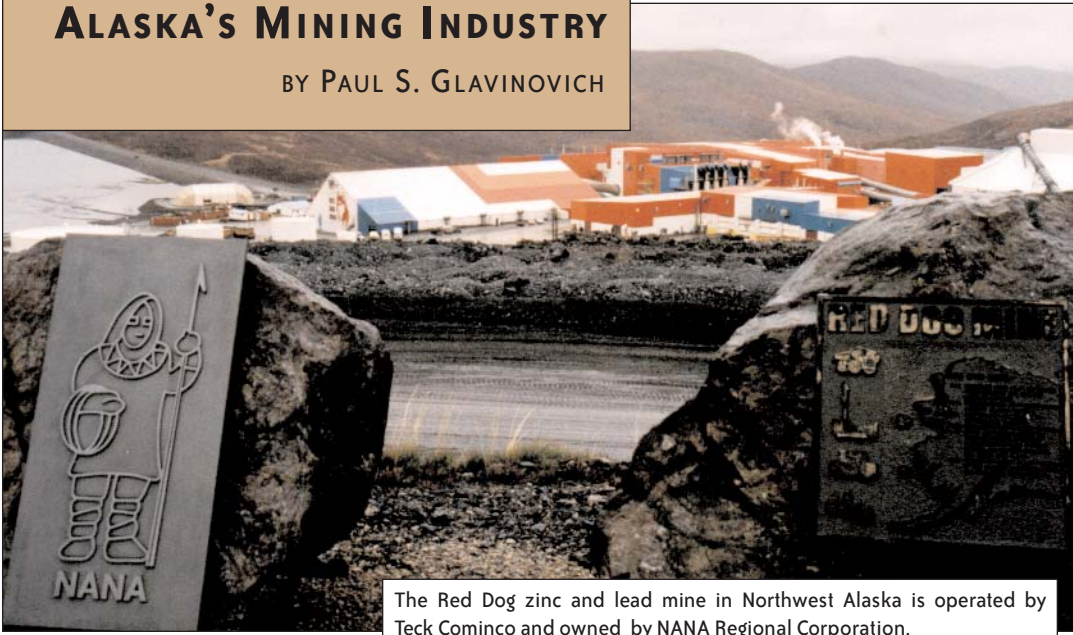




A COMPREHENSIVE LOOK AT ALASKA'S MINING INDUSTRY

BY PAUL S. GLAVINOVICH



The Red Dog zinc and lead mine in Northwest Alaska is operated by Teck Cominco and owned by NANA Regional Corporation.

Alaska has four major operating mines: Red Dog, Fort Knox, Usibelli and Greens Creek. This may not sound too impressive but in all cases the mines represent a significant economic engine for the geographic region in which they are located.

The Alaska Division of Geological and Geophysical Surveys (DGGS) reported the value of the mineral industry for 2001 at \$992 million. This dollar figure reflects the value of statewide mineral production plus exploration and development expenditures. This figure climbed above the \$1 billion level for the first time in 1996 and remained decisively above that point until this past year. The downturn in 2001 is the result of a 37% decrease in exploration expenditures, a 42% decrease in development expenditures and a 23% decrease in value of product produced during 2001. The decrease in product value reflects a strongly depressed metal market that could not be overcome by an overall increase in Alaska production.

Alaska's mining industry will never be the primary source of revenue for the State treasury like the oil industry has been; however, it currently does and will continue to provide a strong economic base to primarily rural Alaska. As noted earlier, the state has only four major operating mines; however, we are endowed with a number of "sleeping giants" that only await a combination of the right factors in order to join the ranks as an asset to Alaska's economy and to society as a whole.

The Beluga River and Deadfall Syncline combined host one of the largest exploitable coal resources in the world but lack acceptable markets and transportation. Transportation will also be key to development of the Ambler (zinc, copper, silver) district in the western Brooks Range as well as Pebble Copper in the Lake Iliamna region. Alaska's largest gold resource, Donlin Creek, must develop a source of low cost power. The largest zinc district in the world, Red Dog, will remain just that until such time as world market fundamentals for zinc and lead demonstrate significant improvement.

(Continued to Page 4)

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RDC BOARD ELECTS JOHNSON AS NEW PRESIDENT

Long-time Executive Committee member Charles W. Johnson was elected President of the Resource Development Council at the the 27th Annual Meeting in Anchorage June 5. Johnson, President of Era Aviation, succeeds Bob Stiles, who served two consecutive terms as President.

Mark Hanley of Anadarko Petroleum Company was elected as Senior Vice President and John Shively was elected Vice President. Both Uwe Gross, Chief Executive Officer of Koniag, and Stephanie Madsen, Executive Director of the Pacific Seafood Processors Association, were re-elected

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121 W. Fireweed, Suite 250
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Fax: (907) 276-3887
E-mail: resources@akrdc.org
Website: www.akrdc.org

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Writer & Editor Carl Portman

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



**BUSINESS COMMUNITY
MUST PARTICIPATE IN
ALASKA 20/20 PLAN**

“Without the active involvement of our members, Alaska 20/20 will lack the insights, experience and know-how of the private sector business community. Absent our participation it may reflect a bias against responsible resource development.”

