

# Alaska Coal Marketing Conference

Anchorage, Alaska  
February 18-19, 1982

Register  
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Another  
Sellout  
Expected

## Registration

The second Alaska Coal Marketing Conference is geared to Alaska's export potential. The two-day event, February 18-19, 1982, will take place at the Anchorage Westward Hilton Hotel in downtown Anchorage, Alaska.

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For any information or questions, write or call:  
Carl Portman, Conference Coordinator  
Resource Development Council for Alaska Inc.  
Box 516 (444 W. 7th)  
Anchorage, Alaska 99510  
907-278-9615

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for Alaska, Inc.  
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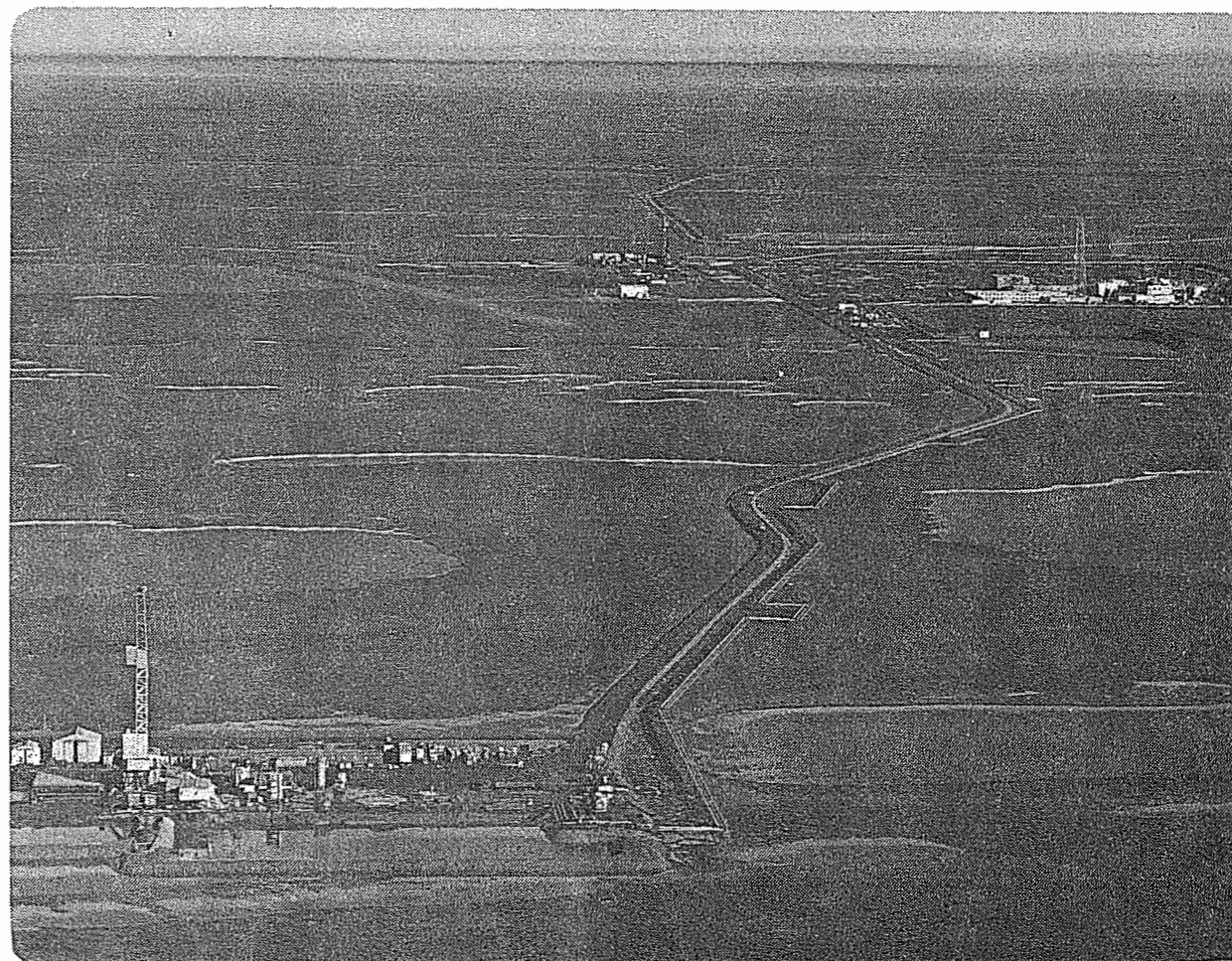
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# Resource Review

January 1982



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## Message from the Executive Director

Paula P. Easley

On January 11 the gavels came down and the Alaska Legislature was in session once again. Direction for the future of Alaska will be a major focus of legislative activity, and legislators we've worked with during these past months fully recognize the importance of their decisions to Alaska's long-term stability.

