

RESOURCE REVIEW

celebrating **45 YEARS** and counting

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RDC board members attending the association's 45th annual board meeting this summer, urging a no vote on Ballot Measure 1. (Photo by Judy Patrick)

Election cycle brings yet one more attempt to spike oil taxes and stifle future investment

Virtually every election cycle the Resource Development Council (RDC) and its allies have to gear up to fight a ballot measure that threatens future investment by industry – whether it be a measure to spike oil taxes, block development of a new mine or inhibit efforts to expand the economy.

“For the most part, we’ve been successful in defeating ballot measures that posed a threat to our economy, but it takes a lot of hard work and grit,” said RDC board president Jeanine St. John “This year’s Ballot Measure 1 is no different,” St. John added. “It will take all of us working together to inform our friends and colleagues of the consequences of this destructive measure and remind people to get involved. That’s how we’ll win this fight and rebuild our economy.”

Throughout the state, OneALASKA – Vote No on 1 will be waving signs and delivering important literature to fellow Alaskans. “We hope our members, colleagues, family, and friends can join us at one or more of these events,” said RDC executive director Marleanna Hall. “Participation will be vital in order to defeat Ballot Measure 1.”

Hundreds of Alaskan organizations have already signed up in support of the Vote No effort, as well as thousands of individual Alaskans.

If Ballot Measure 1 were to pass, major North Slope projects that could move the needle on future oil production would be at risk, jeopardizing future revenues, increased business activity, and

thousands of jobs across the state.

“The timing of the ballot measure couldn’t be worse,” St. John said. “There is so much potential for growth in future production, but it will take billions of dollars in new investment, which likely will not happen if the ballot measure passes.”

International consulting firm IHS Markit, led by Pulitzer economist Daniel Yergin, recently presented to Commonwealth North on Alaska competitiveness. The IHS presentation pointed out Alaska has one of the most unstable oil and gas fiscal systems in the world. “Alaska’s fiscal system becomes one of the least competitive oil and gas fiscal systems in the U.S. under Ballot Measure 1,” IHS told Commonwealth North.

In a recent editorial, Alaska economist Roger Marks pointed out Bolivia has an exaggerated sense of what it is entitled to, and has excessive taxes on the mining industry and the results are not good. “So mining happily goes to Argentina, Brazil and Chile,” Marks said. “And Bolivia remains one of the poorest countries in the Western hemisphere,” he added.

With the November election just weeks away, RDC encourages its members to get involved in the OneALASKA – Vote No on 1 campaign to defeat Ballot Measure 1. Learn more at OneALASKA.com.

Kari Nore joins RDC team as project manager

Kari Nore, born and raised in North Pole, has joined RDC's staff as Project Manager.

Nore earned a B.A. in Political Science with a double minor in French and Psychology from Gonzaga University in Spokane. While in college, Nore completed a semester studying abroad in Paris, followed by a semester interning for then Senate Majority Leader Senator John Coghill during the 2013 legislative session.

After graduation, Nore began working for Senator Cathy Giessel as scheduler and front desk in Juneau. Over the last five years she worked her way up to more of a leadership role writing scripts, coordinating floor session motions and proceedings, among other things.

In Nore's spare time she can be found spending time outside with her Golden Retriever named Mabel, out on the river in search of salmon, on a yoga mat, or tackling a never-ending pile of DIY projects.



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A complete list of the Board of Directors is available at akrdc.org.

/ResourceDevelopmentCouncil @alaskardc



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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45 AND COUNTING

A Message from the Executive Director

As RDC achieves our 45th year Growing Alaska Through Responsible Resource Development, we must thank our members and supporters.

This year, being odd and unusual, subject to many new restrictions, prohibitions, and much uncertainty related to COVID-19, has been incredibly unpredictable. Like our member companies, we have had to be flexible. Like our member companies, our budget has seen impacts and reductions.

Our historically well-attended Annual Membership Luncheon this summer was reduced to an online only option. The 15-plus breakfast meetings held in Anchorage each fall to spring, offering indispensable project updates and great networking opportunities, are now done via webinar.

