

# Alaska Federal Natural Resource Policy Positions

## 2009



Image courtesy of NASA Jet Propulsion Laboratory

Relative size of Alaska to the contiguous U.S.



RESOURCE DEVELOPMENT COUNCIL

*Growing Alaska Through Responsible Resource Development*



# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

## Alaska Federal Natural Resource Policy Positions

January 20, 2009

Dear President Barack Obama and Members of Congress:

Just fifty years ago, Congress voted on whether Alaska should become our flag's 49<sup>th</sup> star. Earlier statehood votes failed as Congress doubted that the northern territory could sustain itself economically. However, the discovery of oil in Southcentral Alaska and the potential of vast deposits on the North Slope convinced Congress that Alaska could support its northern economy and contribute to the Union. Today, Alaska is responsibly developing natural resources that provide jobs, stimulate the economy, and ultimately increase national security by lowering America's dependence on foreign countries.

We strongly encourage you to become familiar with the issues that affect natural resource development in Alaska, as they have significant impacts on the rest of the country. The attached report provides an overview of federal natural resource policy positions that affect Alaska. It includes recommendations for you to consider as legislation and policies are developed to revitalize the economy, provide for the energy needs of America, and responsibly develop natural resources domestically for the benefit of all Americans.

Resource development drives Alaska's economy and provides jobs and income that have powered five decades of economic expansion. The state's economy is dominated by oil and gas exploration and production. Significant revenues and jobs are also generated from mining, fishing, timber, and tourism. In addition, there is great opportunity in renewable resources with Alaska aiming to produce 50 percent of its power through renewable means by 2025.

Yet much of Alaska is currently off-limits, preserved in vast Conservation System Units (CSUs). In 1980, when Congress passed the Alaska National Interest Lands Conservation Act (ANILCA), a staggering 106 million acres of the public domain was withdrawn into CSUs, such as national parks and refuges, bringing Alaska's total withdrawn acreage to 158 million acres.

Unlike the "Lower 48" states, where most of the land is owned by the private sector, less than one percent of the 365 million acres in Alaska is owned by conventional private owners. Currently, the federal government owns 60 percent of Alaska and the State of Alaska owns 28 percent. Alaska Native Corporations account for approximately 12 percent of the state as a result of the Alaska Native Claims Settlement Act (ANCSA) which Congress enacted in 1971 to provide a means by which Alaska Native people could derive economic benefits from the development of natural resources on their lands.

Given the state's reliance on natural resource development for economic stability and the funding of essential public services, it is imperative the Obama Administration and Congress provide for balanced federal policies that encourage multiple use activities on our vast federal lands and responsible resource development on state, Alaska Native, and private lands. Thank you for your thorough review of these recommendations. Please do not hesitate to contact me with questions.

Sincerely,

Jason W. Brune  
Executive Director

Founded 1975

**Executive Director**

Jason W. Brune

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# Resource Development Council for Alaska, Inc.

## Alaska Federal Natural Resource Policy Positions

### Summary

- **Alaska Natural Gas Pipeline:** Encourage the construction of a gas pipeline from the North Slope to the “Lower 48.” Provide access to unexplored gas basins to ensure the long-term viability of the project.
- **Oil and Gas Exploration & Development:** Support new exploration and development of Alaska’s oil and gas deposits, including prolific basins in the National Petroleum Reserve-Alaska (NPR-A), the Outer Continental Shelf (OCS), and the 1002 area of the Arctic National Wildlife Refuge (ANWR). Offshore development should include federal revenue sharing and/or community impact assistance. Additionally, encourage research and development of gas hydrates on the North Slope.
- **ANILCA Special Protections:** Uphold the special protections granted to Alaska under the Alaska National Interest Lands Conservation Act (ANILCA).
- **Federal Land Withdrawals:** Oppose new federal land withdrawals, marine protected areas, Antiquities Act designations, and BLM Wilderness studies on federal lands in Alaska. Support proposed land exchanges in Yukon Flats and Izembek National Wildlife refuges as well as the Sealaska Corporation Land Bill.
- **Polar Bear ESA Listing:** Oppose the use of the listing of the polar bear under the Endangered Species Act (ESA) to regulate greenhouse gas emissions and to block access to energy development.
- **Endangered Species Act Reform:** Support a federally streamlined, science-based process for listing and protecting ever-growing numbers of candidate species, threatened and endangered species, and critical habitat acreage designations.
- **Climate Change:** Encourage the regulation of greenhouse gas emissions through independent legislation, rather than through the Clean Air Act or Endangered Species Act, based on sound environmental, scientific, and economic principles that are international in scope.
- **Economic Timber Supply in Multiple Use Tongass National Forest with Continued Exemption from Roadless Initiative:** Manage the national forest system in Alaska to achieve its multiple use mandate, which includes resource development such as timber harvesting, mining, and commercial tourism operations. This must include providing a sustainable and long-term supply of economic timber in the Tongass. Maintain exemption for the Tongass National Forest from future roadless initiatives.
- **Increased Access for Tourism:** Support increased and expanded tourism opportunities through improved visitor facilities throughout Alaska’s national parks.
- **NPFMC Oversight of Federal Fisheries:** Support continued science-based oversight of Alaska’s federal fisheries under the North Pacific Fishery Management Council (NPFMC).
- **Federal Mining Law:** Oppose revisions to federal law and regulations that would have adverse impacts on Alaska’s mining industry.
- **Renewable Energy:** Support efforts to commercialize Alaska’s hydro, geothermal, wind, tidal, and other renewable energy sources.
- **Wetlands:** Support regulations that strictly follow the U.S. Supreme Court decision in *Rapanos v. United States*.
- **Federal Agency Funding:** Provide adequate funding for permitting functions.

