

Teach Our Children Well the importance of a stable and sound National Energy Program. That as our nation moves into the next century, we must seek understanding and agreement to achieve maximum conservation of energy, the simultaneous development of all feasible alternative forms of energy, and the aggressive development of new domestic hydrocarbon sources.

Teach Our Children Well the importance of a realistic wetlands policy, otherwise economically viable development may not take place.

Teach Our Children Well that Alaska has much to contribute toward national energy independence and could become the leader of the next century's National Energy Policy.

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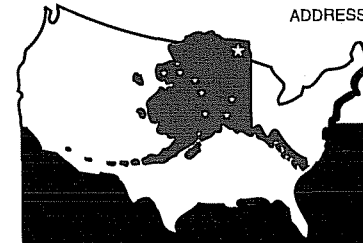
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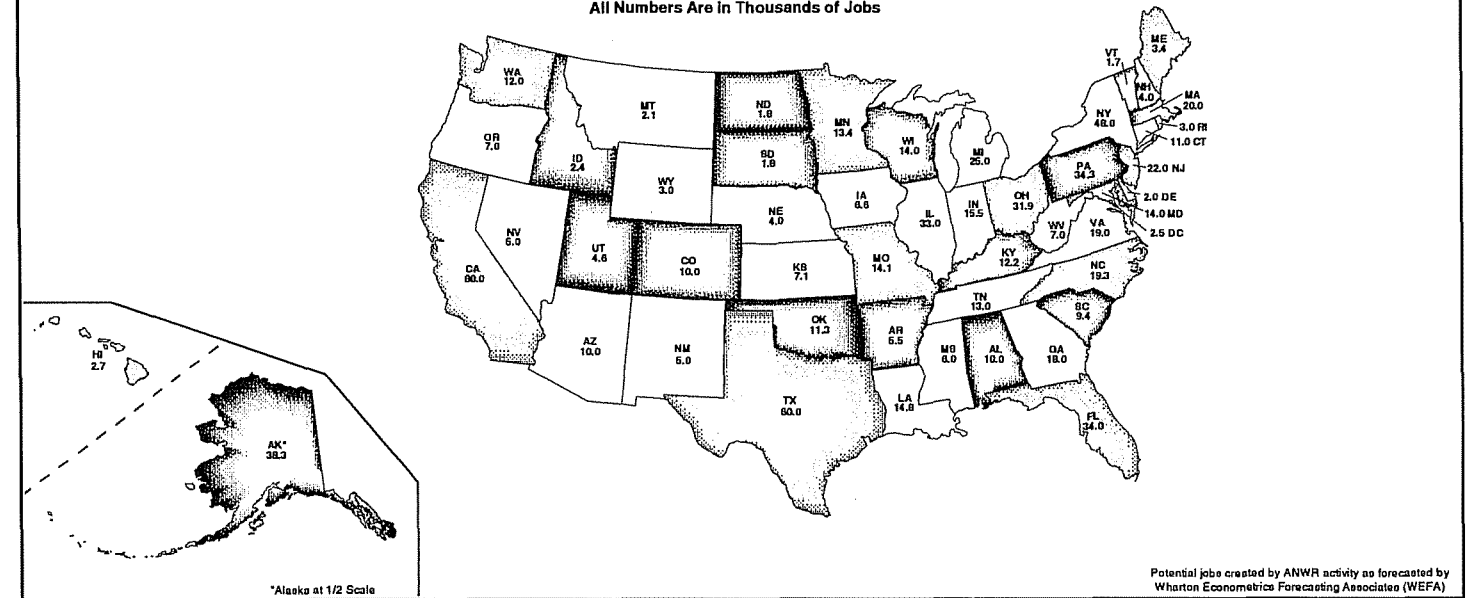
Resource Review

March 1992

A monthly publication of the Resource Development Council, Inc.

735,000 Potential New Jobs if ANWR is Opened to Oil & Gas Leasing

All Numbers Are in Thousands of Jobs



Jobs! for Americans

Jobs in all 50 states, 735,000 of them, coast to coast

For the majority of Americans trying to meet family needs, economic hard times boil down to just one thing: jobs, jobs and jobs. Some 500,000 Americans lost their jobs last year and the welfare rolls are increasing daily in 1992 as thousands more join the ranks of the unemployed.

While grand efforts must be made to create new job opportunities for Americans, the working men and women in Alaska and across the Lower 48 were dealt a blow by Congress when it recently refused to consider opening a small fraction of the Coastal Plain of the Arctic National Wildlife Refuge to oil and gas development.