Over the next several months RDC members throughout the state will have an opportunity to participate in a very important public process — Alaska 20/20.

Administered by the Alaska Humanities Forum, Alaska 20/20 is cosponsored by a host of local organizations including businesses, conservation groups, communities, health and social service organizations, and many others. Alaska 20/20 is a major public initiative tasked with engaging Alaskans to chart our state's future. The project is not government sponsored, but rather a grassroots effort to envision and plan for a better Alaska.

Alaska 20/20 is asking the citizens of our state some very basic, extremely significant questions — Where are we today? Where do we want to be in twenty years? How do we get there from here? Lastly and perhaps most importantly, how will we measure our success? We cannot allow the outcome of this process to be a report gathering dust on people's shelves. RDC's membership must help identify critical goals, match these goals with appropriate measurements, and identify those individuals and institutions that will commit to deliver tangible results.

In November 2001, more than 500 Alaskans gathered in Anchorage at the Captain Cook Hotel for the opening Alaska 20/20 conference. During this conference attendees developed draft visions and goals for Alaska in five areas — the economy, the environment, health and social services, education and fiscal sustainability. Over the course of the next twelve months the Alaska 20/20 program will be conducting its statewide outreach. The visions and goals, developed at the November conference, will be presented throughout Alaska for public review. Alaskans will be asked not only to comment on whether or not the conference attendees identified the right goals, but also how best to measure progress toward achieving these goals.

RDC has been involved in the Alaska 20/20 program throughout the past year. In conjunction with the Alaska State Chamber of Commerce, the Alaska Hi-Tech Business Council and the Alaska Science and Technology Foundation, we have taken a lead role in the private sector economy portion of the agenda. Together with these groups RDC continues to educate the public on the need for a more market-sustainable economy in Alaska.

This is not the first attempt to create a strategic plan for Alaska. Past attempts have not been as comprehensive as Alaska 20/20, nor have they produced significant tangible results. Alaska 20/20 is an ambitious program — without the commitment of Alaskans, it will likely suffer the same fate as

prior efforts. The participation of RDC's members from across the state will go a long way toward making Alaska 20/20 a success.

Without the active involvement of our members, Alaska 20/20 will lack the insights, experience and know-how of the private sector business community. Absent our participation, it may reflect a bias against responsible resource development. The program's success will depend in part on the balance Alaskans create among various visions for the future. How can economic development best coexist with environmental protection? How do we continue to improve our education system and health and social services? How will we structure the state's fiscal regime to balance our books over the long-term?

While RDC remains focused on developing Alaska's economy, our members' participation should not be limited exclusively to the private sector economy piece of Alaska 20/20. The business community's voice must be heard in discussions around each of the other components — the environment, health and social services, education and fiscal sustainability. Through Alaska 20/20 RDC's members have an opportunity to lead the discussion of how to grow Alaska's economy responsibly, as well as to provide meaningful input into all aspects of Alaska's future.

Please visit the Alaska 20/20 web page at www.alaska2020.org. There you will find the draft visions and goals and you will be able to register your comments online. If you are interested in sponsoring an Alaska 20/20 meeting in your community please call 907-272-5316. Take the time to learn more about the program and to offer your thoughts and insights. Alaska's future depends on the foundation we build today.

Top Exporters of the Year Honored

Governor Tony Knowles awarded the Agrium Kenai Nitrogen Operations as 2001 Exporter of the Year at the Export Alaska 2002 banquet last month. Anchorage manufacturer Dowland-Bach received the first-ever award as Exporter of the Year for Small Business.

Congratulations to both companies for this top honor.

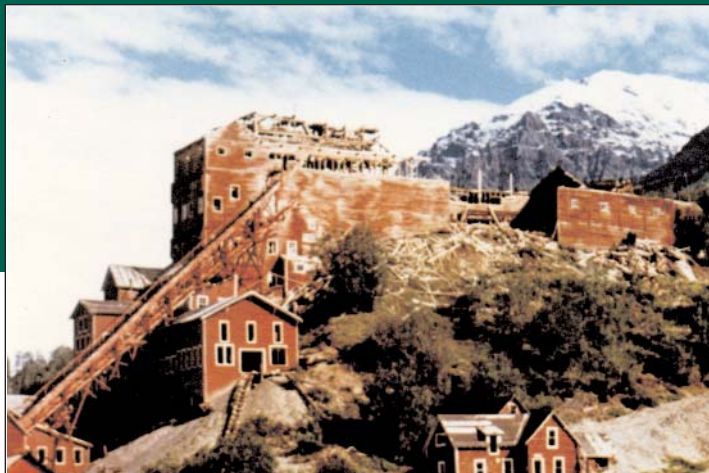
MINING FACES MANY OPPORTUNITIES AND CHALLENGES IN ALASKA

(Continued from Page 1)

In addition to these specific constraints, mineral development in Alaska is strongly dependent upon exploration to produce the viable prospects of the future, access to capital to develop those deposits, a trained workforce, a functional regulatory environment, infrastructure, evolving technology and stronger metal markets.