**Resource Development Council for Alaska, Inc.  
Alaska Federal Natural Resource Policy Positions**

**Alaska Natural Gas Pipeline**

*Encourage the construction of a gas pipeline from the North Slope to the “Lower 48.” Provide access to unexplored gas basins to ensure the long-term viability of the project.*

The development of a natural gas pipeline from the North Slope to the Lower 48 is a top priority of Alaskans. The \$40 billion project would be the largest private-sector construction project ever undertaken in America. It would create tens of thousands of jobs and deliver clean energy to the Lower 48.

The federal government should continue to encourage the development of the gas pipeline. To become a reality, the pipeline requires additional gas reserves beyond the 35 trillion cubic feet (tcf) already discovered. Otherwise, the project will not be economic. The North Slope contains an estimated 119 tcf of technically recoverable conventional natural gas, but much of this gas sits inside the National Petroleum Reserve-Alaska (NPR-A), beneath the 1002 area of the Arctic National Wildlife Refuge (ANWR), or in other undeveloped areas of the North Slope and offshore areas. Access must be provided to these areas with high gas potential.

Unfortunately, the listing of the polar bear under the Endangered Species Act, subsequent critical habitat designations, and new land withdrawals may impede access to new gas discoveries required to make the pipeline economic over the long term.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **Oil and Gas Exploration & Development**

*Support new exploration and development of Alaska's oil and gas deposits, including prolific basins in the National Petroleum Reserve-Alaska (NPR-A), the Outer Continental Shelf (OCS), and the 1002 area of the Arctic National Wildlife Refuge (ANWR). Offshore development should include federal revenue sharing and/or community impact assistance. Additionally, encourage research and development of gas hydrates on the North Slope.*

Renewable energy and additional oil and gas development go hand-in-hand toward the building of a strong economy, even during an era of climate change. Although such a statement may seem contradictory, reality requires continued development of America's oil and gas resources as the nation transitions to the new energy sources of the future. While renewable and alternative energy will make up a growing part of the U.S. energy portfolio, they will not significantly reduce our reliance on foreign sources of oil in the near or mid-term, given they are projected to account for only 20 percent of our energy by 2030. The health of our economy and our national security will require utilization of both conventional and unconventional energy sources. No single approach is enough as we cannot drill our way to energy independence, nor can we conserve our way.

Every barrel of oil not developed in America will simply be imported from overseas where environmental regulations are often weaker and emissions from production activities are higher than from domestic operations. To reduce our \$700 billion annual reliance on foreign sources of oil, the Obama Administration and Congress should support a comprehensive energy plan which includes cautious and responsible oil and gas development onshore and offshore Alaska, where over 30 percent of the nation's technically recoverable resources reside. New production from Alaska would provide a bridge to the alternative and renewable energy sources of the future.

Alaskans pride themselves at how responsible development and the environment are not mutually exclusive. Historic development of over 15 billion barrels from the North Slope has occurred under strict regulation and within the jurisdiction of numerous federal and state laws. Virtually all of the North Slope is considered wetlands, with diverse wildlife and waterfowl populations. For nearly 40 years, these populations have coexisted with oil and gas development. For example, the Central Arctic caribou herd near Prudhoe Bay has increased from 5,000 animals in 1974 to over 30,000 today. Polar bear numbers have also increased, and extensive research occurs to monitor and preserve the healthy populations of other resident species.

Historically, Alaska oil has accounted for up to 25 percent of domestic production. However, today the existing 800-mile Trans-Alaska Pipeline is only 1/3<sup>rd</sup> full. If America is to ever truly reduce its reliance on foreign oil, the Obama Administration and Congress, through new energy policy, will need to address the nation's failure to encourage greater domestic oil and gas production.