This is also the time for our members and supporters to put the information they've learned during weekly breakfast meetings and from RDC research and mailings to good use.

Rest assured, nearly every project, policy and/or piece

of legislation we support will be actively opposed by the zero-growth element. These are the folks who want high standards of living, good jobs for themselves and their families, educational and cultural opportunities -- just so long as no more development is allowed.

It is rewarding to work with people all over the state who recognize the need for developing resources to allow present and future members of the workforce to live in this great state. It does Alaska little good to spend by far the highest per capita of any state to educate its children and then deny them employment, forcing them to live elsewhere.

To achieve our goals requires dedicated action, and in this regard, I urge you to respond to requests from your leadership that you voice your opinion when and where it's needed.

California Coastal Council  
and  
American Land Alliance  
co-sponsor  
A National Land Use Conference

Friday, February 5, 1982

San Francisco, Calif.

For additional information, contact Carl Portman at RDC headquarters, 278-9715.

## Exit Glacier Development Within Three Years

Development of a major visitor-recreation facility at Exit Glacier in the Kenai Fjords National Park may occur within the next three years, according to David Moore, park superintendent.

Speaking before a Resource Development Council breakfast audience earlier this month, Moore detailed three development alternatives for the Exit Glacier area. The Park Service's "preferred alternative" would provide a "quality visitor experience" at Exit Glacier, approximately 12 miles north of Seward.

That option, known as Plan A, would provide a permanent vehicular bridge across the Resurrection River and a fine gravel road up to 1,000 feet of the glacier's base. Parking for cars, recreation vehicles and buses would be available along with a visitor contact station describing the various recreational opportunities and resources in the area. The facility would be a relatively small structure capable of handling 25 people. Plan A also calls for construction of various hiking trails to different parts of the glacier, shelters and interpretive displays. A finely groomed trail for the handicapped would also be built allowing wheelchair access. A longer trail would connect the lower glacier area to the massive Harding Ice Field.

Moore terms the second alternative as the "no action" plan. However, he said some efforts already taken, such as

the study being conducted now, and for a temporary footbridge to be built in the spring of 1982, would be allowed to proceed under this option. The plan also includes upgrading of an existing roadbed and a turnaround with a one-lane bridge to be built by 1984.

Plan C has been labeled the "expanded facilities" alternative and represents an outgrowth of Plan A, said Moore. This alternative calls for two campgrounds, an aerial tramway over the glacier and up to the icefield, a full-service visitor center, an expanded picnic area and numerous hiking trails.

The preferred plan has an estimated price tag of \$2.6 million with development beginning this summer. Moore noted access to the glacier area by vehicle would be delayed several years due to bridge construction.

After reviewing the Exit Glacier development plan, the Resource Development Council strongly favors Plan C for the many tourism development opportunities the alternative affords. In lieu of Plan C, the Council supports a combination of an expanded Plan A to meet immediate needs, and continued planning for Plan C to provide a recreational experience at Exit Glacier.

Paula Easley, the Council's executive director, says "the existing plan does not comprehend the recreational potential that can and should be developed."

## RDC Reaffirms Support For Hydro Legislation

The Executive Committee of the Resource Development Council has approved a resolution reaffirming support for hydropower legislation passed in 1981 and the development of economically viable projects funded with state revenues.