Oil development on the Coastal Plain is one job creation project that stands head and shoulders above any other economic recovery proposal in America. For the languishing economy, it would mean new jobs — and lots of them. Jobs for Americans. Jobs in all 50 states, coast to coast.

A study by the nationally recognized economic analysis firm of Wharton Econometrics, shows ANWR development would create 735,000 new jobs for Americans. In addition, oil production on the refuge's Coastal Plain would reduce America's dependence on insecure sources of foreign en-

(Continued to page 4)

Legislation creates potential for lawsuits



**Message from
the Acting
Director**
by
Debbie Reinwand

recent filing against the state of Alaska by a consortium of preservationist groups over the Cordova road issue. Under the federal Clean Air Act and Clean Water Act, these third-party litigation groups have filed a so-called "citizen suit." Alaska resource producers have not found the federal or state agencies reluctant to pursue pollution violations in the past, and I would suggest that the technical staff of these agencies has a broader range of expertise to determine if a violation has occurred, than the average environmental litigation group.

This legislation must clear both the Judiciary and Finance committees before it is ready for a House floor vote. RDC urges its members to testify against the bill and advocate its defeat.

Conversely, HB 540, recently introduced by Rep. Mike Navarre, D-Kenai and Rep. Bill Hudson, R-Juneau, is legislation RDC asks that its members support. This legislation will provide a standard of simple negligence for response action contractors engaged in oil spill clean-up.

Previous legislation had erroneously placed the emphasis on preserving an avenue for future litigation following an oil spill. An interim bill was passed in 1991 to allow current operators to continue their work, however it will sunset this year. RDC supports HB 540, which is similar to legislation passed in 19 other coastal states. In addition, HB 540 would basically enact a federal standard of simple negligence under the Oil Spill Pollution Act of 1990.

Without this legislation, at least one major Alaska employer could be forced to shut down, and several others say it is a serious disincentive to their operations. RDC is staunchly in favor of HB 540.

Working on legislation can sometimes be frustrating, but working on legislation that involves the legal profession is even more of a challenge. This session, RDC is involved with several pieces of key legislation that create a potential for lawsuits against the private sector.

The first is HB 29, an act authorizing citizen lawsuits to enforce environmental laws. RDC first testified against this legislation in the House Resources committee in 1991. The bill has had extensive review in the House Judiciary Committee, and many of RDC's members have provided testimony outlining problems with the bill. We appreciate this support.

In particular, the legislation would extend the power of state agencies that are vested with pollution law enforcement to the citizenry. Unfortunately, in other states, similar legislation has not produced a groundswell of true citizen suits, but rather has resulted in third-party, non-development groups taking legal action against businesses and developers.

Although the non-development forces claim they will not "abuse" this authority, nor use the legislation to line their pockets, history has shown otherwise. A case in point is the

RDC defends multiple use in Chugach

The U.S. Forest Service has proposed an amendment to the Chugach Land and Resource Management Plan (CLMP) that will likely result in the placement of more lands into restrictive categories.

RDC is opposed to restricting more land in the Chugach and has suggested that the amendment retain a multiple use prescription that preserves opportunities for timber harvesting, mineral extraction, commercial fishing and tourism.

In comments submitted to the Forest Service, RDC called

the agency's decision to amend the CLMP premature since the plan itself will not be due for revision until 1995. RDC suspects the timing of the amendment will result in the placement of more land into restrictive categories. Preservationists are seizing the opportunity to play off the wave of emotions generated from the oil spill to rally for maximum land closures.

The amendment being considered should be based on a multiple use prescription for the Chugach and not be used as a

(Continued to page 7)

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

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Carl Portman

Alaska Wetlands Coalition urges EPA, Corps to adopt 1% provision

By Nancy Davis

The Alaska Wetlands Coalition spoke in favor of the President's one percent exemption plan at the federal wetlands policy hearing held February 7 in Anchorage.

The Bush administration has proposed an exemption from stringent new federal rules limiting development for those states that have lost less than one percent of their wetlands. Alaska is the only state that qualifies with a historic loss of less than one-tenth of one percent in contrast to the 50 percent loss of Lower 48 wetlands.

Many testifying at the hearing expressed concern with the current definition applied to wetlands. Under the classification, Alaska has 170 million acres of wetlands. Ketchikan Mayor Ralph Bartholomew quipped that with all the rain that falls on Ketchikan, the entire borough might qualify as protected wetlands.