Given the impact high energy prices have on Americans, our economy, and national security, the U.S. has a moral obligation to develop domestic sources of energy, both onshore and offshore. Much of our offshore areas were placed off limits 25 years ago under an entirely different energy and regulatory picture than exists today. For the sake of America's economy and energy security, it is imperative the U.S. reverse this policy and geographically diversify its domestic energy supplies.

As America pursues various strategies to secure its future energy requirements, new domestic oil and gas production can serve as the bridge to new energy sources. New production will not only revitalize the economy and stabilize energy prices, it will buy us the time we need to develop alternative and renewable

## **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

energy sources that will eventually break our reliance on foreign oil. In this context, RDC supports new exploration and development of Alaska's oil and gas deposits, including abundant onshore and offshore basins, in a cautious and responsible manner. Specifically, we support increased access and lease sales in the National Petroleum Reserve-Alaska (NPR-A), Outer Continental Shelf (OCS), and the 1002 area of the Arctic National Wildlife Refuge (ANWR). The U.S. Energy Department estimates that NPR-A, the Chukchi and Beaufort Outer Continental Shelf, and ANWR together contain 43.4 billion barrels of mean technically recoverable oil and 157.4 trillion cubic feet (tcf) of mean technically recoverable conventional natural gas. These Alaskan prospects could significantly boost domestic production and the economy, both in Alaska and the Lower 48.

**NPR-A:** The Obama Administration and Congress should move forward with the Bureau of Land Management's latest exploration plan for NPR-A, as well as additional lease sales in the future. The plan provides a high measure of protection to high value wetlands and wildlife and meets subsistence needs of North Slope residents. The plan includes protection of polar bears, defers from leasing for 10 years 430,000 acres of potentially oil-rich lands along the coast, and severely restricts development infrastructure on hundreds of thousands of acres elsewhere in the reserve. The North Slope Borough supports the latest plan, noting it provides significant measures to mitigate impacts and protect sensitive wildlife habitats.

Under current BLM plans, lands available for leasing in the Northeast and Northwest areas of the petroleum reserve could result in as much as 8.4 billion barrels of oil and tens of trillions of cubic feet of natural gas being developed.

The future option of environmentally-responsible development should be kept open and not blocked by a Wilderness designation inside the petroleum reserve. Permanent protection should not be granted to the Teshekpuk Lake Special Area or other lands within the petroleum reserve as evolving technologies may justify cautious exploration of the area in the future. Moreover, industry has proven it can responsibly operate in environmentally-sensitive areas in the Arctic.

**Outer Continental Shelf (OCS):** RDC supports additional offshore oil and gas lease sales in the Chukchi and Beaufort Seas and in the North Aleutian Basin. RDC also supports efforts to maximize benefits to local communities through federal revenue sharing and/or community impact assistance.

Early consultation and conflict avoidance mechanisms should be included in any OCS Alaska plan. Offshore development should occur within a strong regulatory regime. Any leasing plan should require state-of-the-art oil spill response and consider mitigation measures to minimize impacts to other resource industries, traditional lifestyles, and the environment. Reasonable stipulations to protect scientifically-verified, environmentally-sensitive areas should be incorporated in the plan.

When the U.S. Minerals Management Service (MMS) held its Chukchi Sea lease sale in February 2008, the agency collected a record \$2.7 billion in high bids on some 488 tracts. An abundance of large geologic structures makes it the most prolific unexplored offshore basin in North America. MMS estimates the Continental Shelf under the Chukchi has a mean of 15.4 billion barrels of oil and 77 tcf of natural gas. Offshore in the Beaufort Sea, MMS estimates the mean recoverable oil at 6.94 billion barrels and a mean projection of 32 tcf of natural gas. The North Aleutian Basin also likely contains significant quantities of natural gas.

RDC supports Alaska OCS development because it is confident operations can occur safely and with little impact to the environment. Moreover, the federal government has funded nearly \$300 million for

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environmental studies related to Alaska waters. Since 2000, it has had 30-40 active environmental studies each year offshore Alaska, totaling over \$45 million. Eleven more studies were commissioned in 2008, and work is underway to adapt an ice-ocean circulation model of the Bering Sea to the specific oceanographic conditions within Bristol Bay. This study will aid in determining necessary actions to protect the area.

OCS development has an outstanding safety record and has coexisted with local communities and other industries, including fishing in Alaska's Cook Inlet, the North Sea, and the Gulf of Mexico.

**ANWR:** Responsible and environmentally-sensitive oil and gas exploration and development in the "1002 Area" of the Coastal Plain of ANWR (eight percent of the refuge) remains a top priority of RDC and the State of Alaska. Nearly half of ANWR's 19 million acres is federally-designated Wilderness and 92 percent of the refuge is closed to development. The 1002 Area was intentionally excluded from the Wilderness designation in 1980 through a compromise that allowed ANILCA to move forward. The ANILCA compromise led to the conversion of the Alaska Wildlife Range into a refuge (ANWR) and doubled its size.