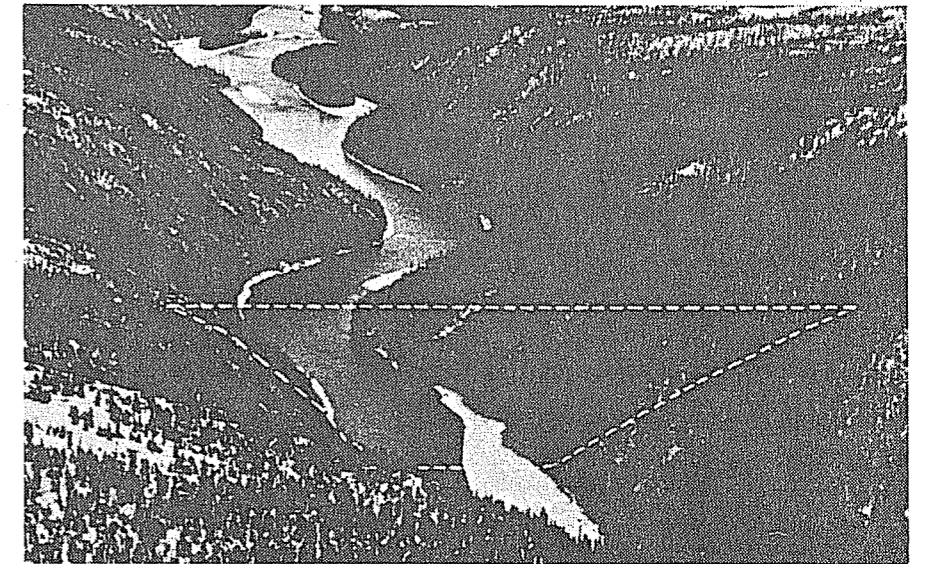
The resolution was drafted by the Council's Hydroelectric Committee, which is meeting weekly and reviewing material on Susitna and other hydropower projects. The legislation, SB 25 and SB 26, constitutes a five-year energy plan designed by the legislature.

RDC Deputy Director Joyce Munson said the "legislature in the last session took necessary steps assuring that some oil revenues will be invested in the state's future." Munson added, "for the majority of the people, the (proposed) hydroelectric projects (outlined in SB 25 and SB 26) mean 50 to 100 years of clean, safe and reasonably-priced energy to supplement non-renewable energy resources." Munson says that by passing the resolution, the Council intends to show its support for the legislation.

Included in SB 25 and SB 26 is an appropriation of \$50 million for the purpose of doing reconnaissance and feasibility studies on other possible sources of energy as well as a wide spectrum of grants for energy sources other than hydropower.

Munson says the Resource

Development Council is concerned there will be moves to scuttle the intent of the legislation and to create obstacles that would prevent the development of hydro-power projects. She said the Council "will actively support continuation of the legislative intent to provide needed energy at reasonable costs in Alaska."



Dotted line shows placement of proposed Devil Canyon Dam on Susitna River.

## Magazine Urges Red Meat Processing

In its December edition, the Alaska Farm Magazine urges its readers through an open letter to work with the Alaska Agriculture Action Council in making red meat processing a reality in Alaska this year.

"We have the ingredients - farmers, feed, financing for processing, a market and hopefully financing for livestock and equipment," the magazine writes, "but it's critical we act immediately."

Potential producers who have the desire to expand their operations in Alaska have been hindered from doing so by the lack of a processing facility. Kenai and Kodiak livestock producers claim their areas are capable of supporting large numbers of livestock while Fairbanks and Delta producers say their herds can expand. Delta tracts are capable of handling 200 to 400 calves from just stubble, straw, screenings, frost-damaged grain and grass in woodlot areas. According to the author of the letter, very little additional equipment or feed would be required to support large numbers of livestock on the Delta tracts. However, total fencing would be required due to Buffalo problems in the area.

"Livestock numbers are critical to the success of

processing," the letter states. "The total number of cattle now on the Kenai Peninsula would supply the modestly sized processing plant for a day or two. Delta Junction's cattle would keep them busy for the rest of the week. What then?"

Cattle and hogs can readily be purchased in Canada or the Lower 48, but available financing for the farmer to bring in the livestock is questionable. The magazine says the Agriculture Revolving Loan administrators and board will need reassurance from the Agriculture Action Council that processing is on line for the very near future. Alaska Farm Magazine also suggests abolishing or adjusting loan limits on chattel, which includes machinery and livestock, as they are too low to accommodate large cattle purchases.

A plan for processing must be determined now, urges the magazine. It asks, "should there be just one centrally located plant to handle all of Alaska's livestock slaughtering and complete processing or... satellite plants around the state for slaughtering serving a central processing facility?"