Debbie Reinwand, Acting Director of RDC, stressed that development need not result in the wanton destruction of Alaska's wetlands.

"The Alaska Wetlands Coalition has every confidence that, implemented correctly, the one percent provision will result in reasonable expansion in Alaska, with minimal disturbance of the state's vast wetlands," Reinwand said.



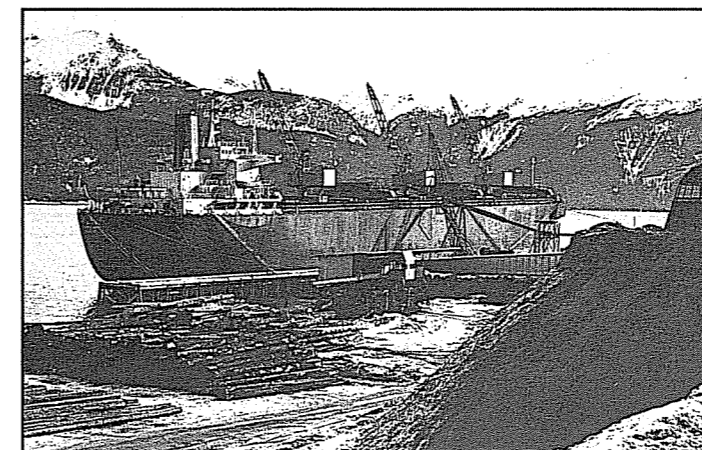
Alaska has been a good steward of its wetlands, a fact brought home by the historic loss of less than one-tenth of one percent of Alaska's wetlands.

"What is often overlooked is the fact that many of Alaska's valuable wetlands are already classified in state of federal refuge status, which cannot be disturbed or altered, and that a good chunk of our wetlands exist within the 57 million acres of designated Wilderness."

RDC responds to Chugach amendment

(Continued from page 2)

tool to carve out further restrictive land designations that preclude Alaskans from deriving their livelihood from the Chugach, RDC said. If the Southcentral Alaska region is to maintain its economy and employment base, opportunities for economic development must be preserved. As the land base



Trees harvested from the Chugach National Forest are loaded aboard a ship in Resurrection Bay near Seward.

for development diminishes with each new amendment or revision in the land planning process, Alaska's chances for economic diversification will be reduced.

Already in Alaska, over 158 million acres have been set aside into federal conservation units, nearly equaling the combined size of California and Oregon. Alaska holds 62 percent of all federal Wilderness in the United States. Further withdrawals may very well embrace many valuable resources needed by Alaska to support itself and its people.

RDC requested that the Forest Service perform a thorough social and economic assessment of any new land management prescriptions to determine the effects on potential jobs and revenues to local communities. Any amendment to the CLMP should strike a fair balance between economic and environmental concerns.

The current CLMP is already heavily weighted to wildlife and habitat protection while providing little for timber harvesting and mining. The CLMP originally proposed to sell 16.9 million board feet to loggers each year of an annual harvest potential of 47.6 million board feet. However, the final settlement reduced this harvest to about 2 million board feet annually. Meanwhile, private foresters have pegged the potential yield harvest over 60 million board feet annually.



Knight Island, hit hard by the oil spill, is now in a healthy state of natural restoration.

Wounds healing in Prince William Sound

by Keith G. Hay

It is not pleasant to rebuke a good friend and gifted literary craftsman of Hank Burchard's caliber, but his description in **The Washington Post** of Alaska's Prince William Sound (Dec. 13, "Oil Spills Murky Water") is simply not true.

I know he would not have written the same article if he had the opportunity, as I did last summer, to personally inspect the beaches with oil spill scientists via helicopter, boat and foot, and talk with industry, Coast Guard, wildlife officials, local fishermen and Native people.

I write from the perspective of a wildlife biologist having personally examined most of the major oil spills in North American waters in the last 20 years, in addition to several foreign spills. In virtually every case, headlines emotionally characterized the spills as ecological disasters, exaggerating the scale of damage and its potential for recovery far beyond scientific reality. Seldom did the press report the rapid recovery that followed the spills.

The shorelines in Prince William Sound today are no longer "bleeding oil." The region's wildlife and fisheries resources are also in good health and the Native's way of life has not been "destroyed."

It is even difficult to find residual pockets of oil with a spade, although some weathered oil still persists in a few sheltered coves. But it poses no risk to the environment and continues to be broken down biochemically by bacteria.

