Resource Development Council for Alaska, Inc., for encouraging the wise, efficient use of Alaska’s resources. We appreciate and support the Council’s continued efforts to improve the quality of life in Alaska through sound resource development.

New Resource Review

The Resource Development Council is pleased to present a brand new Resource Review to readers this month. With a new format and a generous corporate sponsor, the Resource Review has been renamed. The Editor and Assistant Editor, Larry Henderson and Cindy Jordan, respectively, have worked hard to develop a new format and a generous corporate sponsor who, like you, has a big stake in the economic well-being of Alaska. In April, we’re pleased to welcome the Alaska Railroad Corporation as our first sponsor.

Through this new sponsorship program, we're making a direct investment in building support for industry in Alaska. Our thanks go to our corporate sponsor who, like you, has a big stake in the economic well-being of Alaska.

Resource Development

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 healthy, diversified economy while protecting and enhancing the environment.

RDC invites members and the general public to its weekly breakfast meeting featuring local and national leaders who discuss Alaska issues. Meetings are held on Thursdays at 7:30 a.m. in the Northern Lights Inn. Reservations are requested by calling 276-0700.

Message From The Executive Director

By Paula P. Easley

Most of the folks who’ve been active in the Resource Development Council since its inception as OMAR ten years ago this month can’t believe how some of the events of the decade have affected us here in Alaska. And most feel a sense of frustration that, 25 years after statehood, we still have not achieved the economic self-sufficiency we were so sure was within reach.

Who could have forecast the impact on land use of Section 17(g)(2) of the Alaska Native Claims Settlement Act of 1971, the section which was resolved by Congress in December 1980 as the Alaska National Land Conservation Act? Or the economic implications of the National Environmental Policy Act of 1969, the Clean Air and Water Acts of 1972, the Coastal Zone Management Act, and the Endangered Species Act of 1973? Or the Federal Water Pollution Control Amendments of 1972 which mandated federal protection of wetlands? Or the National Historic Preservation Act, Water Resources Planning Act and the Federal Land Policy and Management Act of 1976? Although not all-inclusive, these federal environmental laws have greatly impacted Alaska, primarily because they all govern land use, and land we have.

It is important to remember that nearly all of this legislation contained requirements for planning that has had significant impacts on state and local government and private property.

When the Coastal Zone Management Act was passed in 1972 to protect the coastlines, the people in Congress weren’t thinking about Alaska, but about the more populated states where extensive coastal development had taken place. There was a legitimate need to avoid potential deterioration in these valuable resource areas.

Our organization urged the state to reject the carrot of federal planning money and do our own planning as it was needed, outside the mandates of the Coastal Management Act. We spent a lot of time and money trying to convince the powers that be that large oil and gas revenues.

(Continued on page 6)

New Resource Review

The Resource Development Council is pleased to present a brand new Resource Review to readers this month. With a new format and a generous corporate sponsor, the Resource Review has been renamed. The Editor and Assistant Editor, Larry Henderson and Cindy Jordan, respectively, have worked hard to develop a new format and a generous corporate sponsor who, like you, has a big stake in the economic well-being of Alaska. In April, we’re pleased to welcome the Alaska Railroad Corporation as our first sponsor.

Through this new sponsorship program, we're making a direct investment in building support for industry in Alaska. Our thanks go to our corporate sponsor who, like you, has a big stake in the economic well-being of Alaska.

OCS . . .

Easley said that a study in the world balance of power and erosion of the political framework of the Western economic system could occur in times of crisis.

Another aspect that concerns the Council is the Soviet strategy to seek to control global resource production and trade. Such a strategy could be used by Moscow as an instrument to jeopardize American supply sources.

To emphasize the seriousness of this strategy, Easley testified, "Russia and Japan are now cooperating on a project to find oil offshore in what is believed to be one of the world's most promising areas of untapped oil in the north of Japan." She added, "we certainly can't blame Japan for using Russia as a supply source when Alaska has been prevented from lowering export of oil by Japanese." Easley urged that Congress consider America's oil development and minerals policies in the larger context of national security and the security of the Free World.