"Share your opinions with the Ag Council," concludes the letter.

## Business Roundtable: Clean Air Act Needs Revising

In a two-year study, the Air Quality Project of the Business Roundtable has found that the Clean Air Act is inefficient, complex and unnecessarily costly.

The Business Roundtable retained Environmental Research and Technology, Inc. (ERT) to develop, verify and analyze case study data and evaluate the efficiency and possible adverse impacts of the Clean Air Act. Based on its review and analysis, ERT concludes that the Act's requirements impose substantial burdens of unnecessary costs beyond those needed to achieve air quality goals. ERT studies indicate that several billion dollars could be saved by a more efficient Act without sacrificing air quality gains. In addition, ERT finds that the Act causes undue uncertainty in project planning, avoidable delays in decision-making by review agencies and unjustifiably stringent control technology requirements without commensurate air quality benefits.

The two-year study says the Act in its present form is inefficient in its use of the nation's financial, material and human resources to meet air quality goals and actually impedes progress toward important national goals, such as economic development, job formation and domestic energy resource development.

The Clean Air Act was amended in 1977 and is now under consideration because its four-year authorization for appropriations has expired. Congressional action on the Act has bogged down completely, killing Reagan Administration hopes that the law could be rewritten quickly.

According to John Schork, Chairman of Research Cottrell, a company specializing in equipment and services for environmental control, the Act frustrates long-term objectives of the environmental movement as well. He says its complex regulations cause lengthy delays in the construction of clean, modern facilities, resulting in the continued operation of dirty, old plants.

"The time in which environmental objectives could be achieved is being prolonged while, simultaneously, our competitive position in world markets is deteriorating because of outmoded manufacturing systems," Schork said. "If this country really wants to come to terms with its energy problems it makes a lot of sense to speed up the time it takes to install coal-fired boilers equipped with the technology needed to ensure clean emissions."

The gravest danger posed by the Clean Air Act, said Schork, is that it discourages coal burning. He insists that with constantly improving technology, coal can be burned cleanly. So long as available pollution controls are utilized, ambient air quality will not deteriorate noticeably if America burns coal instead of oil, Schork said.

The Research Cottrell chairman cited a New England utility which recently installed electrostatic precipitators and switched from oil to coal. He said it is now discharging less particulates to the atmosphere than before. He said "ambiguous and vacillating standards, uncertain review procedures and emotional environmental attacks have helped to strafe coal development."

Although authorization for appropriations has expired, administration of the Clean Air Act continues and all legal obligations, compliance deadlines and state enforcement provisions remain intact.

## State Opposes Emission Change

Alaska leaders in Juneau and Washington are opposed to an administration-backed amendment to the Clean Air Act that would allow carbon monoxide emissions for new automobiles to double. During a meeting of the Senate Environment and Public Works Committee, Alaska Senator Frank Murkowski said he has decided to vote against the amendment. The proposal would allow 1983-84 cars to emit 7 grams per mile of carbon monoxide rather than the current standard of 3.4 grams.

Murkowski says the amendment would further delay the attainment of clean air in Anchorage and Fairbanks. The Senator favors retention of the current standard as he says it is needed to significantly reduce cold start emissions.

In addition, the State of Alaska plans to lobby for a special cold-start provision in the act that would force the auto industry to help solve an emission problem especially prevalent to Alaska. Vehicles emit more pollutants during their warm-up period. As a result, cars that meet clean air standards in warm climates often fail to do so in cold areas.

State leaders are convinced that the cold-start syndrome is the main cause of pollution in Alaska's two largest cities.

Catalytic converters do not begin to operate until they are warm and in Alaska's cold climate, it takes several minutes after the car starts to reach that point and during that time, auto emissions are substantially uncontrolled. Cold starts also make inspection provisions ineffective for Alaska since the majority of emissions occur while the catalytic converter heats up.

In support of the amendment, sponsored by Sen. Steve Symms, R-Id., the Reagan administration has estimated that air quality could improve as much as 59 percent by 1999 under the 7 grams per mile standard.

"I have been unpleasantly surprised to see how many business executives, from all regions and all industries, come to Washington, hat in hand, to try to keep their pet program or subsidy intact. It is sad to see how accustomed business has become to being sheltered from competition. In a strong economy such as we are striving for, the whole point is to provide a climate in which companies can compete, not to protect them from competition." —Dr. Murray Weidenbaum, Chairman, President's Council of Economic Advisors.