Recovery of the shorelines is evidenced by the return of substrate organisms and the new settlement of green algae, mussels, barnacles, limpets and periwinkles.

Killer whales, including several calves, followed our

small boat, and sea lions, harbor seals and sea otters were abundant. I observed several bald eagles, and gulls, murrelets, puffins and kittiwakes were everywhere.

The salmon fishing was superb. In fact, the 1990 and 1991 commercial fishing seasons that followed the spill set record-breaking catches. I have yet to find any scientific evidence documenting where a marine oil spill has materially damaged fin fish population or age class anywhere in the world.

The biggest and costliest oil spill clean-up operation in history, coupled with the awesome tidal cleansing and recuperative powers of the marine environment, have left the beaches of Prince William Sound essentially free of oil.

To perpetuate the perception that this incomparably beautiful region of Alaska still "reeks of oil" with its wildlife resources devastated is inaccurate.

For once, let's give credit where credit is due- to both man (Exxon) and nature for a recovery success story of heroic proportions.

Keith Hay represents The Conservation Fund in Newberg, Oregon.



As Debbie spreads the good news, Scott holds his new brother, Austin.

It's a boy!
RDC Welcomes
Austin Scott Reinwand Sture
Born February 26, 1992
Proud Parents are
RDC Acting Director
**Debbie Reinwand & her husband,
Conrad Sture**



Thoughts
from the
President
by
John Rense

Alaska key to U.S. economic recovery

The nationwide recession may ultimately increase public awareness about our nation's vulnerable economy. Troublesome Alaskan resource problems illustrate why our country is in this mess.

ANWR is a splendid example. The amount of domestic wealth created by such a field can be substantial - tens of billion of dollars. A discovery at ANWR would generate a lot of jobs and would offset some of this nation's huge oil-related dollar outflow. In addition, it would put money into a government now sputtering along on the world's largest federal deficit. The U.S. has dismantled its economy piece by piece; ANWR is just another fragment. Alaska's major resource-based industries - fish, timber, mining, oil, tourism - have lost opportunities in the past few decades.

There is no reason to search overseas for the cause of our nation's economic illness. Our own act is awful. We have no right to deal with external problems until we deal with our own.

Alaskans should continue to press for the right to determine our own economic future. Our so-called wetlands should be reclassified to allow for rational use. Tourist facilities in our Parks should meet the needs and expectations of our tourist customers. Alaska should be able to produce timber, oil and gas, minerals and fish from those relatively few places that can yield such products. No state has unlimited economic options for development. While "national economy" or "national security" are intellectually pleasing arguments for development, on a deeper level, a state must have a fundamental right to develop its economy. Our nation is no stronger than the sum of its part.

ANWR, in particular, is not dead. This is potentially one of the most efficient and environmentally sound developments in America. Months or years may pass, but eventually Congress will have to deal with this again. We need to continue to pursue ANWR. The ongoing efforts of our delegation and state should be supported.

Other core issues for Alaska include proposed changes to the 1872 Mining Law, Tongass timber and various fishing problems. In the current economic climate perhaps our friends down south will be more willing to encourage nationally beneficial opportunities available here in Alaska.

Seafood industry seeks to counter negative press

ASMI to present Alaska salmon as pure alternative

By Nancy Davis

Despite the recent flood of bad press regarding fresh salmon, the Alaska Seafood Marketing Institute has decided not to undertake a major public relations campaign to combat it.

Kim Elton, ASMI executive director, told a roomful of concerned listeners at RDC's March 5 breakfast meeting that a large-scale campaign would simply call more attention to the press reports questioning the quality of seafood.

"We decided not to get out in front on this issue, but will work quietly at the trade level to get our message across," Elton said. ASMI has, however, contracted the Burson-Marsteller public relations firm to assess the damage that may have been done by such articles.

According to a survey conducted by Burson-Marsteller, the February Consumer Reports story did not change the seafood buying habits of most Americans. Of the 1,000 people surveyed, nearly 70 percent said they had heard or read recent media reports about risks associated with seafood. But less than 18 percent said they were not likely to buy fish within the next month.

Consumer Reports claimed that large percentages of salmon from its sample were either rotting or contaminated with chemicals by the time they reached consumers. The story did not mention Alaska seafood and, in fact, the samples were taken from Detroit and New York markets, according to Elton.