EXPLORATION AND DISCOVERY

It goes without saying that for Alaska's mining sector to grow and increase its contribution to Alaska's economic fabric, it must discover new mineral deposits. Alaska's geologic history has been punctuated with geologic processes conducive to the



The historic Kennecott Mine near McCarthy is a tourist attraction today. Four major mines now operate in Alaska and the state holds the potential for new operations to come on line in the future, boosting local economies.

formation of mineral deposits; however, to capitalize on that endowment, Alaska must preserve access to those geologically favorable areas. The larger the exploration

land base, the greater the odds for discovery.

In Alaska this land base consists of state and Native corporation lands for a total of approximately 150 million acres. Federal lands, equally attractive from a geological perspective, are now largely compromised by conservation system units or ignored by the industry because of the anti-mining bias encountered from federal administrators.

The brightest stars on the horizon at this time are the Pogo discovery in Interior Alaska and the "rediscovery" of Pebble Copper and Donlin Creek. Certainly there are more to come.

The major mining companies are slowly withdrawing from "grass-roots" exploration and Alaska's future discoveries will in all

probability be made by the "junior mining companies." These companies are generally small, entrepreneurial, aggressive exploration companies that obtain their operating funds through a combination of shareholder participation, venture capital funds and, should they be successful, either a carried or royalty interest in their discoveries.

The lack of investor interest in the mining sector over the past several years however, is having a particularly profound impact upon the ability of the junior mining companies to finance exploration and/or development. In the recent past these same junior companies could not compete with the investment glamour of the "dot.coms." That sector has now lost investor confidence; however, the return to mining stocks, and in particular junior mining stocks, has not been automatic.

Most of the junior mining companies are of Canadian parentage. The struggle to raise Alaska exploration dollars is further exacerbated by the fact that at the present time the Canadian dollar



A close up view of an historic gold dredge near Nome. Juneau, Fairbanks and Nome, as well as other Alaska communities, came to life from major gold strikes in their regions. Pictured in the inset is the Usibelli Coal Mine near Healy.

only buys 65¢ worth of Alaska exploration or development.

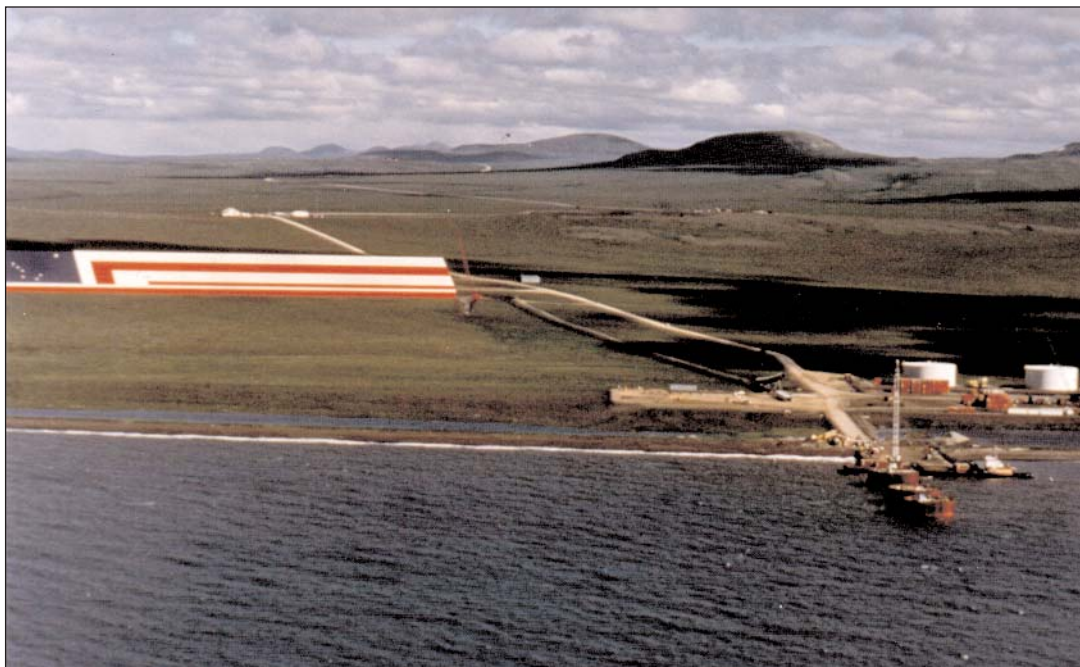
To make mineral discoveries, one must explore. Exploration activity in Alaska unfortunately has continually declined since 1997 so that the total dollars spent in 2001 were less than one-half of the total expenditures of 1997. To reverse this trend will require more robust metal prices, a weaker U.S. dollar and a return of investor confidence.