Unfortunately, with so much continued uncertainty, we have had to cancel our in-person fall conference. We will miss our loyal sponsors, our 125-plus exhibitors, and our average 1,000 attendees.

Without our natural resources, Alaska would have never become a state. We should be allowed to develop these resources to support our economy as intended by Congress at Statehood, and RDC will continue to advocate for that opportunity.

Yet, our work will continue. As we work to deliver the message about Alaska's natural resources, we will continue to need your support and involvement.

We are fortunate to be blessed with oil and gas, vast mineral wealth, tremendous beauty for tourism, world-class fisheries, and the nation's two largest national forests.

Without our natural resources, Alaska would have never become a state. We should be allowed to develop these resources to support our economy as intended by Congress at statehood, and RDC will continue to advocate for that opportunity.

Now is the time for us to focus on how we can continue to make positive impacts, to encourage investment in Alaska, and to engage those who see the opportunities Alaska has to offer. Our work, the work of our hundreds of member companies and thousands of Alaskans would not be possible without the support of the companies that help us Grow Alaska Through Responsible Resource Development. Thank you.

BALLOT MEASURE 1 IS BAD FOR JOBS AND PUTS OUR ECONOMY AT RISK

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RDC supports NPS regulations on Alaska navigability issues

In comments to the National Park Service (NPS) this summer, RDC supported proposed regulations by the agency as a necessary step to comply with the March 26, 2019, U.S. Supreme Court decision in *Sturgeon v. Frost*.

RDC supported John Sturgeon in his lawsuit protecting Alaska's right to manage state-owned lands and waters consistent with the bipartisan intent of Congress in passage of the Alaska National Interest Lands Conservation Act (ANILCA) in 1980. The Court decision explicitly and repeatedly confirmed ANILCA Section 103(c) which limits federal regulation of conservation system units in Alaska to federally-owned lands.

"We look forward to a renewed commitment that NPS will engage in cooperative management among state, federal, and private land owners as envisioned in ANILCA and correctly applied for nearly two decades before NPS modified its regulations in 1996 to assert jurisdiction over non-federal lands and waters," said RDC executive director Marleanna Hall.



Long-time RDC board member John Sturgeon on the steps of the U.S. Supreme Court.

"We support the intent in the proposed rule of making the regulations unambiguous."

To that end, RDC did request additional clarifications and modifications in the final NPS rule, including the removal of the phrase "ordinary regulatory authority" or define it to mean only the authorities granted by the Organic Act and ANILCA.

RDC also recommended a revision of the proposed rule to close potential loopholes in the definitions of "legislative jurisdiction" and "park areas," as well as "boundaries." This revision does not prevent

other authorizations, such as cooperative agreements, for NPS to participate in management of non-public lands but it does prevent NPS from interpreting authorities that the Court, as quoted in the preamble, stated "apply exclusively to public lands (meaning federally-owned lands and waters) within system units."

RDC also encouraged NPS to clearly state in the regulations that in Alaska, only federally-owned lands within park unit boundaries are considered part of the unit, and non-federal lands, including State, Native corporation, and inholdings, shall not be regulated as part of the park unit.

RDC outlined other modifications to fully implement the Court's holding that NPS national regulations are preempted by ANILCA's exceptions.

"While the Sturgeon litigation was triggered by NPS enforcement activities on one state waterway in one park unit, the Supreme Court decision clarifies that ANILCA limits federal authorities to federally-owned lands in all Alaska conservation system units," Hall concluded.

Environmentalists, states sue to block ANWR leasing

Environmental groups are pulling out all the stops to block future lease sales on the coastal plain of the Arctic National Wildlife Refuge (ANWR).

Two lawsuits have been filed in U.S. District Court in Anchorage to block the Interior Department's plan to allow oil and gas lease sales on about eight percent of the 19.3 million-acre refuge. By law, the direct footprint of development would be limited to only 2,000 acres.