—Boardroom Reports, Aug. 24, 1981

"Inflation is the price we pay for those government benefits everybody thought were free."

—Anonymous

An outrageous suggestion made at the recent Miners Convention for the perfect Christmas present:

Give the popular new game called "Bureaucracy." The person who moves first loses.

## NOTEABLE QUOTES

The Wilderness Society professes its own dedication to 'balanced uses' of federal lands. (James) Watt professes the same goal with equal fervor. But one man's balance is another man's bias. At a

time of severe constraints on federal spending (and) when energy supplies remain uncertain, my own feeling is that Jim Watt's idea of balance is closer to the national interest."

—Columnist James Kilpatrick  
the Washington Post

"It is discouraging and confusing to hear the cliché concerning the fragility of the environment as environmentalists and neo-ecologists lobby for their pet, often elitist, preservation projects—and meanwhile ignore the needs of the masses and disregard the fragility of the social and political systems of which they are a part."

—Norman Borlaug,  
Nobel Prize Winning Forester/Agriculturist

## Munson Lobbies for RDC in Juneau

Joyce Munson, Deputy Director of the Resource Development Council, will serve as RDC's official lobbyist in Juneau for the 1982 legislative session.

From her Juneau office, Munson will monitor and analyze legislation and the state budget as well as present RDC's position on the various issues. Munson's responsibilities include testifying before committees and meeting with individual legislators or administrators, serving as a liaison between RDC and the legislative and administrative branch of government and communicating all information back to RDC.

In the past, RDC lobby efforts have been conducted by either telephone, letters or by sending representatives to present testimony.

A former legislator, Munson joined the Council last year and has since spent much of her time tracking legislation and keeping the membership informed of its status. Her representation will give RDC considerable credibility as an effective advocate for resource development.

"It will further distinguish us from other groups which simply take positions on issues and fail to follow through with the necessary action," Munson stated. She added that such representation in Juneau "will enable us to provide more

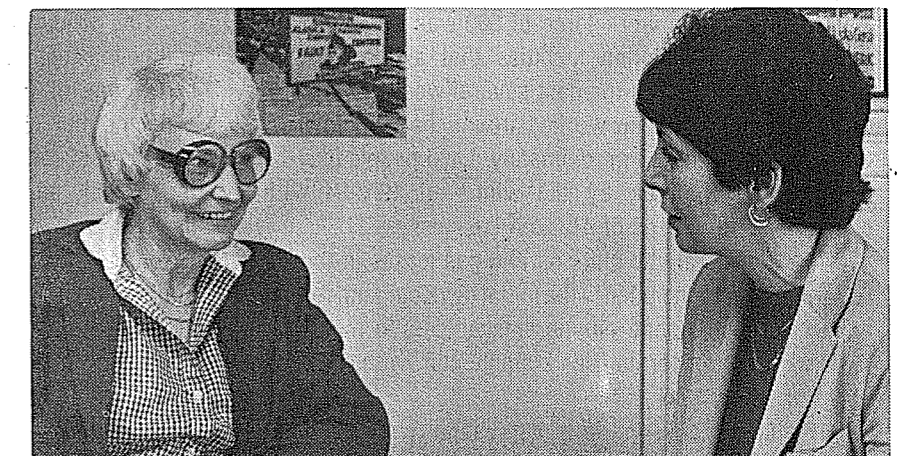
valuable service to our membership." Various corporations and individuals have repeatedly indicated that a lobbyist capability would better justify their investments in RDC.

Keith Stump, a former public information director for the Alaska Loggers Association in Ketchikan, will be filling in for Munson at the Anchorage office.