CAPITAL MARKETS

Mines are capital intensive. Large mines are more capital intensive and one need only look at the capitalization levels of the world's major mining companies to realize that the attractiveness of this market as an investment has seriously waned over the past three to five years. Major new mine investments are either being financed through cash flow or debt.

The current low metal cycle is pulling down the capitalization level of most of the world's mining companies. As a result, access to the historic capital markets is very tight.

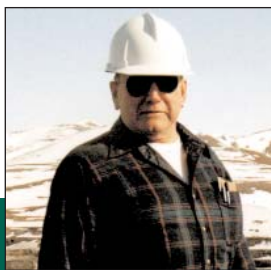
There is more innovative financing and the use of joint ventures or consortia to develop large mines rather than the historic "one owner mine." This will probably be



Far above the Arctic Circle, the Red Dog mine is the world's largest zinc mine. Red Dog is located in Northwest Alaska and lies on land owned by NANA Regional Corporation. The mine employs more than 500 people year-round. Pictured above is the mine's port site located on the Chukchi Sea, northwest of the actual mine site.

even more common in Alaska where front-end infrastructure costs can be well above the world norm.

For some mining companies "Return on Capital" has now become a critical element in the mine evaluation equation ranking on par with the more classical discriminators such as hurdle rate, mine life and payback period.



REGULATORY CLIMATE

It will do no good to discover a viable mineral deposit if one cannot secure the necessary permits and political blessings to place the deposit into production. Regulatory risk is now a common factor in evaluating the exploration climate of a state, country, or region. It ranks right up there with permissive geology, mining history and taxation policies.

The Fraser Institute is an independent Canadian economic and social research and educational organization that since 1997 has conducted an annual survey of mining companies to assess how mineral endowments and public policy factors such as taxation and regulation affect exploration investment. Alaska has consistently ranked high for mineral potential, scoring 91 out of a possible 100 points. It scored an 80 for investment attractiveness.

However, the state's score for the Institute's 2001/2002 policy potential index survey of senior and junior mining companies was a lowly 64. The policy potential index is a composite index that measures the effects on exploration and development of government policies such as taxation, environmental regulation, duplication and administration of regulations, Native land claims, protected areas, infrastructure, labor and socio-economic agreements, as well as political stability.

The modern mining industry is made up of companies that not only want to be, but must be, good corporate citizens. Mining companies are subject to the oversight of numerous regulatory agencies and in most cases hundreds, if not thousands of shareholders who fully understand that there is no profit in environ-

(Continued to Page 7)

"The modern mining industry is made up of companies that not only want to be, but must be, good corporate citizens. Mining companies are subject to the oversight of numerous regulatory agencies and in most cases hundreds, if not thousands of shareholders who fully understand that there is no profit in environmental short cuts."

No New Wilderness for Tongass

With some 90 percent of the Tongass National Forest already closed to development, the U.S. Forest Service says no new Wilderness areas should be added to the 17 million-acre forest.

Over 5.8 million acres of the Tongass are already designated Wilderness and a 1997 management plan drastically reduced the level of logging allowed in the forest by creating habitat conservation areas and other protections.

Senator Frank Murkowski supported the Forest Service decision, emphasizing the forest was already adequately protected.

“Nearly 97 percent of the forest is fully protected,” Murkowski said. “It is only reasonable that 3 percent be left for multiple use so that Alaskans can have jobs that allow them to live in the region.”

The “no more” wilderness recommendation came in a draft supplemental environmental impact statement for the forest that is subject to public comment for 90 days before being proposed as a final rule. Environmentalists are expected to challenge the decision in court.

A federal judge last year ordered the Forest Service to evaluate Tongass roadless areas for possible Wilderness designations where all development is banned. The judge said that the agency should have done the evaluation when it updated the management plan in 1997 for the nation’s largest national forest.

Revised Forest Plan Revealed for Chugach

The U.S. Forest Service has unveiled its revised forest management plan for the 5.5 million acre Chugach National Forest, the nation’s second largest.

The new plan will recommend to Congress that 25 percent of the forest or 1.4 million acres be designated Wilderness. The recommendation includes lands in Western Prince William Sound, including the Nellie Juan-College Fjord Wilderness Study Area. The plan backed off of a Wilderness designation for the Copper River Delta, choosing instead to manage the area as directed by ANILCA which requires that the area be managed to maintain fish and wildlife and their habitats. Implementation of the forest plan will result in management very similar to that which would occur if the Delta, which accounts for 31 percent of the Chugach, had been recommended for Wilderness. Many local residents, commercial fishermen and tribal officials strongly opposed a Wilderness designation for the Delta.

The revised plan recommends nine rivers or river segments for Wild and Scenic River designation. It also allocates 70,360 acres to Brown Bear Core Management Areas, a prescription requiring 750-foot buffers along key anadromous fish streams.

Some 99 percent of the Chugach will continue to be managed as roadless under the revised plan. The Kenai Peninsula portion of the Chugach, which accounts for 21 percent of the forest, will be managed actively for recreation and forest restoration. Activities such as logging of beetle-killed timber and re-planting will be concentrated along the road corridors. An annual commercial Allowable Sale Quantity of timber will not be specified in the plan.



