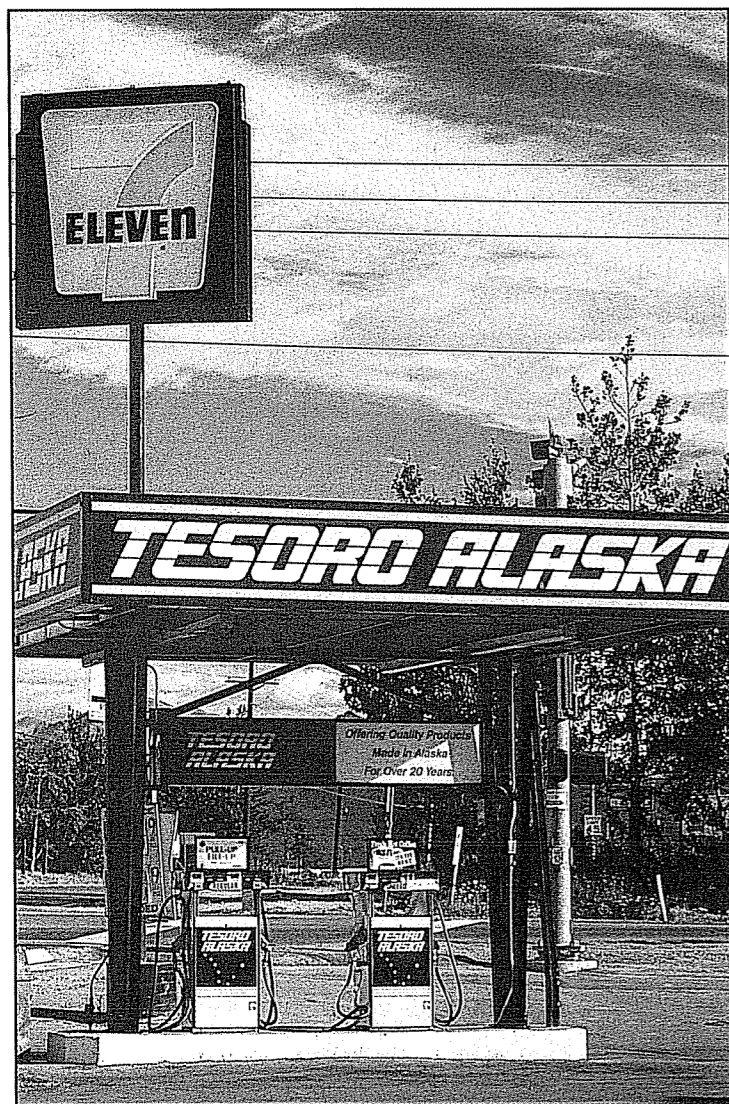


Tesoro Alaska

Alaska's Petroleum Products from Tesoro



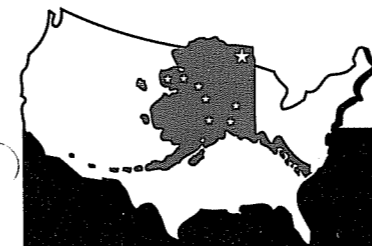
As you travel around our state, you'll see a lot of our eight stars of gold. These stars give Alaskans a special spirit, an energy all their own. And that special spirit, that Gold Star Energy, goes into every petroleum product that Tesoro makes, whether its gasoline or diesel fuel. Because it's all made here in Alaska, by Alaskans.

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Resource Review

June 1992

A monthly publication of the Resource Development Council, Inc.

