The Resource Development Council has crafted a resolution that seeks Alaska House and Senate support in urging Congress to open the coastal plain of the Arctic National Wildlife Refuge to environmentally responsible oil and gas exploration, development and production. Congress must decide in the near future if the coastal plain will be opened to oil and gas exploration and development or classified under wilderness designation.

The refuge spans over 18 million acres of land in Northeast Alaska. Approximately eight percent of the refuge, known as the coastal plain, is considered to be highly prospective for the discovery of large quantities of oil and gas.

The resolution draft notes that the petroleum industry has consistently demonstrated its ability to operate in conditions similar to those found on the coastal plain in a safe, responsible manner without significant adverse environmental impacts.

The state stands to derive revenues including portions of bonuses, royalties and rents as well as severance taxes from oil and gas development on the coastal plain. Opening of the coastal plain, the resolution adds, would generate increased employment and business opportunities.

The Resource Development Council pointed out that the wood chip potential on the railbelt and in coastal Alaska matches or exceeds that which is readily accessible from the Soviets. The Council said it is apparent the Russians gave the Japanese concessions that Alaska was unable to offer.

The new contract is likely to have a major impact on the U.S.-Japanese lumber trade. Brady noted that the Japanese last year bought $132 million worth of wood chips and $138 million worth of softwood lumber, in addition to round logs, from the United States.
Alaska Pulp Corporation solving its problems

The Alaska Pulp Corporation may be approaching the light at the end of the tunnel in its trench-style war with the Environmental Protection Agency because of a technological breakthrough in wastewater treatment. Alaska Pulp has just installed a pilot anaerobic wastewater treatment plant at its Sitka mill whose 6,000 gallon system will provide data necessary to determine the ultimate size of a full-scale plant.

"We have come up with a solution to Alaska Pulp's problem could well set the stage for the use of anaerobic treatment at other pulp and paper mill sites around the world," said Ed Oetken, director of environmental affairs of APC, the Resource Development Council, Inc. income from resource development has enabled Alaska to attain high environmental standards and sound programs other states could not afford. We're grateful for the Council's rational approach toward development." Why did the alarm have to ring just when I was getting to the good part?

Pioneer reflects on mining dilemma

Guest Opinion
By Charles F. Herbert

Editor's Note: The following editorial appeared in The Anchorage Times March 12, 1986. Charles F. Herbert is a past president and current member of the Resource Development Council's Board of Directors.

Your editorial of March 7, "Help for the miners," is timely. Coinciding with the passage of the Resource Development Council last month that completion of a full-scale plant at its Sitka mill whose 6,000 gallon system will provide data necessary to determine the ultimate size of a full-scale plant.

Jay Hair, of the National Wildlife Federation, at a refuge public hearing: I know we say it all the time, but this area really doesn't have the world's largest accumulation of bears and marine mammals.

Ralph Nader in the National Enquirer: My organization opposes putting lands into wilderness classifications without first determining what resources the lands contain. We also, as proponents of wilderness, are willing to support development in certain areas we want set aside.

Jim Stratton, Alaska Conservation Foundation, in an editorial: We should not penalize all miners for the sins of a very few. Impor-
Agreement clears way for summer mining, but industry still concerned

Placer mining will be allowed to continue this summer on Bureau of Land Management lands in Alaska under an agreement signed recently by the federal government and the Sierra Club Legal Defense Fund.

Michael Penfold, director of the BLM’s Alaska office, said the new agreement requires his agency to inspect about 200 placer mines operating on federal lands during the next six months and examine operator efforts to reclaim the sites.

The BLM agreed to write environmental assessments of the largest 20 percent of mines on its lands. The agency will also take water samples to test for suspended sediments.

In addition, the BLM has agreed to help the Environmental Protection Agency and the state Department of Environmental Conservation enforce water quality standards if those samples show mines to be in violation of the Clean Water Act.

In return, environmental groups agreed to end an effort to halt summer mining, but the groups still will push ahead with the suit, claiming the settlement does not go far enough.

In February, environmental groups filed suit in U.S. District Court seeking to shut down placer mining until the Bureau of Land Management made sure the $100 million a year industry was abiding by strict water quality standards.

Rose Rybachek, president of the Alaska Miners Association, said the BLM has returned to a position before the miners had a chance to enter negotiations.

The AMA, RDC and the Miners Advocacy Council are trying to intervene in the lawsuit, although so far have not been allowed into the formal lawsuit and thus are not involved in the talks between the Sierra Club and the BLM. They are concerned that no one is representing their interests in the negotiations.

The Resource Development Council has asked Governor Bill Sheffield to reconsider his decision not to intervene in the lawsuit.

“No matter what position the state takes regarding this case, it is clearly in Alaska’s best interests to be represented in the proceedings and decision,” said Paula Easley, the council’s executive director.

In a letter addressed to Governor Sheffield, Easley noted thousands of mine workers and support service employees are directly threatened by this case. She said “millions of dollars generated by this industry are desperately needed by our economy, especially since many of those dollars are spent in cash-poor rural areas.”

Placer miner calls it quits

A pick and shovel were all Don May had to work with when he first started mining in the Central Mining District in 1950. Twenty-four years later, he introduced a bulldozer and a bigger sluicebox to the mining operation.

