 1980 Alaska National Interest Lands Conservation Act (ANILCA). The legislation voids federal timber contracts, substantially increases Wilderness designations and guts the compromises and economic guarantees that were negotiated as compensation to the local communities for anticipated losses and economic damage caused by ANILCA.

Alaska Governor Steve Cowper and the state's congressional delegation voiced strong objections to the House reform legislation, but their pleas were largely ignored by congressmen pressured by powerful environmental groups.

The House bill, HR 987, will meet one of two bills brewing in the Senate Energy and Natural Resources Committee. Senator Tim Wirth's (D-CO) S-346 is similar to the House-passed Tongass bill, but Senator Frank Murkowski (R-AK) favors S-237, which retains community, economic and multiple-use values while addressing concerns in Congress. Preservationists and some congressmen say they will press for early passage of a bill in 1990. In the meantime, up to 10,000 jobs in Southeast Alaska hang in the balance.

Despite the economic hardships that would occur through passage of radical reforms, preservationists claim such reforms are necessary. They describe the multiple-use goals of the Forest Service as subsidies and wasteful to taxpayers. They claim logging is threatening fishing, tourism and wildlife.

State and industry officials hotly contest these claims, noting that timber is a renewable resource and that logging has an annual return of over ten times to its region. The timber program pays for itself through timber receipts and federal income taxes. Long-term timber contracts helped develop



The Tongass timber harvest currently averages about half of the forest's sustained yield rate. New legislation would abolish timber resource contracts in the forest and eliminate the annual harvest goal.

and strengthen the Southeast Alaska economy. Thousands of Alaskans are directly employed on a year-round basis by the timber industry and many communities depend directly on the industry for their survival.

As for environmental considerations, logging operations are strictly regulated in the Tongass and only seven percent of the forest is scheduled for timber harvest under the current management plan. Ninety percent of the Tongass will never be logged. Nearly 40 percent of the region is already set aside in Wilderness designations. Of the commercial forest land in the Tongass, one-third is closed in Wilderness, another third is reserved for other values and one-third is harvestable on a 100-year rotation.

Southeast Alaska's other two major industries, fishing and tourism, have grown and continue to grow along side the timber industry. In 1989, commercial fishermen in Southeast Alaska had their largest catch ever, producing three times as many fish in one year as they did in the 1950s before the timber industry was established.

The House legislation and Wirth's Senate bill would abolish timber resource contracts in the forest and eliminate the annual harvest target goal. Currently the Tongass timber harvest only averages about half of the sustained yield rate.

The bills would also increase the designated Wilderness block in the forest, withdrawing 1.8 million acres from multiple use. Currently 5.4 million acres of the forest are designated Wilderness. The new legislation would increase the percentage of Wilderness to nearly 50% of all lands in the region.

Hearings on the Tongass are approaching and it is important that members of Congress hear from RDC members on this issue. Key Senate Energy and Natural Resources Committee members are J. Bennett Johnston, Howell Heflin (D-AL) and Jay Rockefeller (D-W.VA). Other committee members who need to hear from you are Dale Bumpers (D-AR), Wendell Ford (D-KY), Jeff Bingaman (D-NM), Kent Conrad (D-ND), Mitch McConnell (R-KY), Mark Hatfield (R-OR), Pete Domenici (R-NM), Malcolm Wallop (R-WY), Don Nickles (R-OK), Conrad Burns (R-MT) and Jake Garn (R-UT).

Write: Honorable _____, U.S. Senate, Washington, D.C., 20510. All senators may be called at 202-224-3121 or faxed at 202-224-6163.

Export of forest products sets record



Thoughts from the President

by
Pete Nelson

A recent news release from the U.S. Forest Service reveals that Alaska's forest industry exported a record \$612.6 million worth of logs, pulp, lumber and wood chips in 1989 as a result of high demand, industrial expansion and a continuing rise in prices and value of wood products.

In fiscal year 1989, Alaska exports rose 29 percent over 1988 which was also a record year. The value of forest products exported has increased by 300 percent over the last four years from \$204.5 million in 1985 to the current \$612.6 million.

Log exports accounted for \$310 million in foreign sales in fiscal 1989 while pulp accounted for almost \$228 million, lumber \$71 million and \$3 million in wood chips.

In addition to value increases, the volume of Alaskan logs, pulp and lumber exported rose dramatically in 1989. Total harvest in Alaska exceeded one billion board feet for the first time ever. Just under 630 million board feet of logs were exported to foreign markets.

The volume of lumber processed in Alaska before shipment increased 20 percent over the previous year.