1991-92 Annual Report

Accomplishments highlight RDC's past 12 months

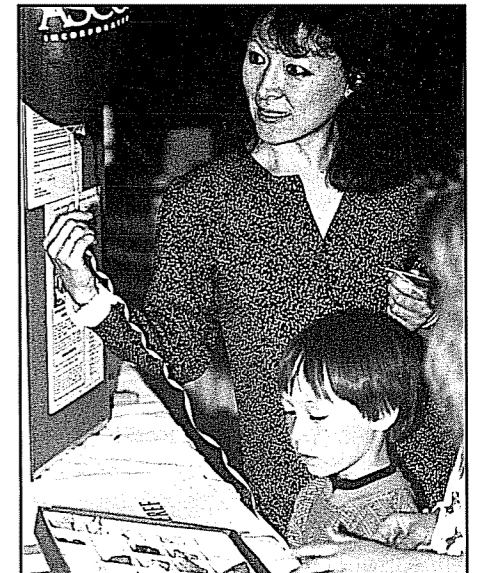
Editor's Note: RDC held its 18th Annual Meeting in Anchorage June 5. The following report on RDC's 1991-92 activities and accomplishments was prepared for the meeting by Acting Director Debbie Reinwand.

It is always difficult to highlight the numerous large and small victories of each year - RDC is involved in so many diverse issues and outreach projects that to review all the activities would require a book! But, there are a number of critical events and policy issues that RDC has taken a front and center role

in that RDC members should be aware of and in many cases, brag about.

- Our executive director **Becky Gay** was selected by Governor **Walter Hickel** to head the state's first **ANWR advocacy campaign**, with a budget of \$3 million. It should be noted that RDC was instrumental in lobbying for that money and thus, was gratified that one of our own key staffers was selected to run the ANWR effort.

- RDC as an organization has remained active in the ANWR effort,



RDC's Annual Meeting banquet included exhibits aimed at informing the young about resource development in Alaska.

(Hal Gage photo)

sending staff members to conferences and editorial board meetings outside Alaska to inform and educate. In addition, RDC participated in the formation of a new grassroots advocacy group called **Arctic Power!** This non-profit group was formed for the sole purpose of achieving congressional and presidential approval of ANWR exploration, drilling and production. RDC Acting Director Debbie Reinwand serves on the board, along with RDC board members Bill Schneider, who is first vice president of the new group, Barbara Post, Dan Rowley, John Forceskie, John Rense, Uwe Gross, John Miller, Dick Barnes, Sharon Anderson, and Robert Hatfield.

During 1991 and the first six months of 1992, RDC has been highly active in education efforts, legislative lobbying, testimony presentation and outreach.

(Continued to page 2)



Over 50 children and 150 adults attended RDC's Annual Meeting banquet. The banquet included a special children's program which emphasized resource education.

(Hal Gage photo)

A productive 12 months at RDC

(Continued from cover)

Following is a synopsis of the organization's primary activities during the past 12 months:

Education and outreach

• RDC's 12th Annual Conference:

"The Power Puzzle: Solving the Resource Production and Political Dilemma" was presented in Anchorage on December 4-5, 1991. A broad spectrum of topics were covered in seminars during the two-day period, including sessions on "Politics: Development and the Devil Meet Face-to-Face," "The Energy Mix: Visions for the Future," "Fossil Fuel Power: A Continuing Need," and a particularly provocative session titled "Tell Us Where It Hurts." The latter session detailed problems that specific Alaska resource producers face while attempting to do business in the 49th state. The well-attended conference brought together diverse and dynamic speakers and a broad audience from across Alaska.

• Fairbanks Board Meeting:

In late October, RDC's board took to the road for a meeting in Fairbanks. One of the best-attended board gatherings in recent years, this trip was hosted by board members Drs. William Wood and Jim Drew. Board members were welcomed by the RDC's first resource education award, presented to a business partner of RDC staffer Kim Duke, who held a cocktail party at their Chena Ridge home. RDC toured a number of interior businesses including MAPCO Alaska, Fairbanks Gold, Inc. (now announced) (see related stories on pages 5 and 7). Educational exhibits from many resource sectors were featured at the Anchorage Hilton. Speaker Robert Gordon, Jr., of the National Wilderness Institute, addressed those attending the meeting.