ASMI will attempt to capitalize on the problem by presenting Alaska fresh-frozen fish as a pure alternative to other fish on the market. Most of the fish sold as "fresh" can be up to two weeks old at the time of purchase, Elton said. With fresh-frozen the buyer knows the shelf-life of the fish begins when it is thawed, not when it was caught two weeks ago.

ASMI's domestic budget is down 16 percent for the 1993 fiscal year. Anchorage seafood consultant, and former ASMI board member, Sandra Travanis, said the industry must organize to seek an expansion of the domestic market, despite its lack of money.

"As an industry we've been on the defensive," she said. "Now we're in competition with the world to keep our market share. We have to identify what unites us as opposed to what divides us as an industry."

Facts, science, common sense support development of potential oil and gas reserves on ANWR's Coastal Plain

(Continued from page 1)

ergy, boost the Gross National Product by \$50 billion and create national economic benefits as high as \$325 billion. There is no other economic recovery program that would produce so many jobs. And while all other programs require the massive expenditure of federal revenues, the ANWR proposal would bring in an estimated \$38 billion in new revenues to the federal treasury.

"Opening ANWR would create tens of thousands of jobs for oil field workers and the host of service industries necessary to support life in the Arctic," said Charles DiBona, President of the American Petroleum Institute. "It would also generate meaningful new employment in factories across the country at a time when American workers are anxious about their future," DiBona continued. "Large orders for pipe and fabricated steel, computers, and other high technology equipment, and trucks and heavy construction equipment would stimulate the U.S. manufacturing sector."

High unemployment, threat of new taxes, the trade imbalance and the annual federal deficit are all concerns that could be addressed by opening the Coastal Plain to development.

Senator Frank Murkowski told Alaska lawmakers last month that promoting oil production in ANWR as a jobs issue may be the best way to gain congressional approval. Murkowski noted that President Bush has included ANWR drilling in his package of bills aimed at

stimulating the economy.

"It's a message our opponents don't like to hear — for obvious reasons," Murkowski told a joint session of the state Legislature. He said Alaska stands a better chance of gaining Congressional approval for drilling in the refuge if it can get the jobs message out across the country.

"Hopefully we'll be able to win a few more crucial votes so that we can overcome any threatened filibuster and pass ANWR yet this year, although quite honestly it will be very hard to do in an election year," Murkowski said.

In this year, of all years, giving Americans the opportunity to work and provide for their families is an issue that is simply too vital to be the subject of partisan politics and elitist demagoguery, Murkowski said.

"With the creation of hundreds of thousands of jobs at stake, I hope we can get Congress to take a fair look at the issue on its merits," Murkowski said.

Meanwhile, a comprehensive economic growth bill introduced by U.S. House Republicans recognizes the development of oil and gas in ANWR as a key component of America's economic recovery.

"This is a comprehensive and wide-reaching program designed to help turn around and stabilize America's economy," said Congressman Don Young, a co-sponsor of HR 4150. "The fact that the new Republican economic recovery program focuses on ANWR development highlights the importance of this issue," Young noted.

Alaska's lone congressman labeled the ANWR legislation as a national jobs bill. In Alaska, he said it would play a tremendous role in economic recovery.

"In its entirety, this program will stimulate economic recovery and job-creating investments, expand opportunities for home ownership and real estate recovery, and help families and our senior citizens build for their future."

Besides boosting the economy and creating jobs, as many as 80,000 in California alone, ANWR development would improve the U.S. trade deficit. This, too, has significant economic benefits for the national economy.

American workers, politicians, and the media are up in arms about Japanese imports. Yet the dollar amount would fall far short of the massive trade deficit caused by foreign oil imported into this country.

America's economic woes are not due to unfair competition from abroad. They're the result of an obstructionist Congress that is giving away jobs in the oil industry faster than any competition from foreign manufacturers could ever do.

At least 300,000 jobs directly involved with the oil industry across the nation have disappeared in the last several years. Add to that the number of jobs in related industries and services and the total is much higher. Then consider the number of potential new jobs lost each time Congress denies industry the opportunity to develop domestic reserves.

Speaking at the Republican Party's annual Lincoln Day Dinner in Anchorage last month, ARCO Chairman Lod Cook declared oil is America's biggest business, the foundation of

the U.S. economy, and the source of the nation's modern way of life. "Yet oil companies are leaving the United States because they've lost confidence in the future," Cook said. "They don't think they can make it here anymore."

The ARCO chairman pointed out that when the oil industry leaves, so too does income, jobs, tax revenues and the contribution oil has made in making this nation one of the world's most powerful economic forces.