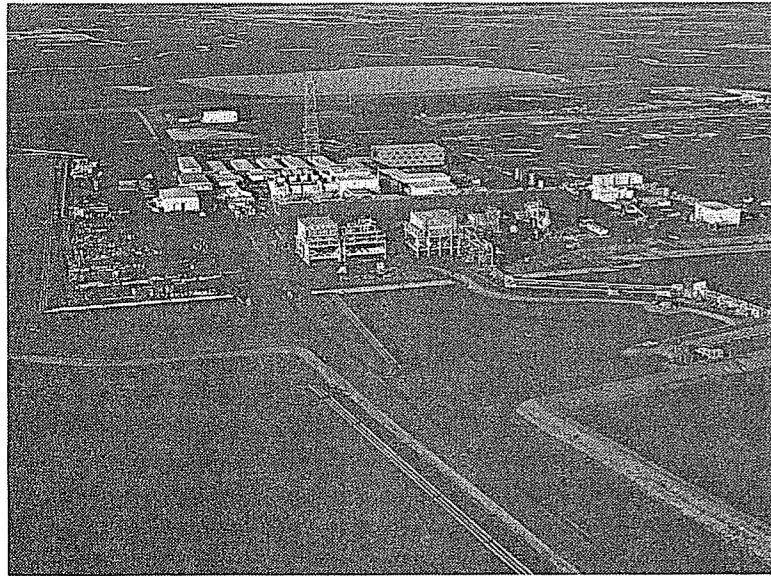
Legislation RDC is concerned with this session includes coastal zone management, transportation infrastructure development, regulatory reform, funding for Susitna and other hydroelectric

projects, surface coal mining changes, mineral leasing and loans, land and water issues affecting development, Permanent Fund legislation, royalty, oil disposal, petrochemical development, business, oil and gas and mineral tax changes, public interest group funding, state land disposal policies and all legislation relating to development of resources.

Paula Easley, Executive Director, says it is her hope that expenses of the program will be offset by increased membership donations.



RDC's lobbyist and Deputy Director Joyce Munson discusses legislative business with Executive Director Paula Easley at left.



Two-hundred foot communications tower soars over the Kuparuk oil field's central production facility which will process up to 80,000 barrels a day of crude oil for delivery to the trans-Alaska pipeline at Prudhoe Bay.

## Kuparuk Oil Rushes Down Pipeline

The Kuparuk River oil field on Alaska's North Slope, America's newest field, has gone into production and soon will be delivering up to 80,000 barrels a day to the trans-Alaska pipeline. Among the ten largest oil fields ever discovered in the United States, Kuparuk represents the first new oil production in Alaska since the opening of Prudhoe Bay in 1977.

According to ARCO Alaska, Inc., operator of the field, the 80,000 barrels a day production will bring the state about \$135 million a year -- nearly \$400,000 a day -- from royalties and severance taxes alone. In addition, the state will receive revenues from property, income and other taxes.

Startup of the giant Kuparuk oil field, second in America only to Prudhoe Bay, has come three months ahead of schedule, according to Paul Norgaard, president of ARCO Alaska, Inc.

A construction work force of 500 was busy this fall installing the production facilities that arrived on the summer sealift. During the past several weeks, a crew of 120 ARCO employees has worked around the clock to bring the facilities on line. Approximately 1,400 people may be employed at Kuparuk by the winter of 1983-84 with contracts for hundreds of Alaskan businesses.

ARCO owns all the state oil and gas leases in the 20-square-mile area included in the initial development. Agreement is expected soon among leaseholders in the entire Kuparuk field to operate it as a single unit, with ARCO as operator.

Ultimate recovery, with successful waterflood, is expected to range between 1.2 and 1.5 billion barrels of oil.

ARCO is expected to own from 57 to 59 percent of the net production. Other major leaseholders are BP Alaska

Exploration, Inc. and Sohio Alaska Petroleum Company. Smaller interests are held by Union Oil Company of California, Exxon USA, Mobil Oil Corporation, Phillips Petroleum Company and Chevron USA.

Initial production is from 40 wells located on five gravel drill sites.

Plans call for two additional central production facilities to be added over the next four years, boosting production from the Kuparuk to 250,000 barrels a day. That production level will require use of waterflood, a secondary recovery method.

Expansion plans call for a second central production facility to go into operation in 1984, boosting production to about 200,000 barrels a day. A third facility is scheduled to start up in 1986, raising the total to 250,000 barrels a day.

By the time it is fully developed, Kuparuk is expected to have cost the owner companies as estimated \$8 billion.

Gas produced from the Kuparuk along with crude oil will be injected into the reservoir until gas sales take place some time in the future. At 80,000 barrels a day, it is expected that 35 million cubic feet of natural gas per day will be produced. Of that total, a portion will be used as fuel for the field and about 25 million cubic feet a day will be injected.