Most of the lumber and pulp production came from Southeast Alaska and the Tongass National Forest. These numbers reflect a big turn around in recent years of foreign timber markets. This all is good news for Alaska's recovering timber industry, but it comes when Congress is about to act on legislation that could severely hinder new logging in our nation's largest national forest.

H.R. 987 and its Senate clone would gut timber operations and lock up more of the Tongass into Wilderness designations. Already two-thirds of the commercial timber is off-limits to logging. Only 10 percent of the Tongass will ever be cut. Yet the preservationists want more.

Your help is necessary to turn the events in favor of balance and wise use. I urge you to stand up for wise use. Together we can make a difference.

Alaskans unify to fight wetlands policy

"No net loss cuts across every industry..."

Alaskans opposed to the application of a federal no net loss wetlands policy in their state swamped Bush administration officials with post cards which call for federal agencies involved in the wetlands policy to account for the unique circumstances and needs of Alaska.

The massive campaign was initiated in early December by the Resource Development Council and the Alaska Miners Association. Since then, stacks of pre-printed post cards have arrived each day in the offices of key administration officials involved in the wetlands plan.

The Anchorage Times, which in its editorials argued that the wetlands policy would devastate every sector of Alaska's society, boldly jumped into the campaign December 31 by including the postcards in its afternoon editions. The response from Times readers and members of the RDC and AMA has been overwhelming. The post cards were so numerous they were measured not by numbers, but by pounds, according an administration official. The avalanche of post cards left its impact on Washington where administration officials recently showed sensitivity to Alaskan concerns in delaying, then making revisions to the objectionable memorandum of agreement.

RDC kicked off its statewide post card campaign in early December by distributing thousands of cards to business leaders and dozens of communities. A public education campaign was launched in October and a community outreach program was in full swing by November. The Alaska Wetlands Coalition was formed, an organization chartered with a single-purpose and joined by municipalities, native corporations, organized labor, businesses and re-

source companies committed to proper implementation of a wetlands permitting program.

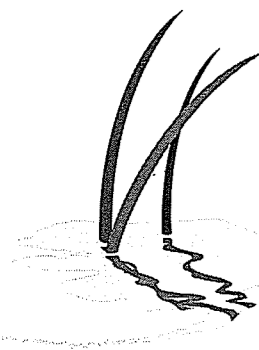
The wetlands battle has become an uplifting and unifying rallying point, bringing Alaskans everywhere together in a common cause.

"Not since the fight for statehood have so many Alaskans from all walks of life mobilized under a common cause," said RDC President Pete Nelson.

"This is the one issue that can take us all down the tube simultaneously," said RDC Executive Director Becky Gay. "No net loss cuts across every industry and public and private project in this state. If no net loss were to be rigidly applied to Alaska, a state where almost all remaining developable areas are wetlands, all projects, private or public, would be in jeopardy."

The most recent and vocal opposition to no net loss has come from communities across Alaska. An estimated 98 percent of all Alaskan communities are located in or adjacent to wetlands. In many of these communities, few or no non-wetland development alternatives exist.

Others opposing the new interagency goal of no net loss include Governor Steve Cowper, Alaska's congressional delegation and the entire Alaska Senate and House. In addition, the Municipality of Anchorage, the State of Alaska, two native corporations, and an oil company have filed suit against a Memorandum of Agreement implementing no net loss. Labor unions, utilities, ports, timber companies, and other businesses have also shown strong opposition to no net loss.



Alaska Wetlands

What does "no net loss" of the nation's wetlands really mean? Basically, it is a zero-tolerance policy applied to a biological situation. Rather than minimizing loss, it means that for every function or value in a wetlands that is lost, there must be an equal replacement of that function or value somewhere else.

Why are Alaskans so upset about a potential no net loss policy? First of all, Alaska does not contribute to the nation's overall wetlands loss. In other words, Alaska is not part of the problem. The no net loss goal stems from the loss of 54% of the wetlands in the contiguous United States. Unlike other states, Alaska has an exemplary wetlands preservation record. Approximately 99.95% of its wetlands have been preserved, only 80,000 of 170 million acres have been utilized since 1867. The federal and state governments own 88% of the total land mass of Alaska and both engage in extensive regulatory processes before development can occur.

Moreover, not all wetlands are alike. There are high value and low value wetlands. Everyone agrees that minimizing the loss of high-valued wetlands is important. Utilizing wetlands is also important. An estimated 98% of Alaska's communities are built on or adjacent to wetlands and most expansion is impossible without utilizing some wetlands.

