

# RESOURCE REVIEW

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## Annual luncheon highlights future opportunities



Dr. Keiran Wulff, President, Oil Search Alaska LLC, announced at the RDC Annual Membership Luncheon that his company may bring the Pikka oil field project online by 2022, more than a year ahead of schedule. The big North Slope field has the potential to increase North Slope production by at least 25 percent. Seated at the head table are Jeanine St. John, RDC President, Governor Mike Dunleavy, and Joe Balash, Assistant Secretary, Lands and Minerals Management, U.S. Department of the Interior. Dunleavy discussed his administration's efforts to grow the economy and Balash signed public land orders reopening 1.3 million acres of federal land in Alaska.



Approximately 700 people attended RDC's Annual Membership Luncheon at the Dena'ina Center in Anchorage last month. The event was sponsored by more than 100 companies representing all of Alaska's basic industries and economic sectors. (Photos by Judy Patrick)

## INTERIOR MAKES 1.3 MILLION ACRES AVAILABLE FOR STATE SELECTION

The U.S. Department of the Interior has issued new Public Land Orders (PLO) which will ultimately make up to 1.3 million acres of land available for selection by the State of Alaska and Native corporations for development and other uses.

Joe Balash, the Assistant Secretary for Land and Minerals Management at the Department of the Interior, made the announcement and signed two PLOs alongside Governor Mike Dunleavy at the Resource Development Council's 44th Annual Membership Luncheon in Anchorage.

The 1972 PLOs withdrew broad swaths of land in the highly mineralized Fortymile and Bering Glacier areas from land selections. Balash's directives revoked the 1972 orders, making those lands overseen by the Bureau of Land Management eligible for conveyance to the State and Native corporations.

There are 17 PLO withdrawals that impact the use of 50 million acres in Alaska. Most were put in place after Congress passed the 1972 Alaska Native Claims Settlement Act (ANCSA) to allow for evaluation of land-use classifications at a time when Native corporations and the State were selecting millions of acres from the federal government. Some of the lands promised under statehood have been hung up for years because ANCSA needed to be settled first.

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# Balash highlights PLOs, progress on ANWR, NPR-A plan

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Balash's two PLOs cover 1.1 million acres in the eastern Interior, as well as 200,000 acres east of the Copper River Delta and near the Bering Glacier.

This is the first step in a long process of transferring federal land to the State. The next step is for the State to request conveyance of those lands – a lengthy legal process that will involve surveys and clear land title.

Dunleavy and U.S. Senators Lisa Murkowski and Dan Sullivan applauded Balash for lifting the PLOs, which they said would help fulfill outstanding land entitlements. "This new order will restore economic opportunities in the Fortymile area and, while we still have

more work to do, it is a sign that the federal government is finally living up to the promises it has made to Alaskans," Murkowski said.

Balash also announced at the RDC summer event that the final environmental impact statement on proposed oil and gas lease sales in the 1002 Area of the Arctic National Wildlife Refuge will be released in late July with the first sale likely occurring this December.

Meanwhile, the new land management plan for the National Petroleum Reserve-Alaska (NPR-A) is expected to be released this fall, Balash said. He also announced the draft environmental impact statement for ConocoPhillips' Willow project in NPR-A will be released in August.

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Growing Alaska Through Responsible Resource Development

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A complete list of the Board of Directors is available at [akrdc.org](http://akrdc.org).

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## RESOURCE DEVELOPMENT COUNCIL

is an Alaskan, non-profit, membership-funded organization comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries. RDC's purpose is to link these diverse industries together to encourage a strong, diversified private sector and grow Alaska through responsible resource development.

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# RDC announces new Board and Officers



RDC's new officers are from left to right are Eric Fjelstad, Past President, Lori Nelson, Secretary, Scott Jepsen, Senior Vice President, Jeanine St. John, President, Mike Satre, Vice President, and Lance Miller, Treasurer.

Before a crowd of nearly 700 at its 44th Annual Membership Luncheon in Anchorage June 26th, the Resource Development Council introduced new members to its 2019-20 Board of Directors.