• AMEREF Management:

The Board of Directors of the Alaska Minerals and Energy Resource Education Foundation voted on May 21, 1992, to enter into a management contract with RDC. The council will provide management services for AMEREF, working with the state Department of Education, and



Robert Gordon, Director of the National Wilderness Institute in Washington, D.C., addressed a crowd of over 200 people at the RDC Annual Meeting banquet on the reauthorization of the Endangered Species Act. Many interests are working to either amend or kill the Act. The ensuing activity is predicted to be the fight of the century.

(Hal Gage photo)

Alaska School Districts. RDC is pleased to move into this arena, and hopes to be able to continue the current mission of AMEREF, and ultimately broaden the range of the program as well as the resource sectors presented.

Legislative efforts

A number of issues were tracked by RDC during the recently-concluded 17th Alaska Legislature. By utilizing staff and board members to testify on a number of issues, and the general membership through public opinion messages, etc., RDC was able to make an impact on a number of bills. Included in RDC's lobbying efforts were:

- **State ANWR Campaign Funding:** Governor Hickey requested \$2 million for the FY 93 campaign. RDC supported the appropriation.
- **Action taken:** The legislature appropriated \$500,000 and rolled over approximately \$1.3 million from the FY 92 budget.

• **HB 29 - Allowing citizen lawsuits to enforce environmental laws:** RDC opposed this bill, which would have allowed third-party organizations and individuals to file lawsuits against al-

(Continued to page 3)

Outstanding Resource Education Awards

Koncor, Blackwell receive awards

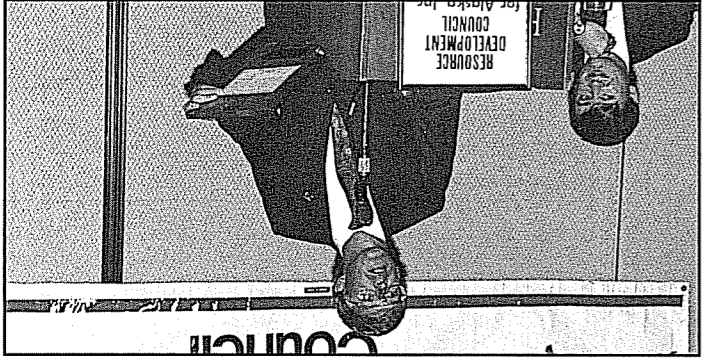
Koncor Forest Products was presented with the Resource Education Award for its popular "First Tree Program." John Sturgeon, President of Koncor Forest Products, accepted the award at the RDC Annual Meeting Banquet June 5 in Anchorage. Under the First Tree Program, each first-grader in the Anchorage School District and in villages stretching from Kodiak Island to Yakutat, receives a seedling of their own to plant and care for. In addition, teachers are provided with educational materials to assist them in creating a curriculum to complement the First Tree Program. To date, 15,000 seedlings have been planted by first-graders. Koncor has also launched other educational programs, including an Earth Day contest where children were invited through newspaper ads to color the forest cycle and send it to Koncor.



John Blackwell was key in establishing AMEREF's far-reaching programs which offer materials and opportunities that involve students, teachers and industry executives. John Sturgeon received the corporate education award for Koncor Forest Products.

(Hal Gage photos)

John Blackwell of Anchorage was presented with the Individual Outstanding Resource Education Award for his efforts in advancing resource education in Alaska. Blackwell founded the Alaska Minerals and Energy Research Education Foundation (AMEREF) 10 years ago and serves as its Executive President. AMEREF was established to help students learn about Alaska's minerals and energy resources. AMEREF has provided resource kits to private and public schools for enhancing awareness of geology and minerals and their essential role in modern society. The AMEREF program is designed by teachers, promoted by established state agencies and involves people from the mineral industry. Over 500 kits are now being used in 50 of Alaska's 54 school districts by more than 1,000 teachers. An estimated 150,000 students have been reached since AMEREF's founding in 1982.