In one lawsuit, the National Audubon Society, Center for Biological Diversity, Natural Resources Defense Council and Friends of the Earth sued Interior Secretary David Bernhardt, who signed a Record of Decision in August approving a coastal plain oil and gas leasing program.

In the other lawsuit, the Gwich'in Steering Committee and 12 other groups allege the Bureau of Land Management violated several laws, including the



The Aurora shimmers over Kaktovik on the edge of the coastal plain of ANWR. Most residents of the North Slope and Kaktovik support oil development on the coastal plain.

Endangered Species Act and the Wilderness Act.

Interior spokesman Nicholas Goodwin said the "congressionally mandated energy development program" leaves 92% percent of the refuge off-limits to development.

"The department's decision regarding where and when development can take place includes extensive protections for wildlife, including caribou and polar bears," he said.

The Bureau of Land Management in December 2018 concluded that drilling could be conducted within the coastal plain without harming wildlife.

"I believe there certainly could be a lease sale by the end of the year," Bernhardt said.

Meanwhile, 15 states have filed a lawsuit aimed at blocking the lease sale. The states bringing the suit are California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Oregon, Rhode Island, Vermont and Washington.

The states say environmental studies underestimate the greenhouse gas effect that would result from using petroleum products derived from ANWR.



FULL EXEMPTION OF THE TONGASS FROM ROADLESS RULE

Guest Opinion: By Carl Portman

After nearly two decades of countless public hearings, litigation, and extensive technical comments, it now appears a full exemption of the Tongass National Forest from the 2001 Roadless Area Conservation Rule is expected soon.

The U.S. Forest Service released a final Environmental Impact Statement (FEIS) on September 25th with the selection of a preferred alternative providing for the full exemption of the nation's largest national forest from the one-size-fits all rule.

The release of the FEIS starts a 30-day waiting period before a final decision is issued.

This is a big win for Alaska, RDC, the Alaska Forest Association, the Alaska Miners Association and other organizations, which worked hard and poured a great deal of effort into the issue.

U.S. Senators Lisa Murkowski and Dan Sullivan, and Representative Don Young praised the the full exemption decision.

"The Tongass is home to Alaskans who want what most Americans take for granted – the opportunity to live, work, and play in the communities in which they grew up," Murkowski said. "A full exemption from the Roadless Rule is about access – access to recreation, renewable energy, and more. This puts us on track for a Record of Decision and final rule by the end of the year, in turn opening the door for individuals and communities throughout Southeast to build a more sustainable economy while still ensuring good stewardship of our lands and waters."

Sullivan pointed out that for nearly two decades, the Roadless Rule has stifled opportunities for Alaskans in Southeast to harvest timber, connect communities, develop minerals and build vital energy projects. "With this new Tongass-specific regulation, the Forest Service has struck a better balance between conservation and fostering opportunities for Alaskans to make a living," Sullivan said.

"For years, I have said that the one-size-fits-all Roadless Rule was a disaster for Alaska," said Young. "Not only has the Roadless Rule put an unconscionable economic and social burden on Southeast Alaska, it also violates ANILCA and the 'no more' clause by locking up land from the people of Alaska."

The publication of the EIS is a first step towards correcting decades of top-down decisions from Washington D.C. which set aside more than 80 percent of the nation's largest national forest from active multiple use management.

The forest already has nearly 6.5 million acres of wilderness and national monuments that will remain intact. Moreover, existing roadless characteristics provided by current non-development land use designations will remain in place. These include remote recreation, Wild and Scenic Rivers, wildlife corridors, and special old-growth habitat.

Application of the Roadless Rule to the Tongass was never appropriate and has stifled the timber industry, and the larger Southeast economy. Exemption from the rule would improve access for recreation, renewable energy, mining, community connectivity, and timber harvesting over time.

Every successive Alaska governor and the state's congressional delegation have pushed to make the national Roadless Rule not apply in the Tongass.