ANWR's large Wilderness block should not be expanded to include the 1002 Area of the Coastal Plain, given this area is considered the nation's most promising onshore oil and gas prospect. Even under a full leasing scenario and assuming development of major prospects, petroleum operations could be limited to only 2,000 acres of the Coastal Plain's 1.5 million acres of ANWR's 19 million acres. This footprint is less than .01 percent of the refuge.

Congress has a choice in the debate to open ANWR to responsible energy development – the jobs, increased national security, and positive trade balances associated with domestic energy production versus no jobs, decreased national security, and the increased trade deficit associated with imports. The Obama Administration and Congress should choose to open the Coastal Plain to oil and gas exploration in an environmentally-sensitive and responsible manner.

**Gas Hydrates:** Gas Hydrates on Alaska's North Slope hold one of the nation's largest deposits of technically recoverable natural gas. A USGS assessment estimates there are 85.4 tcf of undiscovered technically recoverable gas from natural gas hydrates on the North Slope. This would be enough natural gas to heat more than 100 million average-sized homes for ten years. The assessment points to a significant potential for natural gas hydrates to contribute to the energy mix of the U.S.

Further research is needed to demonstrate gas hydrates as an economically possible resource. Also needed are policies that encourage such development, including those that provide access to potentially rich gas hydrate areas.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **ANILCA Special Protections**

*Uphold the special protections granted to Alaska under the Alaska National Interest Lands Conservation Act (ANILCA).*

In 1980, after nearly a decade of debate, Congress passed the Alaska National Interest Lands Conservation Act (ANILCA), setting aside 106 million acres of federal lands in conservation system units (CSUs). This sweeping statute enlarged the federal acreage dedicated to conservation purposes in Alaska to 158 million acres, constituting 70 percent of all national park lands in America and 84 percent of wildlife refuge acreage. Designated Wilderness accounted for 56 percent of all lands in the National Wilderness Preservation System. Congress included numerous exceptions for Alaska, the Alaska economy, and the Alaska way of life. The provisions have become known as the “Alaska protections,” and they are vitally important to the State and its citizens. These provisions include:

- “No more” lands in Alaska shall be withdrawn for conservation purposes without the approval of Congress. The “no more” clause was intended to protect Alaska’s economy from additional future land closures beyond the unprecedented federal withdrawals under ANILCA. The clause was one of the seven consensus points that the State of Alaska had established for acceptance of ANILCA.
- Subsistence activities, including hunting and fishing, are allowed on all federal lands in Alaska with few exceptions. Rural residents engaged in subsistence uses shall have reasonable access to subsistence resources on public lands.
- Recreational fishing is allowed on all federal lands in Alaska. Hunting and trapping are permitted on all federal lands except national parks.
- Certain motorized vehicles are permitted on federal lands including designated Wilderness for subsistence and traditional activities.
- Acknowledging valid existing rights, including the right to access historic trails and to inholdings, existing cabins in newly created CSUs, valid mining claims, and commercial fishing. Among these rights, the most far reaching is access.
- Adequate and feasible access to State, Native, and other private inholdings is guaranteed.
- Congress understood that new transportation corridors would be needed in the future. Congress recognized in Section 1101 (a) that “Alaska’s transportation and utility network is largely undeveloped.” In contrast to the Lower 48, Alaska is mostly roadless. Resource development, including mining, oil, and gas, is a cornerstone of the Alaska economy and is dependent upon reasonable access to tie into the existing transportation infrastructure. ANILCA provides a process designed to consolidate and expedite the complex environmental review of new transportation and utility systems across CSUs to reach resource-rich lands beyond the units.
- Allows uses in designated Wilderness areas in Alaska normally prohibited in other states by the Wilderness Act.
- Oil, gas, and mineral potential will be assessed on all federal lands in Alaska and annual reports transmitted to Congress.
- An oil and gas leasing program will be conducted on certain federal lands with annual reports to Congress on its progress.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **Federal Land Withdrawals**

***Oppose new federal land withdrawals, marine protected areas, Antiquities Act designations, and BLM Wilderness studies on federal lands in Alaska. Support proposed land exchanges in Yukon Flats and Izembek National Wildlife refuges as well as the Sealaska Corporation Land Bill.***

The Alaska National Interest Lands Conservation Act (ANILCA) struck a balance between preservation and multiple use activities by setting aside 106 million acres of federal lands in conservation system units. Additional federal land withdrawals would violate the “no more” provision of ANILCA, and to this end, RDC opposes any new federal land withdrawals, marine protected areas, Antiquities Act designations, and BLM Wilderness studies on federal land in Alaska.