John Blackwell was key in establishing AMEREF's far-reaching programs which offer materials and opportunities that involve students, teachers and industry executives. John Sturgeon received the corporate education award for Koncor Forest Products.

(Hal Gage photos)

Thursday breakfast forums

RDC's weekly breakfast meetings, which run from September through May, featured a variety of high-quality, informative speakers. Topics for 1991-92 included Alaska's Park System; Prudhoe Bay Consolidation; Mental Health Trust Lands; the Inuit Circumpolar Conference; Commercial Fishing; Alaska Tourism; Citizen Advisory Councils; Mining in the National Parks; Bottomfish Allotments; Two views on the Prince William Sound Recreation Area; Impacts of the Water Quality Act; and a wide variety of other topics. The Executive Committee sponsored a table of high school students, who attended the meetings in the fall of 1991.

(Continued from page 6)

Resource Review

The monthly newsletter of RDC, the Resource Review, got a facelift early in 1992. The newsletter, long the arena of communications director Carl Portman, was redesigned with a new masthead and other features. Topics for 1991-92 have included ANWR, the Forest Practices Act, the future of Prudhoe Bay, and a special two-part series on the economic impact of legislation and regulations. The series was hailed as a landmark piece and RDC received input on the issues from congressional leaders in Washington, D.C. The Resource Review continues to be a mainstay for distributing RDC's message.

Executive Committee Officers	
President	John Rense
Vice President	Curtis Foster
Staff Assistant	Nancy Davis
Administrative Assistant	Kimberly R. Duke
Member Services Director	Michelle Hendrickson
Communications Director	Carl Portman
Acting Director	Debbie Reinwand
Staff	
Past President	Bill Schneider
Treasurer	Kyle Sandel
Secretary	Rex Bishop
Vice President	Paul S. Glavinovich

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.

Writer & Editor
Carl Portman

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the Resource Development Council. RDC is located at

RDC addresses multitude of issues

(Continued from page 3)

to Alaska shippers.

Action taken: SB 102 did not pass.

• **HB 584/SB 469 - Mental Health Trust Amendments:** RDC joined forces with the mining community and other resource developers to support an amendment that would restore approximately 500,000 acres of original mental health trust lands to the trust, and provide an income stream for mental health programs from the state general fund. The amendment would have removed litigation currently filed that is precluding new development and investment in major resource projects.

Action taken: The bills did not pass.

• **HB 467 - "Economic benefit" in a subsistence economy:** This bill, which was opposed by RDC, would have allowed individuals to sue, alleging cultural and subsistence lifestyles had been impacted by development, and requesting damages. The bill was primarily aimed at buttressing a case against Exxon by fishermen and Prince William Sound villages, and was deemed unnecessary in a March Attorney General's opinion.

Action taken: HB 467 died in House Rules.

• **SB 330/HB 373 - Taxation of resources "in-place":** RDC supported passage of these bills, which would permanently exempt natural resources in place from municipal property taxation.

Action taken: Bill passed the Legisla-



RDC board members Jim Cloud and Paul Glavinovich share a laugh with Steve Borell of the Alaska Miners Association at RDC's 12th Annual Conference in December.

ture and is on the governor's desk.

• **SB 302-Exploration incentive credits:** Supported by groups like RDC and the Alaska Federation of Natives, this legislation would have encouraged drilling and exploration on state lands, and provided a limited tax credit for those firms engaging in the exploratory work. Action taken: The bill died in its final committee of referral, House Finance, after a series of controversial amendments by Rep. Kay Brown, in the Resources committee.