Since 1974, May has developed Polar Mining Company into one of the larger placer gold operations in Alaska. However, May is about to lay off 12 employees, sell his D-10 Catepillar and abandon his 480 acres of claims on Crooked Creek northeast of Fairbanks.

Like other miners around the state, May said he is being forced out of business by strict environmental regulations and costly lawsuits largely financed by Outside special interest groups.

May believes he has a good working relationship with government agencies, but he finds the paperwork unmanageable and has difficulty keeping up with changing regulations.

The Alaska placer miner is well known for his efforts to clean up water from his operation. He has built the muddy water from his sluice boxes through numerous settling ponds, slowing water down so that it took about three days to travel a half mile. At one point, he routed water across Crooked Creek through a 20-inch pipe and into more settling ponds.

When it returned to the creek, the water was only slightly dirtier than when it entered May’s sluice boxes. Sometimes it was more than 10 times cleaner.

Improving the water quality was complicated by 20 other mines upstream. Sediment from those mines often ended up in May’s settling ponds.

“We are trying to comply, but I know I can’t do it,” May said. He insists he can’t do much more to meet the EPA’s stringent water quality regulations.

“I still feel I’m completely protected by the law,” said May. He kept accurate records of the silt in the water leaving his mine and submitted them to EPA.

“We felt we were meeting the standards,” he said.

Report details role of placer mining in economy

Placer mining has played a major role in the exploration, development and settlement of Alaska and has been an important element in the Alaska economy.

According to a report by the Alaska Department of Commerce and Economic Development, expenditures by Alaska placer miners for labor, goods and services were approximately $84 million in 1984. Of those expenditures, $63 million were made in Alaska. About 36 percent of the total expenditures were made in Fairbanks and 31 percent of the workers reside there.

Entitled, “The Role of Placer Mining in Alaska’s Economy,” the report noted Anchorage also plays an important role in the placer mining industry, accounting for 23 percent of the expenditures and 16 percent of the work force.

Placer mining is a major contributor to the economy of rural Alaska as 34 percent of the work force comes from there and 16 percent of the total expenditures are made in small communities.

Direct employment in the industry is estimated at 2,626. In addition, an estimated 841 people employ support industry services serving placer mining.

The placer mining industry has a significant indirect impact on the Alaska economy. The $63.4 million of statewide expenditures had a total impact on sales in the Alaska economy of $127.4 million.

Transportation

Access to resource deposits holds key to diversifying state’s economy

Government funding to developing cost-competitive transportation systems in Alaska to open remote resource areas could hold the key to diversifying the state’s economy, according to Lorne Swiverton, Assistant Attorney General of Mineral Resources of British Columbia.

Addressing over 400 delegates at the Resource Development Council’s International Conference on Alaska’s Resources in Anchorage, Swiverton said his country has learned that there are compelling reasons for a government role in developing, coordinating and participating in transportation systems.

Without government funding to build roads, power lines, rail lines and ports, British Columbia’s massive resource development projects employing thousands of residents would have been impossible to develop.

Due to the vast size, difficult physical geography and widely dispersed mining and forest industries, an extensive transportation system is a fundamental requirement of the B.C. economy, Swiverton said.

The province is investing in two national railways as well as the British Columbia Railway. It has two major ocean ports loading over 60 million tons of bulk cargo.

While the government has helped build an extensive transportation system to move resources to market, it has also required that there be a clear economic justification before transportation infrastructure is developed.

Inroads are being made. Swiverton said that when new roads, rail lines, and power systems are required to facilitate resource development, the province looks carefully at the bottom line before becoming involved financially.

In the same way that the province promotes economic development in the mining industry, it generally promotes cost-based user charges, when possible, for infrastructure, he said.

The province was also heavily involved in the development of a remote gold mine in Sarrom Inc. Sarrom asked for help in building 80 miles of road to their discovery.

After several months of study, B.C. officials decided to provide up to 50 percent of the capital costs for the road, secured by a legally binding contract which included a provision that if the price of gold fails to rise to a specified level after the mines go into production in 1988, the province will not be repaid. However, if the price of gold exceeds a specified trigger price, payments will be due with interest.

In recognition of multiple user benefits, if major new mines are developed in the area which makes use of the road, the outstanding balance of the loan will be forgiven.

Swiverton stressed that while governments may need to be involved in developing transportation infrastructure, this need not preclude the recovery of investment through user charges or repayments in installments. In this way, governments help overcome capital cost barriers, share risk and reward.

RDC supports access to resources

As oil prices and state revenues continue their downward plunge, the development of Alaska’s vast renewable and non-renewable resources offers the best hope for a stable economy in which the residents of the 49th state can prosper.

However, placement of millions of acres of land into restrictive classifications, while failing to provide adequate access corridors through those lands to prime resource deposits, jeopardizes Alaska’s efforts to diversify its economy.

RDC believes that if Alaska is to enhance its competitive position in the world marketplace and diversify its economy, reasonable and economical access must be provided to resource areas. Transportation systems, within or across withdrawn lands, are a key ingredient to keeping the range of options open and meeting the needs of an uncertain future.