Overall, 158 million acres in Alaska have already been set aside into federal conservation units. These units, which nearly equal the combined size of California and Oregon, comprise 70 percent of America’s national park lands and 84 percent of its national wildlife refuge lands. A vast majority of these lands are off-limits to development, including 57 million acres of designated Wilderness, which in itself accounts for 56 percent of all federal Wilderness in America. If this designated Wilderness were made into one state, it would be the 11<sup>th</sup> largest state in the union – larger than the combination of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, and Maryland.

Alaska has only scratched the surface of its resource potential, and could see many future economic opportunities vanish under government policies affecting land use in general and federal Wilderness in particular. Continued withdrawal of land from productive multiple uses would leave striking implications for Alaska energy and resource development, utilities, recreation, local governments, and tourism.

Conversely, RDC does support responsible land exchange and entitlement conveyances as proposed in the Yukon Flats, Izembek National Wildlife Refuge, and in the Sealaska Lands Bill. These proposals are win-win scenarios that increase the overall environmental and economic benefits of nearby CSUs and residents.

**Yukon Flats National Wildlife Refuge Land Exchange:** The Obama Administration and Congress should move forward with the proposed land exchange between the U.S. Fish and Wildlife Service and Doyon Limited, a regional Alaska Native Corporation. The exchange would allow the Service to achieve its conservation goals and consolidate land ownership. It would allow the agency to acquire many of the highest-priority fish and wildlife habitats on Doyon lands. The exchange would result in a net gain of water bodies and fish habitat, high value waterfowl habitat, wildlife habitat, aquatic mammal species, known cultural resource sites, and lands for subsistence use. The Service would end up administering more land, with consolidation of surface ownership.

The land exchange would also allow Doyon to consolidate its holdings within the Yukon Flats, improving the economics of drilling for oil and gas. While the entire flats show favorable signs of petroleum resources, the highest potential lies under land proposed for exchange.

It is important to recognize that Doyon will likely proceed with development on its existing lands inside the refuge, even if the land swap does not happen. Under the terms of ANILCA, Doyon would have the right to cross refuge lands, including the lands that the corporation would have gained in the exchange, to develop the corporation’s oil and gas interests.

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Regardless of whether oil and gas is ever discovered, the land exchange is a gain for the national wildlife refuge system. Doyon would relinquish a larger area of surface land than it would gain, including high-value habitat. If Doyon discovers and produces oil and gas on the lands acquired through the exchange, the Service would receive a production payment and a commitment from Doyon to sell more land to the Service and to reallocate 56,000 acres of remaining entitlement within the refuge to locations outside the refuge.

The benefits of the land exchange to Doyon, its shareholders, the State of Alaska, and the nation are significant. The Yukon Flats could hold significant quantities of natural gas and oil. The land exchange and subsequent discovery of energy resources would allow for the creation of a long-term economic base in an economically-disadvantaged part of rural Alaska. Development would create 1,000 or more good-paying jobs. It would help fulfill the promise of the Alaska Native Claims Settlement Act (ANCSA) of 1971 to enhance social and economic well-being of Alaska Native people, creating jobs and other opportunities for Doyon shareholders.

**Izembek National Wildlife Refuge Land Exchange:** The Obama Administration and Congress should authorize the Izembek National Wildlife Refuge land exchange, which would provide for a critical road link between King Cove and Cold Bay. The single-lane gravel road is an urgent health and public safety priority of local residents. Construction would be governed by strict mitigation procedures and access to the road would be restricted by law to noncommercial vehicles. The road would provide King Cove residents access to an all-weather airport at Cold Bay for medical emergencies. The road would travel through only a sliver of the refuge. The exchange would add 61,000 new acres to the refuge and provide local residents with a modest project that would bring safe transportation to their isolated community.

**Sealaska Land Bill:** RDC urges the Obama Administration and Congress to support the Sealaska Corporation Land Bill, which would finalize land entitlement conveyances to the Southeast Alaska Native Corporation.

ANCSA recognized and settled the aboriginal claims of Alaska Natives to their traditional homelands by authorizing the establishment of Alaska Native corporations to receive and manage lands and funds awarded in settlement of the claims. The purposes of ANCSA were not only to settle the land claims of Alaska Natives, but to provide them with a means to pursue economic development and create sustainable economies for the benefit of Alaska's Native people.

However, more than 35 years after the passage of ANCSA, the land conveyances have yet to be completed. Since 1971, many Alaska Native corporations have become successful and powerful economic engines within their regions and throughout the State of Alaska.

Sealaska is the single largest private employer in Southeast Alaska, providing 600 to 800 jobs annually, and contributing as much as \$90 million each year to the Southeast Alaskan economy. Sealaska also provides a significant benefit to Alaska Natives across the state through its annual revenue sharing contributions, which have totaled over \$300 million.