Serving as RDC's new President is Jeanine St. John, Lynden, Inc. Eric Fjelstad, Perkins Coie LLP, will assume the position of Past President after serving three consecutive years in the leadership role.

Scott Jepsen, ConocoPhillips Alaska, Inc., was elected Senior Vice President and Mike Satre, Hecla Greens Creek Mine, will serve as Vice President. Lori Nelson, Hilcorp Alaska LLC, was elected Secretary and Lance Miller, NANA Regional Corporation, was elected Treasurer.

Elected to the statewide Board were Gary Dixon, Teamsters Local 959; Kelly Droop, Worley; Stan Foo, Graphite One, Inc.; Chuck Heath, Resource Data, Inc.; Josie Hickel, Chugach Alaska Corporation; Matt Holta, BDO; Joy Huntington, Uqaqi Consulting; Ben Mohr, Kenai River Sportfishing Association; Shannon Price, Delta Western; Greta Schuerch, Teck Alaska; Alicia Siira, Associated General Contractors of Alaska; Keith Silver, and Joe Sprague, Wings Alaska.

## RDC appoints new Membership and Development Director

Rebecca Koonce, born and raised in Anchorage, has joined RDC's staff as Membership and Development Director.

Becca is passionate about Alaska and was eager to return home after attending school at the University of Nevada, Las Vegas, where she majored in both Integrated Marketing Communications and Business Marketing. Since returning to Alaska, she has lived both in Anchorage as well as on the Kenai Peninsula.



Becca worked previously for the Anchorage Daily News where she was an advertising sales manager. She has brought to the RDC team experience with event and project management and looks forward to utilizing her skills with customer engagement to get to know RDC members. Please join staff in welcoming Becca to RDC.

# Murkowski calls for long-term plan for energy trade

U.S. Senator Lisa Murkowski, chairman of the Committee on Energy and Natural Resources, led a hearing July 11th to examine the increasingly important role of U.S. liquefied natural gas (LNG) and launched a new Strategic Energy Initiative.

Murkowski opened the hearing by underscoring the growth and potential of U.S. natural gas and natural gas exports.

“Our production has soared to levels many never thought possible even a decade ago. This is, in turn, boosting our economy and our national security, while providing a long-term, low-cost, low-emission source of energy,” Murkowski said. “The consensus among experts is that LNG will continue to be a major driver of demand growth well into the next decade, from developed countries in Europe to fast-growing economies like India. We have an opportunity to lead in a very competitive global market, but the window is narrowing.”

During the hearing, Murkowski announced her Strategic Energy Initiative, which was launched with the release of a new white paper entitled, “With Powers So Disposed.” The paper’s title references President George Washington’s farewell address, which extolled the virtues of free trade but cautioned it must also be fair.

“As we look at our growing exports, we should also look at ways the U.S. can support imports by other countries to advance both

The Alaska LNG Project proposes to move North Slope natural gas through the resource-rich center of Alaska, providing clean-burning natural gas to fuel local markets, mining, and industrial needs. A new liquefaction facility built in Nikiski would provide access to the expanding LNG market.

The Prudhoe Bay and Point Thomson fields anchor the project on the North Slope. Approximately 75 percent of the gas would come from the Prudhoe Bay field and 25 percent from Point Thomson.



Image courtesy Alaska Gasline Development Corporation

our economic and our security interests,” Murkowski said. “We need a real strategy focused on the nexus between commodities and infrastructure, not one or the other. That’s why I’m pleased to release this paper, which provides a framework to strengthen our nation’s geopolitical posture.”

Murkowski also discussed Alaska’s role in domestic and global LNG markets.

“The Federal Energy Regulatory Commission just released the draft environmental impact statement for the Alaska LNG project, which could move our tremendous reserves of conventional gas on the North Slope to market,” Murkowski noted. “It’s a rigorous document and an important milestone in the federal permitting

process. We continue to recognize that Alaska’s gas is a remarkable resource that will add to the energy security of the U.S. and our allies.”

