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New wetlands report falls short of recognizing Alaska’s unique circumstances

The Clinton administration’s newly-proposed guidelines on how wetlands development should proceed in Alaska doesn’t go far enough in recognizing that a “no overall net loss of wetlands” policy will not work in Alaska, according to industry and community leaders.

As part of the administration’s August 1994 Wetlands Plan, the Environmental Protection Agency (EPA) and the Corps of Engineers convened a panel of “stakeholders” and solicited public comments in a series of meetings across Alaska from November through March to identify and address concerns with federal wetlands policy in the state. The Clinton administration dubbed the six-month effort the “Alaska Wetlands Initiative,” which the product of was to guide regulators in formulating new, flexible guidelines recognizing Alaska’s unique wetlands circumstances.

The final report, however, offers little in the way of substantive improvements in the Clean Water Act Section 404 program, RDC and other stakeholders claim. Although the guidelines were designed to be flexible, the final report still does not clarify how the regulations will be applied in Alaska, a major concern of stakeholders.

For instance, the report basically states that the “no-net-loss” goal will not always be achieved on a permit-by-permit basis in Alaska, but it doesn’t clearly state how, when and where it will be implemented.

“What continues to worry Alaskans is the uncertainty involved in the permitting procedures,” said Becky Gay, Executive Director of the RDC. “Which permits will be required to compensate with a net gain in order for some permits to allow a net loss?” Gay asked. “Certainly of how ‘no net losses’ would be implemented in Alaska was not achieved, and removing the uncertainty was a goal of all stakeholders.”

(Continued on page 2)
How the beetle kills...

1. In spring, beetles bore into the inner bark of the host tree (usually an older, larger spruce) and deposit their eggs.

2. During the summer, the adult beetles lay eggs on the tree bark. The larvae hatch and chew their way into the inner bark. The beetle continues its relentless march across the Kenai and Chugach National Forests.

3. An intensive beetle attack destroys the inner bark. The tree dies.

4. Late in the second summer, larvae change into adult beetles that overwinter at the tree’s root zone. The following spring, the cycle begins again.

RDC: Cut beetle-infested trees

(Continued from page 3)

With each passing year, as the state and federal government study and discuss options in dealing with the infestation, the beetle continues its relentless march across the Anchorage and into spruce forests near Anchorage. RDC stressed the time has come for prompt, effective and widespread action, not continued debate and gridlock. "The State and federal government should move quickly to reduce trees and reforesting the sites," RDC infested or lightly-infested stands and the Chugach National Forests, said in its comments to Warren Oja, Moose Pass Project Team Leader of the Chugach National Forest. Some organizations and individuals oppose logging the beetle-killed timber, drawing a picture of vast clear-cuts wiping out the Peninsula’s forested lands and wrecking its fish, wildlife and wilderness resources. While there may be no easy answers to the beetle infestation, logging plans certainly will not cause the devastation that opponents would like the public to believe.

By doing nothing on the Kenai, timber, wildlife, water and fishery resources are even more at risk, according to professional foresters. They warn that lack of action and continued forest health decline will result in loss of wild-lifefloral area health, continued riparian area degradation, substantial long-term conversion of forest to grass from lack of spruce regeneration, a significant decrease in plant diversity over time, increased fire hazard, and degradation of aesthetic quality forested landscapes. In addition, they say movement of big game animals is jeopardized when beetle-killed trees break off and fall to the ground in a jackstrawed configuration.

The new roads may not only provide new recreational opportunities, but allow for future forest health maintenance and protection. In some areas, the roads could be permanently closed to all uses and re-vegetated.

ARCO slices work force

Industry employment continues downward spiral

ARCO Alaska, Inc., will eliminate 750 jobs over the next several months, adding to a steady decline in oil industry employment in Alaska. "While very painful for all employees, these reductions are necessary to enable ARCO to be a long-term competitor in the global market," said ARCO Alaska President Ken Thompson.

"We are reaffirming our commitment to becoming competitive in a low-price environment, not only with fields elsewhere in the United States but across the world," Thompson said.

"We can no longer do all the things we did when North Slope production was at its peak. We must concentrate on producing the most oil possible from existing fields at the lowest possible cost, but with a continued emphasis on the safety and health of our employees and protection of the environment."

ARCO Alaska currently has approximately 2,500 employees. In 1990, employment was over 2,800 employees.

RDC supports Kenai logging

The Resource Development Council has urged the U.S. Forest Service to take aggressive action in combating the spruce bark beetle epidemic on the Kenai Peninsula.

In commenting on a cooperative state/federal plan to address the growing beetle infestation on the Kenai Peninsula, RDC said the forest as a whole, not just areas along the road corridor and at trailheads and campgrounds, should fall under aggressive treatment. Attacking the problem only along the road corridor and recreation sites would leave most of the forest at the mercy of the beetle and result in a catastrophic loss of the timber resource.

RDC is a proponent of a healthy, sustainable forest products industry in Alaska, as well as a diversified and productive forest. What is occurring on the Kenai Peninsula is counterproductive to both.

ARCO's cuts, industry employment from 1990 to 1993 has decreased approximately 24 percent, from a high of 5,228 in 1990 to a low of 3,979 in 1993. Some 1,249 jobs have been lost, not including the latest cuts at ARCO. Alaska’s oil producers have been hit hard by the combined effects of lower crude prices, declining production and rising costs as producing fields mature. Virtually every member of the Alaska Oil and Gas Association has experienced a reduction in its work force during this period.

Thompson said ARCO will continue to explore in Alaska, but the level of exploration spending will be determined by the ability of projects in Alaska to compete with projects elsewhere in the world.

"We will focus on low-cost, quality exploration, and we still believe there’s a chance for a major discovery," said Thompson.

The new ARCO president said his company will be seeking new ways to flatten the decline in production from existing fields.

"We will continue our long-term commitment to production and exploration technology in increasing rates and reserves from existing assets," he said.

Thompson said he feels very positive about ARCO’s future as a strong, competitive, low cost production and exploration company.

And so does RDC board member Roger Herrera, a former British Petroleum executive. Herrera noted that lower operating costs would make it easier for the company to sell Alaska exploration projects to its parent company in Los Angeles.

While acknowledging that the company might continue to spend more of its exploration budget abroad for the next few years, Herrera believes ARCO will continue to play a leading role in future exploration here.
David Parish, Senior Public Affairs Representative for EXXON Company, U.S.A., has been elected President of the Resource Development Council. Parish was elected to the one-year term at the Council's Annual Meeting in Anchorage June 2.

Elizabeth Rensch, General Manager of Analytica, Inc., was elected Senior Vice President while Scott Thorson, President of Network Business Systems, was elected Vice President. Lyle VonBargen, Public Relations Director for Alyeska Pipeline Service Company in Valdez, was elected Secretary and Allen Bingham, a Partner in the accounting firm of Deloitte & Touche, was re-elected Treasurer.

Parish succeeds Jim Cloud, Vice President for Commercial Loans at National Bank of Alaska. Prior to joining EXXON in 1988, Parish worked as a top aide to then-Senate President Jan Faiks. While working toward a bachelors degree in economics from Pepperdine University, Parish served as a summer intern at RDC in 1985.

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