The proposed legislation would allow Sealaska to complete its land entitlement by making cultural and economic land selections from the Tongass National Forest. In return, it would allow removal of the encumbrance created by the withdrawal of lands for Alaska Native selection in Southeast Alaska.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **Polar Bear ESA Listing**

***Oppose the use of the listing of the polar bear under the Endangered Species Act (ESA) to regulate greenhouse gas emissions and to block access to energy development.***

RDC does not support the listing of the polar bear under the Endangered Species Act (ESA). The listing is premature and could result in substantial unintended consequences. The federal government failed to adequately consider the existing regulatory mechanisms, including conservation measures, as polar bears are currently protected under the Marine Mammal Protection Act (MMPA). Their listing under the ESA could severely impact Alaska's economy, especially given the third party litigation that is likely to emerge over development projects in or near critical habitat designations.

Existing laws such as the MMPA and other mechanisms are working and provide a high level of protection to polar bears, which have coexisted with oil and gas operations in Alaska's arctic region for decades. In fact, polar bears are abundant and their population in Alaska is healthy in size and distribution. Their Alaska population has increased sharply since the advent of oil and gas exploration and development on the North Slope.

RDC is concerned the polar bear listing will be used to force regulation of greenhouse gas emissions through the ESA, leading to potentially severe consequences for the national economy and significant increases in the cost of energy for Americans. If the ESA is used as a tool to regulate greenhouse gases, there is a high risk that other species in other habitats across North America could be listed under the precedent that climate change is threatening their habitats.

RDC is further concerned oil and gas exploration and other responsible resource development will be blocked in or near areas designated as critical habitat for polar bears with no added benefit for the bears. Access could be blocked to new gas discoveries necessary for an economically feasible gas pipeline to the Lower 48.

The Obama Administration should reject demands to repeal or revise the section 4(d) rule adopted under the polar bear listing and continue to preclude consideration of climate change through the ESA. Under the special 4(d) rule, the polar bear listing would not be used to limit greenhouse gas emissions, and decisions on oil and gas development would continue to reside within the MMPA.

RDC strongly supports this rule and believes it is necessary to avoid frightening unintended consequences to the economy and domestic energy development. In addition, preservation of the rule will prevent use of the ESA to set backdoor climate policy.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **Endangered Species Act Reform**

***Support a federally streamlined, science-based process for listing and protecting ever-growing numbers of candidate species, threatened and endangered species, and critical habitat acreage designations.***

Environmental lawsuits continue to threaten the responsible development of Alaska's natural resources. At the forefront of these lawsuits are demands for Endangered Species Act (ESA) listing of healthy populations of Alaska species that occupy areas rich in natural resources. Supporters of recent listings and proposed listings openly profess their objective is to halt development, and Alaska has been singled out for such attacks. It would be appalling if such challenges were allowed to stand in the way of securing our nation's energy and other natural resource future, especially given what Alaska has to offer America.

The U.S. economy cannot be expected to recover and thrive without a federally streamlined, science-based process for evaluating listing nominations for protection of candidate species, threatened and endangered species, and massive critical habitat acreage designations under the ESA.

The ESA should require formal, independent peer review of scientific and economic information regarding a species, with all such review included in the administrative record. Substantial evidence in the administrative record as a whole should be mandated before any listing goes forward. We support changing the definitions of "species" and "subspecies" to conform to the International Code of Zoological Nomenclature, and the removal of "distinct population segment" as a definition of "species." In addition, we support the designation of critical habitat only after recovery plans are developed.

RDC also supports the adoption of the proposed rule on interagency cooperation under the ESA. The proposed regulations were developed partly in response to a Government Accountability Office report in 2004 which found that despite improvements, the ESA consultation process "remained contentious between Services and action agencies." The report noted that the consultation process remained "burdensome." The proposed rule would reduce the number of unnecessary consultations and maximize agency resources. Such action would improve the efficiency and the effectiveness of interagency consultations. The proposed regulations clarify the ESA consultation process is not required for every federal action that may have greenhouse gas emissions. Such a requirement goes far beyond the intent of the ESA and would have far-reaching implications for the economy and industries. It would result in far more consultations than agency resources could sustain.

The costs of ESA permitting and the prevalence of environmental lawsuits are often prohibitive for the nation's countless small businesses and landowners. An incidental take general permit is strongly recommended for smaller projects having only minor impacts on listed species. Common sense must prevail.