The second of five Phillips Petroleum’s Endeavour Class, double hulled tankers, the Polar Resolution left New Orleans in late May bound for Alaska waters. The ship will be arriving in Valdez later this summer. Phillips will add a new Endeavour Class tanker to its fleet each year until 2005 for a total of five double hulled ships.

RDC Supports Drilling in Nenana Basin

RDC is encouraging the Alaska Division of Oil and Gas to grant an exploration license to Andex Resources to explore state lands in the Nenana Basin for gas deposits.

Doyon Limited owns subsurface rights within the area to be covered by the license and supports the exploration proposal.

In a letter to the State last month, RDC urged that the license be granted for the entire 499,840 acre area requested by Andex for exploration. But much of the most prospective acreage in the basin lies inside the Minto Flats State Game Refuge.

RDC warned that placing the refuge off-limits to exploration or significantly reducing surface access to it would make the basin a far less attractive place to explore for natural gas. RDC is confident that with appropriate mitigation measures, exploration and subsequent development of gas reserves can coexist with the wildlife resources of the Minto refuge.

ExxonMobil Outlines plans for Pt. Thomson

Speaking before a spring RDC breakfast forum in Anchorage, ExxonMobil’s Alaska production Manager, Jack Williams, outlined his company’s plans for developing the Pt. Thomson field 60 miles east of Prudhoe Bay.

Williams said ExxonMobil could pump up to 75,000 barrels a day of natural gas liquids from the field later this decade. Pt. Thomson was discovered in 1977 and outside Prudhoe Bay, it holds more natural gas than any other North Slope field -- 8 trillion cubic feet of gas and 400 million barrels of liquids.

Natural gas liquids would be piped through a new 22-mile line west to BP’s Badami field which is connected by pipeline to Prudhoe.

To date, Exxon and its partners have invested more than \$800 million in the project. Total cost is expected to exceed an additional \$1 billion. The project will provide new cash flow benefits to the North Slope Borough and the State in terms of taxes and royalties. Over the life of project, this will mean about \$2.5 billion in additional revenue to Alaska.

MINING HAS BIG POTENTIAL IN ALASKA

(Continued from Page 5)

mental short cuts. Financial institutions now assess an operator's environmental reputation to determine the suitability of the applicant for financial assistance.

The industry is willing to comply with the multiplicity of environment regulation and standards; however, these regulations and standards must be performance based and technologically achievable. The standards must also be based upon science because there appears to be no limit to the human emotion.

Permitting a mine in Alaska is not easy and I will not argue that it should be. I will argue however, that permitting should be

“Alaska’s mineral deposits must compete in the world arena for market share and for exploration and development dollars. The state has been ranked quite high for mineral potential and investment attractiveness by a credible mining survey but did not fare as well in the policy potential index which may be the more critical of the three indexes. We must improve in that area.”



Located 25 miles north of Fairbanks, the Ft. Knox mine is the largest gold producer in Alaska. The mine is operated by Kinross Gold, which recently brought on line the nearby True North gold prospect.

considerably more efficient and predictable. We have a track record of accomplishment, but it has not been without a lot of blood, sweat and tears and at the cost of tens of millions of dollars per site. Far too much of this money has been spent responding to emotional issues rather than substance. There is room for improvement.

METAL MARKETS

With the exception of some industrial minerals, the products of the mining industry are marketed globally and the price that a producer receives for his product is totally dependent upon the global supply and demand equation.

The price received at the mine for Alaska produced metals has been declining for the past several years and no immediate relief is in sight. This fact is strongly emphasized by the decline in value of statewide production from \$1.1 billion in 2000 to \$887 million in 2001, according to

DGGS. World stockpiles are at very high levels and current production is exceeding consumption. Major mines have not resumed production following a scheduled shut down and other mines have cut back on production in an attempt to bring the supply-demand ratio back into balance.

The metal market gurus continue to stare into their crystal balls but unfortunately are not reporting a quick turn around for the base metals. Silver is somewhat stable albeit low and gold is on the rise. A plus \$300 gold price will certainly help those that are either currently producing or are fully permitted to do so. The platinum group metals remain attractive but one should not expect a repeat of the spike of a year ago.

CONCLUSIONS

The mining industry in Alaska has the potential to provide significant economic benefits to those areas of Alaska where individual deposits are developed and more general benefits statewide. The economics of the industry however, are not such that it should be viewed as the solution to the state's economic woes.

Alaska's mineral deposits must compete in the world

arena for market share and for exploration and development dollars. The state has been ranked quite high for mineral potential and investment attractiveness by a credible mining survey but did not fare as well in the policy potential index which may be the more critical of the three indexes. We must improve in that area.

The rate at which Alaska mineral deposits may be discovered and developed will be influenced by some rather fundamental changes within the mining industry proper over the past five years. Such changes involve:

- The greatly reduced number of players. Over the past three to five years, 40% of the world's major mining companies have disappeared to such mechanisms as mergers, purchase or dissolution.