The United States is now the world’s number one producer of natural gas, and a net exporter of the commodity for the first time since the 1950s. Rising domestic production has led to significantly lower energy prices for American families and businesses, and the domestic resource base is so extensive that it is also possible to export substantial volumes to countries around the world. According to the Department of Energy, the nation’s current LNG export capacity (five billion cubic feet per day) is on track to double by the end of next year.

## Draft EIS for Alaska LNG Project out for review

The Draft Environmental Impact Statement (DEIS) for the proposed Alaska LNG Project concludes that significant impact on wildlife such as caribou are likely during construction and operation, but that the extent of impact is uncertain and could be mitigated if best practices are incorporated into the project.

The DEIS found that many of the effects could be reduced or eliminated if deliberate steps are taken during construction and operation to avoid, minimize, or repair the damage.

“With the implementation of various best management practices and our recommendations, most impacts on wildlife would be less than significant, but the adverse impacts on some species and

federally listed threatened and endangered species would occur,” the draft DEIS said.

The Federal Energy Regulatory Commission (FERC) is lead on the environmental review of the \$43 billion, 807-mile project to pipe North Slope gas to an LNG plant on Cook Inlet. For most of its journey south, the gas would follow the Trans-Alaska Pipeline corridor to just north of Fairbanks.

Following the release of the DEIS, Alaska Gasline Development Corporation (AGDC) Interim President Joe Dubler said “Alaska LNG holds the potential for significant environmental, energy, economic, and employment benefits for Alaskans. Publication of the DEIS represents substantial progress toward

obtaining the authorization required to build and operate this project.”

AGDC is thoroughly examining the comprehensive document to understand FERC’s recommendations. “The ongoing permitting process incorporates 150,000 pages of data and should give Alaskans confidence that the project’s merits and impacts are being rigorously scrutinized, Dubler said.”

The draft EIS may be viewed and downloaded from FERC’s website ([ferc.gov/industries/gas/enviro/eis/2019/06-28-19-DEIS.asp](http://ferc.gov/industries/gas/enviro/eis/2019/06-28-19-DEIS.asp)).

In March, AGDC signed an agreement with BP and ExxonMobil to collaborate on ways to advance the Alaska LNG project.

# Cruise industry deploying advanced treatment systems

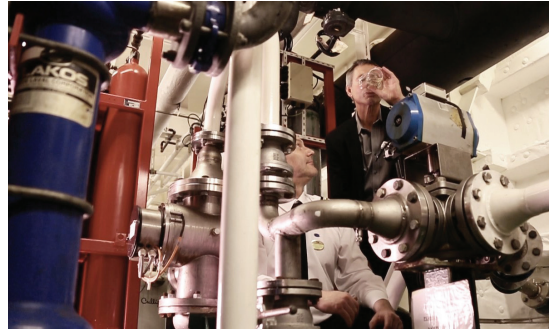
On the day the first cruise ship of the season arrived in Anchorage, Cruise Lines International Association Alaska (CLIA) President John Binkley reminded a packed house at a Resource Development Council (RDC) breakfast that the leaves and grass aren't the only things that turn green in the summer – so do cash registers.

The more than 1.3 million cruise ship visitors arriving in Alaska communities this season are projected to spend \$2.8 billion, with \$269 million coming from the five largest ships calling on the state.

Binkley's presentation highlighted the tremendous growth in Alaska's cruise industry over the past three years. Much larger ships now service Alaska and the number of voyages has increased by 80, with a 41% increase in passengers crossing the Gulf. The industry is also growing on a global scale, with 18 new ships entering the market in 2019 and 124 with purchase orders currently in ship yards.

Binkley then switched to the question on everyone's mind in the room: "How do we sustain growth in Alaska and take advantage of the industry's growth on a global scale?" The key to sustainable growth is twofold, he said. "We must improve the quality of life in communities we visit and protect the seas we sail."

Examples of improving communities include the industry's commitments in Alaska such as Carnival Corporation's investment in the White Pass and Yukon Route Railroad in Skagway and Norwegian Cruise Line's partnership with Huna Totem Native



John Binkley samples the treated wastewater after it was processed by the ship's advanced treatment system.