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**Climate Change**

*Encourage the regulation of greenhouse gas emissions through independent legislation, rather than through the Clean Air Act or Endangered Species Act, based on sound environmental, scientific, and economic principles that are international in scope.*

RDC opposes the regulation of greenhouse gas emissions through the Clean Air Act or the Endangered Species Act. Separate greenhouse gas emission legislation should be based on sound environmental, scientific and economic principles within the context of U.S. energy needs and the national economy. Such legislation should be coordinated with other emitting nations to ensure this problem is addressed on a global scale and does not put American business at a competitive disadvantage. Otherwise, new regulations would likely result in unintended consequences, including a shift in emissions, and possibly production capacity, from the U.S. to other countries. This could result in a net increase in global emissions.

RDC urges the Obama Administration and Congress to conduct a comprehensive discussion of the impacts and costs of any program aimed at regulating greenhouse gas emissions. The government must explain in clear terms the costs and benefits of the U.S. regulating greenhouse gases. The government must avoid regulatory measures that result in significant and untimely shocks to a weak domestic economy and result in higher prices for energy, food, manufactured goods, and transportation. Overly stringent and duplicative regulation would hinder the nation's ability to meet domestic energy demands, grow the economy, and avoid price shocks across the nation.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **Economic Timber Supply in Multiple Use Tongass National Forest with Continued Exemption from Roadless Initiative**

*Manage the national forest system in Alaska to achieve its multiple use mandate, which includes resource development such as timber harvesting, mining, and commercial tourism operations. This must include providing a sustainable and long-term supply of economic timber in the Tongass. Maintain exemption for the Tongass National Forest from future roadless initiatives.*

The Obama Administration and Congress should support management of the national forest system in Alaska to achieve its multiple use mandate, which includes responsible resource development such as timber harvesting, mining and commercial tourism operations.

In reality, this is not the case across much of the national forest system in Alaska where most lands are managed for preservation purposes, to the exclusion of resource development. Vast acreage is managed as if they are within a national park, which is closed to timber harvesting and other resource development activities. Even commercial tourism is significantly restricted under land management policies that make access at best challenging, and in many cases nearly impossible for people, both physically and economically.

**Economic Timber Supply:** It is imperative the Forest Service provides a sustainable and long-term supply of economic timber to help build a more diverse and vibrant economy in Southeast Alaska. The annual commercial harvest ceiling in the Tongass, the nation's largest national forest, is 267 million board feet, down from an annual harvest level of 520 million board feet originally set by the Alaska National Interest Lands Conservation Act (ANILCA) of 1980. However, annual timber harvests have fallen under 20 million board feet to pre-World War II levels. As a result, the timber industry in Southeast Alaska is a mere shadow of itself and thousands of jobs have been lost in the region, putting severe strain on local economies. Economic timber sales to harvest levels permitted under the current management plan would save what remains of the Southeast Alaska timber industry and help restore a fully integrated timber industry in the region to restore jobs and diversify the region's economy.

Timber harvesting is highly regulated in the Tongass and falls under numerous state and federal laws to protect water, land, air, and wildlife. Much of the forest has been placed off limits to logging to preserve vast areas in their original state. Where it has occurred, logging has been conducted in an environmentally-sensitive manner. The region's fisheries and local wildlife populations remain healthy, a testament to responsible resource development.

The seemingly endless cycle of forest plan revisions, litigation, and timber sale appeals has the last family-owned sawmills in Southeast Alaska clinging on the brink of survival. The Tongass Healthy Futures Roundtable is a group of diverse stakeholders seeking alternatives to the "Tongass Wars" of the past. At Statehood, Congress limited the State of Alaska Land entitlement from the Tongass because the United States was contractually obligated to provide timber to industry under long-term contracts. Those contracts are no longer in place and the U.S. is no longer providing sufficient timber to support a robust regional economy. The Obama Administration should be open to creative solutions under consideration by the Roundtable and others such as establishing a portion of the Tongass National Forest as a federal working forest, transferring a portion of the forest to a trust mandated to provide a sustainable timber supply to industry, conveying a portion to Sealaska through the Sealaska Land Bill, or increasing the State's selection rights on the Tongass to establish a working State Forest.

## **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

Moreover, the Forest Service should continue funding for construction, planning, and design of logging roads. Such action is appropriate and is vital in accessing timber, especially economic-challenged timber sales. The network of logging roads in the Tongass has greatly benefited local communities, providing residents access for recreation, hunting, and fishing in a region devoid of a surface transportation network. These roads have also proven beneficial to tourism, allowing visitors to see a limited portion of rugged and majestic Southeast Alaska – outside local ferries and cruise ships.

**Roadless Initiatives:** The current roadless rule exemption for the Tongass must be maintained. The exemption is not only appropriate, but is essential to the survival of the region's small timber industry and the economies of local communities. Expansion of roadless areas would severely compromise the forest's multiple use mandate and the balance struck by current management plans between protected areas and areas managed for multiple uses.