- The strong competition from third world countries for exploration dollars that is further exacerbated by the strength of the U.S. dollar.

- Restricted access to capital markets for both junior and senior mining companies.

- The withdrawal of the major mining companies from grass-roots exploration.

- The increasing role of special interest groups and public interest law firms in resource development decisions.

- The continuing demand at all levels of governments for more involvement.

New mines in Alaska will have to be low cost producers to compete in the global economy. Improving technology and transportation opportunities, a reduction in permitting costs, energy costs and access to the equity markets will greatly assist prospects along the course to development.

Paul Glavinovich is a geologist, member of the RDC Executive Committee and a past president of RDC, the Alaska Miners Association and AMEREF.

NPRA COULD YIELD 10 BILLION BARRELS OF OIL

The National Petroleum Reserve-Alaska (NPRA) could hold more than 10.6 billion barrels of recoverable oil, five times higher than previous estimates, according to a new report by the U.S. Geological Survey.

However, geologists warn that NPRA is unlikely to hold a Prudhoe Bay-sized field and that the reserve's bounty likely is spread out in smaller pools over 24 million acres -- a huge area comparable in size to Indiana.

The new estimates are comparable to those of ANWR's Coastal Plain. But ANWR's estimated reserves are concentrated in larger pools along the much smaller 1.5 million acre Coastal Plain. Because ANWR's oil is concentrated in a smaller area, it is likely to be more economical to produce and its envi-

ronmental footprint would be smaller.

One million acres in NPRA's northeast sector are now open to oil drilling and the federal government earlier this month held a lease sale to entice oil companies to expand exploration efforts on 3 million more acres in the area.

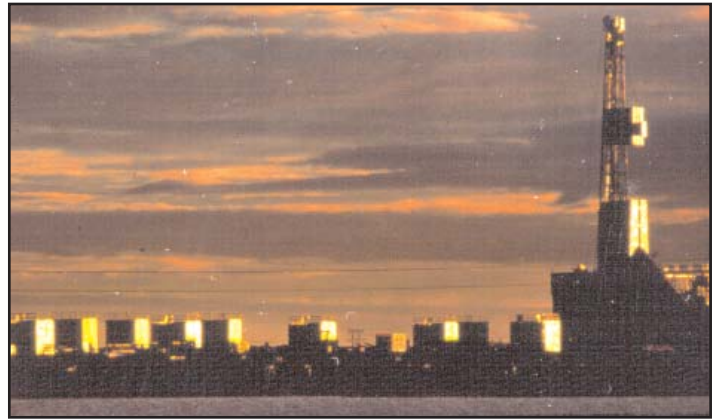
With Alaska facing declining production from the aging Prudhoe Bay and Kuparuk fields, state leaders are hopeful the oil industry will look west to NPRA.

While geologists have long believed that NPRA holds significant accumulations of oil, more than 100 wells drilled since the 1940s have yet to yield any production.

However, Phillips Alaska has recently drilled nine wells in the area since 1999 and last year the company said it dis-

Petroleum Estimates: NPRA / ANWR

	NPRA	ANWR
High probability	6.7 billion	5.7 billion
Low probability	15 billion	16 billion
Mean	10.6 billion	10.4 billion
Area (millions of acres)	24.2	1.5



Existing North Slope oil fields hold about 20 billion barrels of recoverable oil. The industry has already tapped more than half of those barrels since oil production began in 1977.

covered three promising prospects that may be about the size of the 429-million barrel Alpine field just east of the reserve.

The new federal study estimates that there is a high probability of at least 6.7 billion barrels of recoverable oil in the reserve with a low

probability of 15 billion barrels. They also estimate that the reserve holds 61.4 trillion cubic feet of natural gas.

Capturing NPRA's oil will be costly and challenging for industry, given that much of the oil is probably contained in difficult-to-find traps spread out across a vast, remote area.

Photos courtesy State and Private Forestry



Forests infested with spruce bark beetles remain at moderate to high risk for potential catastrophic wildfires due to large volume of dead timber, both standing or on the ground.

SPRUCE BEETLE CLAIMS 104,000 ACRES AS INFESTATION CONTINUES TO SPREAD

More than 100,000 acres of Southcentral Alaska forests were infested by the spruce bark beetle in 2001, according to the state and federal Forest Health Protection Report.

In the last ten years, more than 4 million acres of forests in Southcentral Alaska have been devastated by the beetle. The area of active infestations by the beetles increased in 2001 by 21 percent over the previous year. Since 1997, there had been an annual decline in the number of acres of active infestation attributed to the beetle.

Beetle infestations remain active in many areas of the state, especially the Iliamna Lake region and the south side of Kachemak Bay.

The cumulative effects of the epidemic on the forest is significant and previously infested areas -- including the Kenai Peninsula and the Copper River valley -- remain at moderate to high risk for wildfires.