Corporation at Icy Strait Point to build a dock that can accommodate larger cruise ships. These investments signal the lines' long-term pledge to the state and their projection that Alaska will remain a popular destination.

In addition to investing in local infrastructure, the cruise industry has more than 22 years of successful community engagement through the Tourism Best Management Practices (TBMP) program in Juneau. The TBMP provides an avenue for the public to comment on the effects of visitors on Juneau and then provides recommendations to the industry on how best to mitigate and address these effects. Additionally, the cruise industry is actively engaged with the City

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## Coalition supports total exemption for Tongass

A coalition representing 32 communities in Southeast Alaska along with the timber, mining, and renewable energy industries, is urging the U.S. Department of Agriculture (USDA) to select Total Exemption from the 2001 Roadless Rule in the Record of Decision in the current Alaska-specific rulemaking process.

The USDA identified total exemption of the Tongass as the best alternative during a 2003 Rulemaking because it concluded that the social and economic hardships to Southeast Alaska outweighed the potential long-term ecological benefits because the Tongass forest plan adequately provided for the ecological sustainability of the forest. "Every facet of Southeast Alaska's economy is important and the potential adverse impacts from the application of the Roadless Rule are not warranted, given the abundance of roadless areas and protections already afforded in the Tongass Forest Plan," USDA stated.

This policy determination has not been changed by the USDA or overturned by a Court, the coalition pointed out in a letter to USDA Secretary Sonny Perdue. "Total Exemption remains the best option today as it did in 2003," the letter stated.

Under a 2016 amended forest plan, only 1% of the forest's 5 million acres of commercial timberlands are open to harvesting. Overall, the roadless rule has reduced timber offerings by 73%.

Among other groups, signing on to the letter were the Alaska Miners Association, Alaska Chamber, Alaska Forest Association, RDC, Ketchikan Chamber of Commerce, Juneau Chamber of Commerce, and Southeast Conference.

## RDC supports Alt. D in Bering Sea, Interior plan

In comments to the Bureau of Land Management (BLM), RDC endorsed Alternative D in the Bering Sea – Western Interior (BSWI) Draft Resource Management Plan.

RDC found Alternative D to be the most consistent alternative with the intent of the Federal Land Policy and Management Act, the Alaska National Interest Lands Conservation Act, the Alaska Statehood Act and the Alaska Native Claims Settlement Act. Moreover, Alternative D "provides the fewest management restrictions at the planning level and the most flexibility at the project-specific implementation level," said Marleanna Hall, RDC's Executive Director.

Further, Alternative D relies on existing federal laws and the National Environmental Policy Act than other alternatives to determine how best to manage multiple uses. Much of the BLM land in the planning area is currently used primarily for hunting and fishing, with limited existing resource development. Other than the current Donlin Gold project, no other major resource development projects are currently pending.

With regard to Areas of Critical Environmental Concern (ACECs), RDC noted it continues to have significant concerns about the intention of BLM's actions to apply ACECs, particularly in what it considers a flawed Alternative B. RDC has expressed concern that ACECs add an unnecessary "protection" of BLM managed public land that already has protections and restrictions in place.

RDC's comments are available online at [akrdc.org](http://akrdc.org).

# Thank You!

RDC appreciates the generous sponsors of our 44th Annual Membership Luncheon on June 26th featuring Dr. Keiran Wulff, President, Oil Search Alaska, Joe Balash, Assistant Secretary, Lands & Mineral Management, U.S. Department of Interior, and Governor Michael Dunleavy.

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# INDUSTRY DIGEST



## RDC supports Pebble's proposed project in Draft EIS

In comments to the U.S. Army Corps of Engineers, RDC supported the applicant's proposed project in the Draft Environmental Impact Statement (DEIS) for the Pebble Project. RDC also supported continuance of the extensive, multi-year National Environmental Policy Act (NEPA) process for evaluating the project.

The DEIS is an early step in a very long process, which will also include multiple and ongoing opportunities for public input. The project itself will require dozens of major state and federal permits before development can proceed.