Governor Dunleavy said a full exemption will bring Alaska one step closer to opening the door to improved transportation infrastructure and broad benefits to the people and economy of Southeast Alaska.

"After conducting a thorough, multi-year public process the Forest Service has once again acknowledged that this onerous rule has imposed an unfair burden on our state," Dunleavy said. "

Dunleavy noted the State of Alaska petitioned the Forest Service in 2018 for a full exemption, saying the Roadless Rule has unfairly blocked public access, including the roads essential to supporting a vital regional timber industry.

After a thorough public process, the Forest Service's final Environmental Impact Statement identifies Alternate Six – an unconditional, full exemption – as its preferred alternative.

Under the proposed rule, projects will still need to go through a formal Forest Service permitting process, but road access will once again be a realistic option to support multiple-use management objectives in the forest.

The Tongass spans nearly 16.7 million acres, covering almost all of Southeast Alaska. For decades, successive layers of federal regulation, including the 2001 Roadless Rule, have continually restricted access needed for timber, mining, tourism, recreation, and the development of renewable resources such as hydropower. The result has been a weaker regional economy that is largely seasonal.

Ambler Road Record of Decision fulfills ANILCA promise

In an important step toward providing access to the world class and strategically important Ambler Mining District in Northwest Alaska, the Department of the Interior has issued two decisions that authorize a right-of-way for a mining service road across federally-managed lands.

In support of the Trump administration's priorities to further critical mineral exploration and facilitate resource

development, these decisions, approve the route for the proposed 211-mile road, from Milepost 161 on the Dalton Highway to the south bank of the Ambler River.

"President Trump has long recognized why investments in infrastructure are vital to meet the urgent need for critical minerals," said Principal Deputy Assistant Secretary for Land and Minerals Management Casey Hammond. "The Trump Administration's

success today is a game changer for our nation's ability to secure American prosperity and national security."

The action fulfills the Alaska National Interest Lands Conservation Act promise made 40 years ago that creation of Gates of the Arctic National Park and Preserve would not block access to the national strategic resources of the Ambler Mining District.



Opening Remarks
Governor
Mike Dunleavy

45th Annual Virtual Membership Event

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Keynote Address
U.S. Senator
Dan Sullivan

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Thank you!

NPR-A Record of Decision is target of litigation

Environmental groups are pushing back against the Trump administration's revised land management plan which opens approximately 80% of the National Petroleum Reserve-Alaska to oil and gas development.

In late August, two lawsuits were filed challenging the Bureau of Land Management's plan to allow drilling on more than 18 million acres of land in the energy reserve. The lawsuits came the same day environmental groups filed legal challenges to the Department of

the Interior's opening of a portion of the coastal plain of the Arctic National Wildlife Refuge to oil and gas lease sales.

Interior spokesperson Conner Swanson said responsible exploration and development of NPR-A is vital to the nation's energy independence and economic security.

"The department's commonsense actions are lawful and based on the best available science, and we will continue to implement President Trump's agenda to create more American jobs, protect the

safety of American workers, support domestic energy production and conserve our environment," Swanson said.

The energy reserve was set aside in 1923 for its oil and gas resources. Geologists estimate NPR-A contains about 8.7 billion barrels of oil.

The Obama administration closed approximately half of NPR-A to development. Under the revised plan horizontal drilling is required to reach distant oil deposits beneath sensitive areas to protect wildlife and waterfowl.



INDUSTRY DIGEST



Oil Search Alaska to phase in development at Pikka

Oil Search Alaska LLC and its partner Repsol told Petroleum News last month that the companies have decided on a new phased approach for their North Slope Pikka unit development that will reduce up front costs and allow cash flow from Phase 1 to fund two subsequent phases.

In addition Phase 1 will involve one versus three drilling pads, it will provide for a smaller modular processing facility that can be expanded for subsequent phases and a flowline into existing North Slope infrastructure. A Nanushuk gravel access road to the first drilling pad was completed in the first half of this year.