BP'S LAIRD WINS COVETED GOLD QUILL AWARD

RDC Executive Committee member Paul Laird is a winner of the 2002 International Gold Quill Awards.

Laird captured a Gold Quill Excellence Award for a speech he created for former BP Exploration-Alaska President Richard Campbell. The speech, "Following the Yellow Brick Road," was presented before a crowd of 565 business and industry executives at the RDC annual meeting last summer. Complete with sound and visual effects, Laird used Wizard of Oz characters throughout the speech to in-

teract with the audience and Campbell, who played Dorothy.

Laird competed among peers across the globe. Winners were honored at a gala banquet on June 10 in Chicago.

For 25 years, the Gold Quill Awards have been a hallmark of excellence in business communication. From the many thousands of entries submitted throughout the years, only the most outstanding communicators have been honored with a Gold Quill award.

Of the 1,347 entries received this year, 125 were se-



Richard Campbell and Paul Laird show off their Rubby Slippers at last year's sold-out RDC Annual Meeting Luncheon, "Following the Yellow Brick Road."

lected to receive an award and from those finalists, Laird was one of 46 to receive top awards for Excellence. 79 received awards for Merit.

HOW THE SENATE VOTED ON ANWR

The U.S. Senate failed to secure cloture on a key amendment to the Senate energy bill from Senator Frank Murkowski to open the Coastal Plain of ANWR to oil and gas development.

The cloture vote on the amendment was a procedural step to opening the Coastal Plain. The Democratic leadership in the Senate set up the procedural vote, requiring a super majority of 60 votes to obtain cloture on a promised filibuster on the

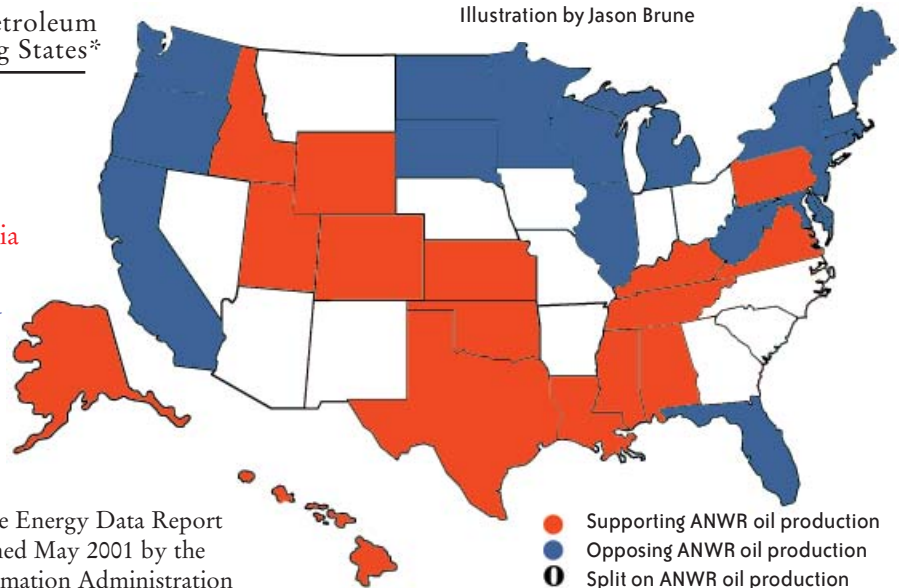
ANWR measure. Proponents of opening a fraction of ANWR to oil development lost the vote by a 56-44 margin.

A number of key senators voted against cloture, not wanting to spend political capital on a measure that was unlikely to seize a super majority. Some senators who voted against ANWR admitted that proponents of opening the

Top Ten Petroleum Consuming States*

Texas
California
Florida
New York
Louisiana
Pennsylvania
Illinois
Ohio
New Jersey
Michigan

Illustration by Jason Brune



Coastal Plain had convinced them on the merits of the issue, but that the fervor of environmentalists and general public perception was too much to vote against.

"In reality, politics ruled and the facts of the issue were immaterial," said Arctic Power's Roger Herrera.

The Senate later passed its version of

the energy bill and it has landed in a conference committee where it will be reconciled with a House version passed last fall. That bill, HR 4, provides for ANWR drilling.

ANWR is potentially the largest undeveloped energy source on American soil since Prudhoe Bay.

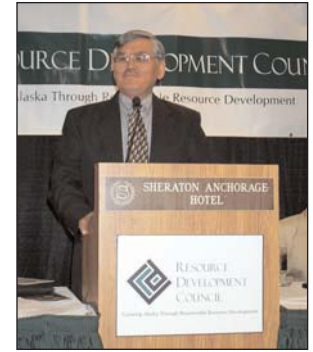
27TH ANNUAL MEETING



The new 2002-2003 RDC Board gathers for a photo opportunity after the conclusion of the 27th Annual Meeting.



RDC's newly-elected President Charles Johnson attaches a coveted "Past President's Pin" on Bob Stiles .