Yet Congress over the past year has caved into the demands of the environmental lobby and postponed discussion of opening the Coastal Plain. It has pursued a policy that encourages increasing reliance on imported oil while adopting the skewed logic of non-development interests to "save" a minuscule portion of the vast arctic refuge.

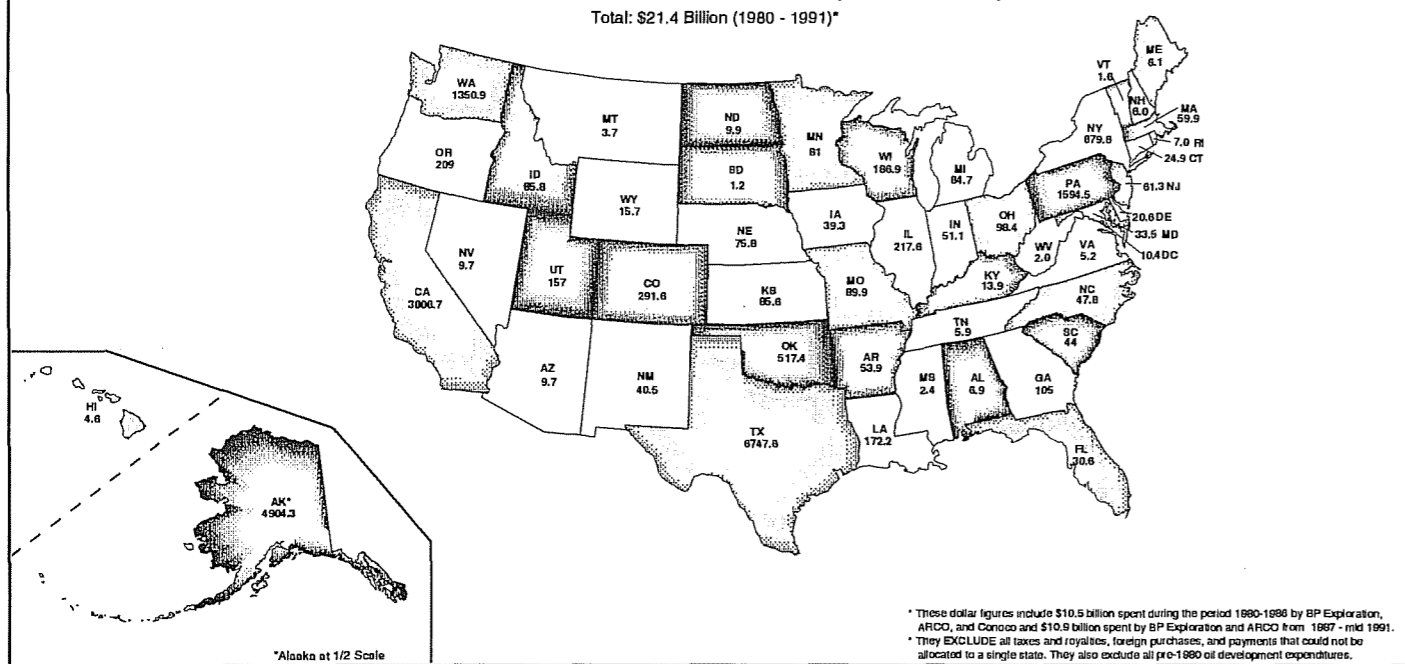
Development of potential oil and gas reserves on the Coastal Plain would disturb less than 12,000 acres of the 19 million acre refuge. By utilizing the latest advances in arctic drilling technology and siting facilities to avoid prime habitat areas, wildlife would not suffer adverse impacts, according to a number of industry and government studies. Even though less than one percent of the refuge would be impacted by development, the Coastal Plain could account for up to 25 percent of nation's domestic oil reserves after the turn of the century.

Alaska's congressional delegation and the state administration are hopeful Congress will deal with ANWR on its own merits either later this year or in 1993 and vote to open the refuge to environmentally sound development. In the meantime, the nation's coastlines will be subjected to an ever-increasing traffic of foreign, super oil tankers — vessels that are not subject to the higher safety standards and stringent regulations of the American fleet.

Each foreign tanker represents thousands of U.S. jobs lost — many more than a Honda arriving at a U.S. port.

Dollars Spent in Each State for North Slope Oil Development

Total: \$21.4 Billion (1980 - 1991)*



Daily Consumption of Petroleum Products

All Numbers Are in Millions of Gallons