Oil Search said the company was proceeding as though it would be using its own standalone facility with startup in 2025 as planned, but that commercial discussions with neighboring producers for initial production processing could shorten the time-frame to first oil.

Gold resource base increases at Pogo Mine

Northern Star Resources Ltd. has reported that its Pogo Mine in Interior Alaska now contains 6.7 million ounces of gold, a 13 percent increase over last year and the largest gold inventory in Pogo's history.

The Australia-based gold company says the increased gold at Pogo is despite only 62 percent of the budgeted drilling being achieved in the company's fiscal year ending on June 30.

"At Pogo, the exploration results being generated despite the impacts of COVID-19 are testimony to the world-class nature of this geological system and provide further evidence of what could be achieved in a normalized environment," said Northern Star Resources Executive Chairman Bill Beament.

COVID also limited the amount of drilling dedicated to upgrading the amount of Pogo gold resources to reserves. The Alaska operation, however, did replace the 200,700 ounces of gold mined last year and improved the ore grade.

Constantine prevails in Ninth Circuit

The Ninth Circuit Court of Appeals has ruled in favor of Constantine Metal Resources Ltd. in a lawsuit brought by Southeast Alaska Conservation Council and others that challenged federal permits for road building on the company's Palmer zinc-copper-gold project near Haines.

"We believe the Ninth Circuit decided correctly on this matter and are pleased with the final decision," said Liz Cornejo, community liaison and advisor to Constantine Metal Resources. "Constantine remains committed to quality science and meaningful engagement with Chilkat Indian Village of Klukwan and other stakeholders through every step of our mineral exploration and development activities," added Cornejo.

Coeur makes major investment in Kensington gold mine

Coeur Mining Inc. is making major investments in exploration at its Kensington gold mine near Juneau this year and plans to continue robust drilling focused on expanding high-grade targets.

During the first six months of 2020, Coeur invested \$21 million in exploration at six projects in the U.S., Canada, and Mexico, a major increase over the \$13.4 million of exploration conducted during the first half of last year.

"This has been a very exciting year for Coeur's exploration programs and one of the best first halves of drilling results in the company's history," said Coeur Mining Senior Vice President of Exploration Hans Rasmussen. "We have identified several prospective areas over the past few years to build our inventory of drill-ready targets."

Usibelli receives yet another safety certification

The National Mining Association (NMA) announced its recognition of Usibelli Coal Mine for its CORESafety certification, reflecting a zero fatalities record and a 50 percent reduction in the injury rate within five years. Usibelli joins 10 other companies whose operations have been independently certified under NMA's signature safety initiative. This follows a string of major safety milestones for the Healy coal mine.

Federal court blocks timber sale, Forest Service appeals

Attorneys for the U.S. Forest Service are challenging a federal court's decision to throw out the environmental review of one of the largest old-growth timber sales in the Tongass National Forest in decades.

The U.S. Forest Service's plan to harvest old growth forest on Prince of Wales Island was thrown out by Judge Sharon Gleason's ruling which also stopped road construction for the 15-year project.

Gleason allowed the Forest Service to argue in favor of correcting deficiencies in its review and moving forward without throwing out the entire project, but ultimately ruled against the agency.

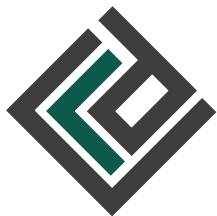
The method used in the Prince of Wales Landscape Level Analysis was the first time the agency used it for environmental review on an Alaska timber sale.

Gleason's decision also affected the Prince of Wales Island project and the Central Tongass Project near Petersburg and Wrangell.

In late August, the Justice Department filed notice with the 9th U.S. Circuit Court of Appeals to challenge the decision.

Neither the Forest Service nor the Justice Department has commented on the case. In previous filings, the federal government has argued that its Prince of Wales timber sales were necessary to keep remaining mills in the region running.

Tessa Axelson, executive director of the Alaska Forest Association, said in a statement that the ruling "threatens the viability of Southeast Alaska's timber industry."



RESOURCE DEVELOPMENT COUNCIL

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