Both the Tongass and Chugach National forests are largely roadless and commercial timber harvests are prohibited on 95 percent of the national forest lands in Alaska. Less than three percent of roadless areas in the Tongass are open to logging. While the current forest plan leaves 2.4 million acres in backcountry areas open to logging, only about 663,000 acres are scheduled for harvest over the next 100 years, and half of that acreage is second-growth timber cut decades ago. Only 6.5 percent of the forest's old-growth commercial-grade acreage will be harvested between now and 2108.

Currently, there is no commercial harvest permitted in the Chugach National Forest, the nation's second largest national forest.

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**Increased Access for Tourism**

*Support increased and expanded tourism opportunities through improved visitor facilities throughout Alaska's national parks.*

Currently, most national park, forest, and refuge lands are inaccessible by surface infrastructure and few have visitor facilities. If tourism is to play a larger role in broadening Alaska's economic base as one of its "renewable resources," increased access to federal parks, forests, and refuges must occur and improved visitor facilities must be constructed.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **NPFMC Oversight of Federal Fisheries**

*Support continued science-based oversight of Alaska's federal fisheries under the North Pacific Fishery Management Council (NPFMC).*

RDC supports continued oversight of Alaska fisheries under the science-based Magnuson-Stevens Fishery Management Conservation Act and the North Pacific Fishery Management Council. The Council has primary responsibility for groundfish management in the Bering Sea, Gulf of Alaska, and the Aleutian Islands.

The seafood industry of the Pacific Northwest contributes tens of thousands of jobs and over two billion dollars to the economies of Alaska and Washington annually. Over 50% of the fishery resources of the United States are harvested off Alaska and the Pacific Northwest. Maintaining healthy oceans and sustainable fisheries under Magnuson-Stevens and the North Pacific Council should be a priority.

The Council has an excellent track record for managing fishery resources, and is considered a model by other nations around the world. All of the groundfish species under the Council's authority are managed at healthy and sustainable levels. The Council recommends annual catch limits at or below the sustainable harvest levels determined by scientific advisers.

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**Federal Mining Law**

*Oppose revisions to federal law and regulations that would have adverse impacts on Alaska's mining industry.*

Alaska contains strategic minerals important to national security and the economy. The continued development and production of these resources by America's mining industry is vitally important.

RDC opposes revisions to federal law and regulations that would have adverse impacts on Alaska's mining industry and discourage the exploration, development, and production of minerals within the United States. Revisions to federal law and regulations that discourage exploration and block development would make the U.S. increasingly reliant on foreign sources for many of our strategic resources.

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**Renewable Energy**

*Support efforts to commercialize Alaska's hydro, geothermal, wind, tidal, and other renewable energy sources.*

Diversity and predictability of energy sources will encourage investment in responsible resource development projects and value-added industries in Alaska. Subsequently, RDC supports the commercialization of Alaska's hydro, geothermal, wind, tidal, and other renewable energy sources to diversify Alaska's energy portfolio and help communities across the state achieve energy security for their future economic well-being.

The State of Alaska has set an ambitious goal of generating 50 percent of Alaska's electricity by 2025 from renewable sources and we look forward to being an example for other states to follow.

In addition, Alaska's vast coal resources should not be ignored, and research should be funded to advance clean coal technology.

# **Resource Development Council for Alaska, Inc. Alaska Federal Natural Resource Policy Positions**

## **Wetlands**

*Support regulations that strictly follow the U.S. Supreme Court decision in Rapanos v. United States.*

Most Alaska communities are built on or adjacent to wetlands. If Alaska is to continue to build its economy and contribute its much-needed resources to the nation, reasonable expansion of the state's infrastructure is necessary and prudent.

The Obama Administration and Congress should develop regulations that strictly follow the U.S. Supreme Court decision in Rapanos v. United States. While the Court found that the U.S. Army Corps of Engineers overreached in its regulation of wetlands, the final chapter on the regulation of millions of acres of wetlands in Alaska and across the nation has yet to be written. This landmark case is important to the administration of wetlands regulations in Alaska since over half of the state's non-mountainous lands are considered wetlands. Under the existing regulatory framework, Alaska's wetlands are highly regulated. In fact, Alaska has achieved its current level of development while preserving 99.9 percent of its wetlands.

**Resource Development Council for Alaska, Inc.  
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**Federal Agency Funding**

*Provide adequate funding for permitting functions.*

The Obama Administration and Congress should prioritize funding for permitting functions of federal regulatory agencies so that development projects are reviewed and permitted in a timely manner. Government agencies are experiencing a significant backlog of projects to review and permit due to inadequate funding, third-party litigation, insufficient levels of trained staff, and high staff turnover rates. As a result, delays in permitting projects, ranging from resource development to infrastructure expansion, have occurred. These delays jeopardize projects and inhibit economic expansion and job growth.