Despite significant losses in the contiguous United States, Alaska wetlands are not endangered from a quality or quantity perspective. It's ironic and unfair that the greatest impact of a national no net loss policy will be in the one state that does not contribute to the problem. And worse, stopping development in Alaska will do nothing toward solving the actual wetlands problem where it exists.

Alaska has special land characteristics that are unique to the state and requires special consideration in a wetlands policy for the nation. Yet the federal government still may apply no net loss to Alaska. What this means is that if you build on an acre of marshy ground, anywhere that requires fill, you could be required to replace that acre, either by paying to restore and rehabilitate damaged wetlands on-site or off-site.

A no net loss policy in Alaska could throttle community expansion and new development projects. The federal agencies could require costly "off-site mitigation," paying to restore or preserve wetlands elsewhere, as a condition of a federal permit. This applies regardless of ownership, including private lands.

Contiguous USA: Wetlands status

Wetlands present before settlement:	215 million acres
Wetlands remaining in 1975:	99 million acres
Total wetland reduction since settlement:	116 million acres
Average rate of loss per year, 1955-1975	400,000-500,000 acres
Average rate of loss per year, by 1980:	275,000 acres
Wetland losses from agriculture, mid -1950s to mid - 1970s:	11.7 million acres
California wetland losses:	4.55 million acres (91% lost)

Alaska: Wetlands status

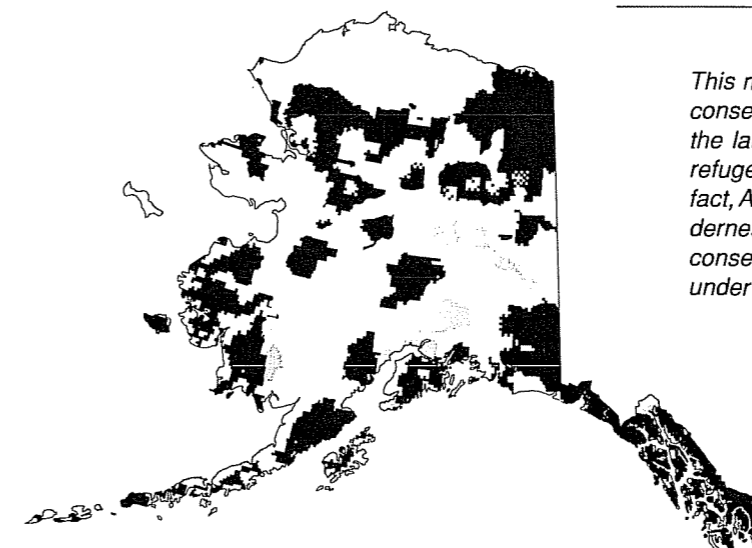
Wetlands present in 1867:	170 million acres
Alaska wetlands lost from all development:	80,000 acres (0.05%)
Wetlands remaining in original condition:	169.9 million acres
Percent of Alaska wetlands lost since 1867:	0.05%
Area of Alaska:	375.3 million acres
Non-mountainous area which is wetland:	About 74%
Percent of entire state which is wetland:	About 45%
Alaska wetland reductions from all petroleum-related operations (includes exploration, production, support and transport to markets)	29,680 acres
Percent statewide wetland reduction from all petroleum-related operations:	38%

Estimate of wetlands in Alaska Conservation System Units

Conservation Systems	Total Area (acres)	Wetlands Area (acres)	Wetlands as % of total acres
National Park System	52,841,133	12,372,846	23%
National Wild & Scenic River System	457,000	176,250	39%
National Forest System	22,869,467	5,603,650	25%
National Wildlife Refuges	73,553,172	41,228,620	56%
Bureau of Land Management	2,220,000	544,000	25%
Total of federal Conservation System Units	151,940,772	59,925,366	39%
State Park System	3,050,991	408,493	13%
State Forest System	2,057,000	374,700	18%
State Game Refuge System	1,065,388	932,573	88%
State Game Sanctuary System	93,568	8,870	9%
State Critical Habitat System	841,940	685,682	81%
Total of state Conservation System Units	7,108,887	2,410,319	34%
Wetlands protected in CSUs =		62,335,685 acres	
Total wetlands in Alaska =		170,000,000 acres	
% currently protected in CSUs =			36.7%

Source: Robert Senner & Company and RA Kreig & Associates

Alaska Conservation Units



This map shows Alaska's major state and federal conservation units, which account for about half of the land in the state. These units include wildlife refuges, parks, forests, and recreation areas. In fact, Alaska has 62% of all federally designated Wilderness lands. Much of the land outside of these conservation units in Alaska is considered wetlands under the broad federal definition.