Alaska Wetlands Coalition

The AWC hosted *not one, but two* congressional staff trips in July and August of 1991. The first trip included House staff members, while the Senate staff were invited to participate in the second trip. The staff members were overwhelmed by the vastness of Alaska's wetlands and impressed with the people they met. Tour stops included Anchorage, Juneau, King Salmon, Prudhoe Bay, Kotzebue, and Red Dog Mine. A 1992 trip is planned for mid-July with more than a dozen House and Senate staffers to Juneau, Ketchikan, Thorne Bay, Nome and Anchorage.

AWC's technical advisors in Washington, D.C. tracked federal legislation and policies on the "no net loss wetlands" issue, and provided testimony when needed. The coalition provided extensive input on HR 1330, and revisions to the federal delineation manual. Reinwand presented the AWC's comments at a February 4, 1992 briefing with officials from the Corps of Engineers, Environmental Protection Agency, state officials and Sen. Frank Murkowski.

One of the most significant actions taken by the federal government occurred in January, 1992, when the Corps and EPA issued a clarification of the Clean Water Act, Section 404, MOA on mitigation. The memo, which the AWC worked for extensively, specifically notes Alaska's unique situation, and said "avoidance, minimization and com-



The Alaska Wetlands Coalition, which RDC spearheads, hosted two congressional staff trips in July and August 1991. The tours included North Slope wetlands.

pensatory mitigation may not be practicable where there is a high proportion of land which is wetlands." It was the determination of the EPA and Corps that "This footnote makes it clear that there are areas, including many locations in Alaska, where it may not be practicable to restore or create wetlands; in such cases compensatory mitigation is not required under the guidelines."

Public testimony

RDC board members and staff provided public testimony on mining, oil and gas, tourism, and timber issues during the past year. Highlights include:

• RDC Vice President Paul Glavinovich presented RDC's testimony in Fairbanks on proposed changes to the federal Mining Law of 1872.

• RDC Board Member Scott Thorson gave RDC's comments on the Yukon Pacific Corporation's LNG Project at a hearing in Anchorage.

• RDC Board Member Lynn Chrystal of Valdez presented the council's testimony on ANWR legislation before a meeting in Anchorage of the House Merchant Marine & Fisheries subcommittee.

• Tourism Division Director Don Follows provided comments at a hearing on the Glacier-Winner Creek ski area proposal, and presented RDC's remarks on the South Slope Denali Visitor Complex.

• RDC also commented on amendments to the Tongass Land Management Plan; the Chugach Land Management Plan; and the Forest Practices Act.

(Continued to page 7)

RDC elects new officers

RDC board members attending the June 5 Annual Meeting are from left to right Mark Begich, Dan Keck, Howard McWilliams, Henry Springer, Rex Bishopp, Rocky Miller, Dorothy Jones, Phil Holdsworth, Tom Cook, Roger Herrera, John Miller, Uwe Gross, Dan Rowley, Acting Director Debbie Reinwand, Wilbur O'Brien, Bill Schneider, Barry Thomson and John Hall. Seated are Jim Dore, Secretary Scott Thorson, Treasurer Kyle Sandel, President Paul Glavinovich, Past President John Rense and Vice President Jim Cloud.



A long-time Alaskan minerals and resource management specialist has been elected President of the Resource Development Council for Alaska, Inc.

Paul S. Glavinovich, President of Thor Gold Alaska, Inc., and a director of Solomon Resources Ltd., was elected to the one-year term at the Council's Annual Meeting June 5 in Anchorage. Other new officers include Senior Vice President Kelly Campbell, Partner, Details, Inc., and Second Vice President Jim Cloud, Vice President, National Bank of Alaska. Scott Thorson, Marketing Manager of Northern Air Cargo, was elected Secretary and Kyle Sandel, Senior Manager of KPMG Peat Marwick, Treasurer.

A long-time board member of RDC, Glavinovich has over 25 years of experience in the mining industry. He has been involved with mineral exploration and development projects throughout North, South and Central America and Western Europe.