"Our foreign policies, our alliance policies, our defense policies and our environmental and other domestic policies must all be reviewed and the clear understanding that another world power is dead set on controlling global resource production and trade, to our detriment," Easley warned.

Given this view, she questioned the logic of placing huge amounts of on and offshore acreage off limits to resource production. She noted that environmental considerations did not support the offshore moratoria.

Fisheries . . .

He explained that purchasing foreign oil and importing it by tanker is the least desirable because it substantially adds to the balance of trade problems and poses a greater pollution hazard through tanker spills.

"Land-based oil production is not without its environmental trade-offs," he added. "OCS oil and gas production often leaves no scars or footprint on the surface of the ocean. OCS structures increase habitat and carrying capacity for fish and other aquatic organisms, and then congregate them for easy recreational and commercial fishing access."

Supporting his claim that commercial and recreational fishing around oil and gas structures is big business, Sullivan cited a Louisiana State University report that showed 75 percent of recreational fishing worth $640 million annually to the Louisiana economy is centered under the shadow of oil and gas structures. Another study indicated that 40 years ago sport fishing in Louisiana was worth $6.5 million. Sullivan said bonus bids and royalties from offshore production have contributed over $60 billion to the U.S. Treasury compared to only $6 billion from far greater onshore production collected over twice as many years. He also pointed out that about 90 percent of the nation's most important conservation funding sources, the Land and Water Conservation Fund, comes from OCS oil revenues.

Lease Sale 92, Easley charged Governor Bill Sheffield with not scheduling lease sales, but to encourage immediate expansion of the OCS leasing program.

She explained that where exploitation and development have taken place, many of the fears of residents have been resolved, and all but the most uncompromising and adamant opponents have then joined ranks with the majority in support of development.

"I believe it is time we as a nation set aside the fears which have proven to be unfounded," Easley said. "By moving forward with confidence, optimism and the latest technological capabilities, we can once again get our nation on sound footing."

Easley urged the congressional panel to not only support the appropriations request of the Minerals Management Service for scheduled lease sales, but to encourage immediate expansion of the OCS leasing program.

Turbidity

(Continued from page 5)

"It is another matter that the turbot, which has been proposed to be removed, has proved to be unfounded," Easley said. "By moving forward with confidence, optimism and the latest technological capabilities, we can once again get our nation on sound footing."

Easley urged the congressional panel to not only support the appropriations request of the Minerals Management Service for scheduled lease sales, but to encourage immediate expansion of the OCS leasing program.

(Continued from page 1)
Creation of habitat area dooms Kenai cattle project

A project that could have been an exemplary chance to develop Alaska’s agriculture industry without an influx of state dollars suffered a deadly setback after the Kenai Peninsula Borough Assembly voted this month to endorse legislation establishing a 19,000-acre wildlife habitat area.

Efforts to develop a large cattle-export operation near Homer would be crushed if the legislature approves House Bill 280 which calls for establishment of a critical habitat area to protect winter feeding areas for moose. The habitat area, which would be managed by the Alaska Department of Fish and Game, includes a 3,000-acre grazing lease near Fritz Creek.

H-A-Samick America Corporation says the grazing lease is crucial to its plans to export up to 10,000 head of cattle annually to Korea. The cattle venture would be the state’s largest farm export project, doubling the number of cattle raised in Alaska, according to Robert Breeze, President of the Alaska-Korea Business Council.

Breeze told a Resource Development Council public forum earlier this year that the Korean firm wants to use up to 80,000 acres of rolling grassland as the base for the ranch. This project would employ up to 300 people and create a market for Alaska livestock and for all surplus barley now grown in Alaska.

The Anchorage attorney noted that local governments on the Kenai Peninsula are “destroying the prospects for developing agriculture.” In the past month, the Homer City Council and the Kachemak City Council have joined the Kenai Peninsula Borough in supporting creation of the habitat area.

Breeze said that local government action has sent a signal to any private group that wants to develop agriculture on the peninsula that their industry isn’t welcomed there.