A 16-inch pipeline has been constructed to carry Kuparuk oil to Pump Station 1 of the trans-Alaska pipeline at Prudhoe Bay.

Kuparuk facilities include a 96-bed operations center which was delivered on the 1980 summer sealift and opened late that year. It includes dining and kitchen facilities, a theatre, card and game rooms and an exercise room. Kuparuk has its own water and sewage treatment facilities and its own power generating plant.

## Council Blasts SEACC For Untrue Statement

The Resource Development Council has blasted the Southeast Alaska Conservation Council (SEACC) for publishing an untrue statement in a bulletin to its membership regarding access to the U.S. Borax Molybdenum Mine at Quartz Hill near Ketchikan.

The SEACC bulletin falsely states that various government agencies support the Keta access route to U.S. Borax's preferred Blossom River route.

According to Paula Easley, Executive Director of the Resource Development Council, none of the government agencies listed has yet to take an official stand on the issue. RDC has contacted Charles Gass, Planning Officer, Tongass National Forest, and he confirmed that no written testimony has been received from the agencies listed regarding the

access routes. Gass said support for a particular route must be received in writing before it is considered official. However, he did confirm some members of the Interdisciplinary Team (IDT) supported the Keta access route in their determination.

The bulletin urges members of SEACC to write Governor Hammond and the supervisor of the Tongass National Forest in support of the Keta route. The Forest Service has declined to choose a preferred route and has said that public comments are important to its route selection.

SEACC writes that U.S. Borax prefers to build its access road to the mine through the Blossom River corridor because the Keta River route is more expensive. SEACC fears that the company's proposed access route would damage fishery habitat in the Blossom River. However, U.S. Borax has pointed out that the Environmental Impact Statement finds little direct impact to fisheries would occur since the road would be remote from fish habitat and that on a percentage basis, Keta fish resources could be more greatly affected than Blossom resources. Studies also indicate that the Keta route presents an extremely dangerous avalanche threat to miners and their families while the Blossom route would provide a more suitable townsite for the development area.

Easley says the Resource Development Council has formed an Environmental Review Team (ERT) to study access routes to the Quartz Hill area. RDC has recruited people with expertise in forestry, mining, fisheries, hydrology, avalanche control, environmental engineering and water resources to serve on the review team.

After evaluating the U.S. Forest Service Environmental Impact Statement on road access, the Council's ERT will make an official recommendation. An official RDC position will reflect the ERT selection, Easley said.

## Bunker Hill Closure Impacts NW

The closure of the Bunker Hill mine, smelter and refinery in Kellogg, Idaho may eventually affect 15,000 people in the Pacific Northwest.

The closure is a serious blow to 2,100 Bunker Hill employees and 5,000 Silver Valley residents working at jobs directly or indirectly dependent on Bunker Hill. Several other plants, including those at Anaconda and Monaca, have recently been forced to close their doors, weakening America's domestic capability to refine minerals while increasing its foreign dependence.

The closings of Bunker Hill and other smelters are due to the companies inability to realize a significant profit. Increasing costs and depressed prices controlled by international markets are eating away at profitability. Producers in the United States suffer from inflated operating costs and the extra cost of excessive regulation.

Idaho Governor John Evans, who led the charge to levy a new severance tax on minerals in his state, has now backed away from his strong push. With Bunker Hill now closing and other mines in the silver belt vulnerable, the Governor and certain legislators are offering assistance, but industry says their position change came too late for Bunker Hill.

To assure that the domestic minerals capability of the U.S. continues, fair operating legislation, constructive regulation and tax policies that promote an adequate profit must be enacted, says industry. The present administration is working on many of these problems, but much remains to be done to stop the chain of smelter closures which increases unemployment and foreign dependence.

Bunker Hill has been operating for 94 years and was one of Idaho's largest employers.

### Noteable Quotes

Continued . . .

"No matter what happens, there's always somebody who knew it would."

Lonny Starr

"A ship in harbor is safe - but that is not what ships are for."

John A. Shedd

"To get the maximum attention, it's hard to beat a good, big mistake."

Anonymous

Resource Review is the official monthly newsletter of the Resource Development Council for Alaska, Inc., Box 516, 444 West 7th Avenue, Anchorage, Alaska 99510. Phone (907) 278-9615.

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