Born and raised in Nome, where his father was involved in the gold dredging operations there, Glavinovich graduated from the University of Alaska Fairbanks School of Mines in 1961. Following three years of military service and a brief stint with Pan American Petroleum Company, Glavinovich returned to UAF and obtained a Masters degree in 1967. He then worked for the U.S.S.R. & M Company from bases in Fairbanks and Salt Lake City. He left his position of Assistant Chief

Geologist to join Noranda Exploration in Anchorage in 1974.

As District Geologist for Alaska, Glavinovich was a direct participant in the exploration and development of the Greens Creek Mine. In 1982, Glavinovich moved to Denver as Manager, U.S. Exploration for Noranda. He returned to Alaska in 1985 and established his own business as minerals consultant and mine developer.

Newly-elected members of the Council's Executive Committee include Jim Davis, Dave Parish, Scott Thorson and Elizabeth Rench. Re-elected were Rex Bishopp, Kelly Campbell, Jim Cloud, John Forceskie, Mano Frey, Paul Glavinovich, Uwe Gross, Roger Herrera, Dan Keck (Sitka), John Miller, John Rense, Kyle Sandel, Bill Schneider, Jerome Selby (Kodiak), R.D. Stock, William Thomas (Juneau), and Lyle Von Barga (Valdez).

New appointments to the statewide board of directors include Anchorage residents Will Abbott, Ray Barnds, Gene Burden, Jim Dore, Scott Goldsmith, Lisa Haas, Robert Hatfield, Howard McWilliams, Bill Noll, Ken Peavyhouse and Henry Springer. Other new members include Larry Daniels of Girdwood, Richard Foster of Nome, Jamie Parsons of Juneau and Mitch Usibelli of Healy.

Honorary directors are Phil Holdsworth of Juneau and Dr. Bill Wood of Fairbanks.

Activities and accomplishments... (Continued from page 2)

leged polluters, and to collect damages and legal fees.

Action taken: HB 29 died in the House Finance Committee.

• **HB 540/SB 270:** Oil spill response action contractor legislation. The original intent of this legislation was to limit the liability of response action contractors who engage in contracts to clean up the release of hazardous substances. RDC supported this concept and lobbied in favor of HB 540 as introduced by Rep. Bill Hudson.

Action taken: The final version of HB 540, approved by both

houses, does provide limited liability, however, it includes a controversial provision requiring Alyeska to clean up all spills in Prince William Sound.

• **SB 102 - Pacific Ocean Resources Compact:** This bill would have authorized participation by the state of Alaska in an interstate compact commission to oversee and regulate ocean activities. RDC opposed the bill based on the fact that it would provide duplicative regulatory authority over ocean transportation, and would likely increase the business costs

(Continued to page 6)

RDC Annual Meeting

A family affair



Elizabeth and Cathryn Posey look over a collection of rocks at the Alaska Minerals and Energy Education Foundation exhibit at the RDC Annual Meeting. AMEREF's far-reaching educational programs have reached over 150,000 students since its founding by John Blackwell in 1982. (HalGage Photo)



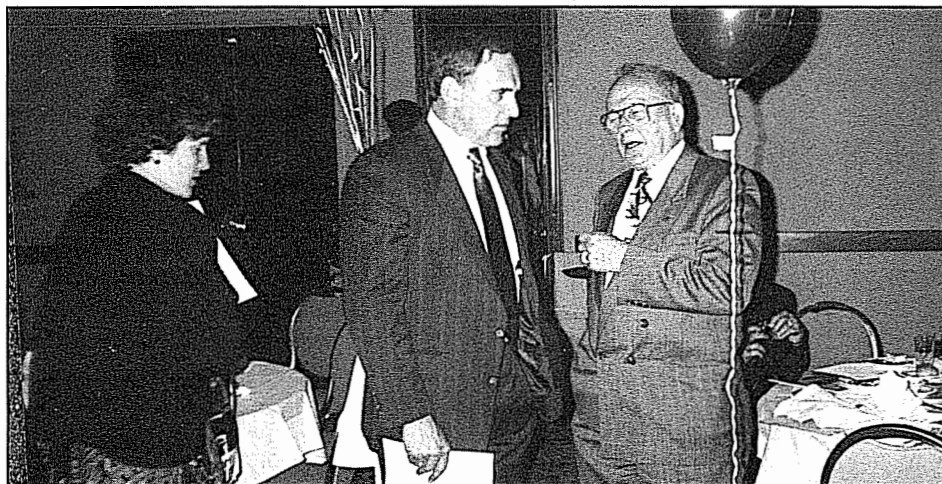
Cassandra Rense enjoyed visiting with Smokey Bear, who was representing the Alaska Forest Association at the RDC Annual Meeting banquet. Smokey, along with other characters, informed the young about the role natural resources play in modern life. (Hal Gage Photo)