The newly-proposed mine plan for the Pebble project has a significantly smaller footprint than what had initially been envisioned to minimize the impact on areas of known subsistence use, waterbodies, and areas of cultural significance.

RDC noted the DEIS validates that the proposed project will not harm fish and water resources in the area. The DEIS also noted the project will not reduce returning adult salmon to river systems and predicts no long-term change to the health of the Bristol Bay fisheries. The DEIS stated that a catastrophic failure of the tailings facilities is extremely unlikely and there would be no population impacts for fish from the tailings release scenarios evaluated.

RDC's comments are available at [akrdc.org](http://akrdc.org).



The Pebble prospect is 200 river miles north of Bristol Bay.

## State prevails in lawsuit over Southeast transportation easements

The State of Alaska has won a major victory against the Forest Service, allowing it to implement the 2004 Southeast Transportation Plan by constructing roads on 20 easements it received under Congressman Don Young's 2005 SAFETEA-LU federal highways act.

In a final order on summary judgment, Alaska District Court Judge Ralph Beistline gave the State full relief on its four requests for declaratory judgment.

The order recognizes the State's property rights to cross the Tongass National Forest with road and utility projects to connect the communities of Southeast Alaska. Of particular importance, under a National Forest Management Act (NFMA) exemption, the federal Roadless Rule is not applicable to infrastructure development located in the State's 4407 easement corridors.

The order declared that the State has present property rights in the 4407 easements. Therefore, the Forest Service has no discretion to withhold or deny a 4407 easement for construction and operation of a road or utility (the D-2 easement) located in a "transportation and utility corridor." The order defined the 'transportation and utility corridors' as "any existing road or highway and any proposed new transportation and utility corridor traversing National Forest System lands."

The order declared that Congress exempted the issuance of Section 4407 easements, and all activities undertaken within those easements, from Forest Service review and decision making under NEPA and the NFMA.

## EPA repeals Obama coal power plan, issues new rule

The Environmental Protection Agency (EPA) has released final rules repealing the Clean Power Plan and replacing it with the Affordable Clean Energy (ACE) rule. The ACE rule includes emission guidelines to inform states as they establish CO2 performance standards for existing coal-fired electric utility generating plants.

EPA projects that the new rule will generate \$120 million to \$730 million in annual net benefits, and coupled with long-term energy trends, resulting in a CO2 emissions reduction for the electric sector of up to 35% below 2005 levels by 2030. EPA estimates it will lead to a 10 million-ton reduction in CO2 emissions each year.

## Sustainability on land and sea is CLIA Alaska's priority

Continued from page 5

and Borough of Juneau and other municipalities to find the best ways to use ship fees to support local services. All of these efforts seek to improve the quality of life for Alaskans.

Binkley reiterated the cruise industry's commitment to the environment and explained that member lines are reducing their environmental impact by improving air quality, treating and recycling wastewater and reducing on-board waste. To improve air quality, the cruise industry has invested more than \$1 billion in Exhaust Gas Cleaning Systems, also known as scrubbers. The scrubbers remove up to 98 percent of sulfur from ship emissions and reduce nitrogen oxides by 75 percent and remove up to 80 percent of particulate matter. Cruise lines are also reducing emissions by employing new technology to fuel and power ships. For example, some ships in Juneau can connect to shore power. Alaska will welcome the first hybrid ship this year that can partially operate on batteries. Of the

124 new-build ships, 34 percent will rely on LNG as its primary fuel.

To treat and recycle wastewater, Binkley noted that CLIA Alaska and its member lines worked with the Alaska Department of Environmental Conservation to set the gold standard for water treatment. Cruise ships in Alaska now have advanced waste-water treatment systems that clean water to a higher standard than most coastal cities' systems.

The industry is reducing on-board waste by eliminating excess packaging, recycling 60 percent more and incinerating what it cannot recycle. Waste that cannot be incinerated or recycled is offloaded to approved facilities.

Cruise lines' efforts result in less than 1.5 pounds of waste per day per passenger, compared to an American's on-land average of 4.5 pounds of waste per day.

– Cruise News, CLIA Alaska



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