“That unfortunate,” Breeze said. “One day the Kenin-...
**Rural Alaska faces economic disaster**

Rural Alaska is on the verge of an economic crisis that could send shock waves throughout the state’s private sector and threaten the quality of life of residents not only in bush, but urban Alaska.

In a speech before the Resource Development Council earlier this month, Mayor David Hoffman, Ruby, Alaska, said that bush Alaska has become too dependent on state spending, and with rapidly declining oil revenues, an alternative economic base must be developed quickly.

“May you think this imminent economic collapse is the state’s problem but it is your problem too,” Hoffman told the Council.

He said if the bush economy collapses, urban Alaska would be flooded with up to 30,000 economic refugees, Hoffman predicted.

Alaskans would face tremendous pressures to prepare for the old order with new tax dollars. In addition, businesses in Anchorage and Fairbanks would lose a valuable market for goods and services if the bush economy falters.

“It is clear that Anchorage and Fairbanks have a major stake in the survival of rural Alaska,” Hoffman said. “If the bush takes a fall, the local economy will be severely strained. In addition, those new urban residents would bring with them little savings. Meanwhile, social and personal problems associated with unemployment would likely rise in the urban communities, Hoffman said.

The regulation of placer mining and all other rural industries should be based partly on cost-benefit analysis. Our final regulatory decisions must be affected by economic considerations.

Hoffman urged the Resource Development Council to continue its work in promoting regional economic diversification to develop a new rural economy which is less vulnerable than the present one.

“Do we have to sit and think the way the people in the mill towns of Pennsylvania and Ohio and West Virginia are working?” Hoffman suggested. “In the past seven years those people have been working to diversify regional economies based on a single industry such as steel which has since gone into decline.”

Hoffman said those communities are now developing new strategies to preserve what they can of their old industries while working to develop new ones. He said those strategies are not based on massive government subsidies, rather they are based on the “efficient and intelligent pooling of the combined resources of business, labor and government.”

Page 4 / RESOURCE REVIEW / April 1985

**Placer Miners Hear Common Problems of Alaska Industry**

Persons attending the Seventh Annual Conference on Alaska Placer Mining in Fairbanks March 30 were treated to an informative summary of the common problems Alaska industries face in developing their resource.

A nine-member panel, moderated by R.D. Heimlich, state engineer, was stressed that there is too much emphasis on protection, and too little support for development of the state’s resources. Closely related to this concern was the frustration of dealing with overwhelming inconsistencies of state, local and federal land management plans.

Some constraints mentioned by industry representatives were other environmental concerns. For example, placer miners on the 30 “priority” streams this summer will not be cited for violating the state’s turbidity standards as long as they are complying with operating conditions specified by agreements with the state.

“Placer Miners Hear Common Problems of Alaska Industry”

**Placer Miners Hear Common Problems of Alaska Industry**

Persons attending the Seventh Annual Conference on Alaska Placer Mining in Fairbanks March 30 were treated to an informative summary of the common problems Alaska industries face in developing their resource. A nine-member panel, moderated by R.D. Heimlich, state engineer, was stressed that there is too much emphasis on protection, and too little support for development of the state’s resources.

Closely related to this concern was the frustration of dealing with overwhelming inconsistencies of state, local and federal land management plans.

Some constraints mentioned by industry representatives were other environmental concerns. For example, placer miners on the 30 “priority” streams this summer will not be cited for violating the state’s turbidity standards as long as they are complying with operating conditions specified by agreements with the state.

“Placer Miners Hear Common Problems of Alaska Industry”

**Placer Miners Hear Common Problems of Alaska Industry**

Persons attending the Seventh Annual Conference on Alaska Placer Mining in Fairbanks March 30 were treated to an informative summary of the common problems Alaska industries face in developing their resource. A nine-member panel, moderated by R.D. Heimlich, state engineer, was stressed that there is too much emphasis on protection, and too little support for development of the state’s resources.

Closely related to this concern was the frustration of dealing with overwhelming inconsistencies of state, local and federal land management plans.

Some constraints mentioned by industry representatives were other environmental concerns. For example, placer miners on the 30 “priority” streams this summer will not be cited for violating the state’s turbidity standards as long as they are complying with operating conditions specified by agreements with the state.