Newly-elected President Paul Glavinovich presents outgoing President John Rense with a plaque for his outstanding service. (Hal Gage Photo)



RDC staff includes Staff Asst. Nancy Davis, Admin. Asst. Kim Duke, Communications Director Carl Portman, Acting Director Debbie Reinwand and Member Services Michele Hendrickson.



Newly-elected board member Jamie Parsons (left) of Juneau meets with long-time board member Rex Bishopp. (Hal Gage photo)



BP's "Job Slob" and "ZZ The Clown" share some laughs with the kids. (Hal Gage photo)

Karen Foster, Alyssa Dragnich win RDC's essay contest



Karen Foster, a sophomore at Service High School, was awarded a \$500 U.S. Savings Bond by RDC for her winning essay in the High School category. Joining Karen are Jan and Curtis Foster, along with brother, Greg. (Hal Gage photo)



Alyssa Dragnich, a 7th grader at Hanshew Middle School, was selected the winner of the Junior High category. Pictured with Alyssa is her mother, Marci. (Hal Gage photo)

Three important reasons for developing ANWR oil

by Karen Foster

What would life be without telephones, tape, toothbrushes, and toilet seats? To maintain these petroleum products in our everyday life, we need to develop the Arctic National Wildlife Refuge. Opening ANWR would sustain our lifestyles, improve our economy and protect our nation's security.

One argument for not developing ANWR is to preserve the lifestyle of animals residing there. What some opponents forget is that people are animals too. If animals have the right to use the land, mankind has the right to use the resources.

Petroleum provides many jobs and more than 3,000 different products. The petroleum industry brings billions of dollars into the United States. If full development would affect no more than 1/8 of one percent of the Coastal Plain and has a 19% chance of commercial success, it is in our best interest to explore ANWR.

The United States imports over 50% of its consumed oil. The domestic oil industry is in sharp decline, including the 25% of national production originating from Prudhoe Bay. Dependence on foreign oil damages our nation's security. We should develop potential domestic sources.

Opening ANWR to development would secure our lifestyle, strengthen our economy, and safeguard our nation's security.

The significance of resource development to Alaska's economy

by Alyssa Dragnich

The development of Alaskan resources is vital to its economy for one main reason: Jobs! Everything else branches out from here.

Alaska does not have a state income tax due to the amount of money from oil production. In fact, Alaska citizens get a Permanent Fund Dividend. Instead of paying to live here, we are getting paid. This provides an incentive for people to move to and stay here.

Mining the coal from the Usibelli Coal Mine provides high-paying, constant jobs for people around the community. The timber industry provides about 6,000 jobs, even though only 6% of Alaska's forests are logged. Alaska is one of the world's largest suppliers of salmon and seafood is the main reason for the existence of some communities such as Kodiak and Homer.

But the most important thing resource development does is to open up all kinds of jobs. Supermarkets, banks, restaurants and much more are up here because of all the people that work in the above industries. If there were fewer of these workers, there would be less people overall because the stores simply wouldn't have enough business and therefore jobs would be lost.