Jacob Adams, President of Arctic Slope Regional Corporation delivered his vision of Native corporations in Alaska's future economy. Below, Adams addresses a sell-out crowd of 550.

RDC Board welcomes new members

(Continued from Page 1)

to the posts of Secretary and Treasurer, respectively.

Joining RDC's 78-member statewide Board this year are Fairbanks North Star Borough Mayor Rhonda Boyles; Tony Izzo, President and CEO, ENSTAR Natural Gas Company, Anchorage; Frank Kelty, Resource Manager, City of Unalaska; Harry McDonald, President, Carlile Transportation Systems, Anchorage; Lisa Parker, Vice President, Public Affairs, Agrium; Kenai and Mayor Ross Schaeffer of the Northwest Arctic Borough.

More than 550 RDC members and guests attended the annual meeting luncheon, which followed the board meeting. Keynote speakers were Jacob Adams, President of Arctic Slope Regional Corporation, Marie Greene, President of NANA Regional Corporation and Barbara Donatelli, Vice President, Cook Inlet Region.



"Native Corporations: The Future Face of Alaska's Economy," was the theme of this year's annual meeting luncheon, featuring Jacob Adams, President of Arctic Slope Regional Corporation, Marie Greene, President of NANA Regional Corporation and Barbara Donatelli, Executive Vice President, Cook Inlet Region, Inc. The program was moderated by Janie Leask. Greene is pictured in the upper left inset . Directly above, Leask, Donatelli and RDC Vice President John Shively listen to keynote addresses. At right, Donatelli addresses the gathering.



At left, Marie Greene and Jacob Adams watch UAA student Quentin Simeon present his award-winning oration, "A Glimpse into a Tannish Brown Soul." Simeon wears a calf-high Yup'ik sealskin boot, fringed at the top with caribou fur, on his right foot and on his left a nondescript sneaker. As he delivers his oration, the UAA junior gestures with the grace of a traditional hunter while he speaks of his pain of living in two worlds. Simeon is from the villages of Bethel and Aniak.

Unalaska Airport Named for Heroic Aleutian Bush Pilot Tom Madsen

Governor Tony Knowles signed into law a House bill naming the state airport in Unalaska in honor of veteran Alaska bush pilot Charles "Tom" Madsen. Madsen, the husband of RDC Treasurer Stephanie Madsen, died in a plane crash in Juneau on April 10 when the Aleutian Spirit, his twin-engine Beech E-18S crashed shortly after take-off.

"Flying was the love of Tom Madsen's life and while he crisscrossed the state during his aviation career, he is best known for his service in the Aleutians,"



Knowles said. "It was there that he spent 18 years delivering cargo and passengers, and is credited with saving many lives, often risking his own safety to fly where no one else could go. It's fitting that the Unalaska airport be named after a man who became known to many as the 'Aleutian Aviator.'"

Madsen was born and raised in Kodiak and earned his student pilot's license when he was 14. For 18 years, he was the owner and chief pilot of Aleutian Air of Unalaska.

Madsen flew a number of life-saving flights through heavy snow, sleet and hurricane-force winds to successfully medevac children and adults.

WHAT IS RDC?

RDC is the Resource Development Council for Alaska, Inc., a statewide nonprofit, membership-funded organization made up of individuals, local communities, Native corporations, organized labor and businesses from all resource sectors, including oil and gas, mining, fishing, timber and tourism. Through RDC these interests work together to promote and support responsible development of Alaska's resources.

RDC was formed in 1975, originally as the Organization for the Management of Alaska's Resources (OMAR). Today RDC is a consensus building organization linking diverse interests. It has become a leader in resource education from the classroom to the newspaper. Get involved and help RDC advocate and educate for today, for the future.

MEMBERSHIP APPLICATION

Resource Development Council for Alaska, Inc.
121 W. Fireweed Lane, Suite 250, Anchorage, AK 99503-2035
Phone: (907) 276-0700 Fax: (907) 276-3887

Name: _____

Title: _____

Company: _____

Mailing Address: _____

City/State/Zip: _____

Phone/ Fax: _____

E-mail Address: _____

Website: _____

ANNUAL MEMBERSHIP CATEGORIES

	CORPORATE	INDIVIDUAL
PLATINUM	\$2400 or more	\$500 or more
GOLD	\$1200	\$300
SILVER	\$600	\$150
BASIC	\$300	\$50

PLEASE CIRCLE 1 OR 2 TOPICS OF MOST INTEREST:

Oil & Gas	Transportation	Water
Timber	Agriculture	Tourism
Mining	Energy	Land (Wetlands)
Fisheries	Labor	Education/AMEREF

METHOD OF PAYMENT: Enclosed is a check for \$ _____ or

MC/VISA/AMEX # _____ Exp. Date: _____

The Resource Development Council for Alaska, Inc. is classified a nonprofit trade association under IRS Code 501(c)(6). Membership dues and other financial support may be tax deductible as an ordinary and necessary business expense, however, 15.9% of the dues are non-deductible. Dues are not deductible as charitable contributions for federal income tax.

Red Dog Operations...

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