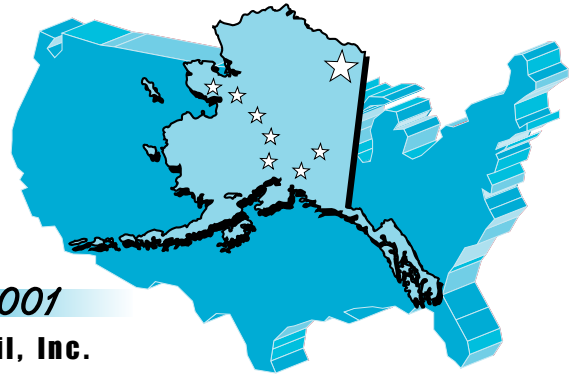


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# Resource Review

August 2001

A periodic publication of the Resource Development Council, Inc.



New trucks designed to reduce the potential for spills and the loss of concentrates as "fugitive dust" will begin operating along the DeLong Mountain Transportation System in August. Truck wash stations have already been put in place and other dust reduction practices are being prepared. The photo at right shows a tight seal on the new carriers.

## Red Dog road study in perspective

The National Park Service recently released a study that measured the level of dust on road side mosses along portions of a 52-mile road connecting the Red Dog Mine to port facilities on the Chukchi Sea in Northwest Alaska. The study shows elevated levels of metals on moss leaves that dramatically decrease with distance from the road. The release of the study brought about a significant flurry of concern regarding the potential impacts to the region.

The road is technically known as the DeLong Mountain Transportation System (DMTS). The zinc and lead concentrates produced at Red Dog, the world's largest zinc mine, are trucked down the road, stored for the winter then shipped to various world ports during the short summer shipping season. The Alaska Industrial Development and Export Authority (AIDEA) owns the road and port.

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*"The NPS study has provided us with valuable information that is useful as we evaluated our transportation practices."*



- John Key  
TeckCominco

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While the state owns the DMTS road itself, the road corridor is a conglomerate of state lands, NANA Native corporation lands, and a twenty-four mile section that traverses through Cape Krusenstern National Monument. The

section that crosses through the monument is the subject of the National Park Service study.

The lands within this road section are part of a key land exchange agreement between the National Park Service and NANA. NANA agreed to exchange extensive lands with the Department of the Interior in 1985 to secure the 24-mile access corridor through Cape Krusenstern National Monument. The corridor was to provide access for development of the local mineral resources, an important consideration for this economically-depressed region.

"Red Dog represents the future for many people in our region," said Helvi Sandvik, president of NANA Development Corporation. "We had no economic development opportunities in our region. It took ten years for our shareholders to weigh the pros and cons of mine development. We know we made

*(Continued to page 4)*



## Message from the Executive Director by Tadd Owens

# Industry, State score big success

Recently the Alaska Department of Environmental Conservation issued proposed changes to wastewater treatment and disposal regulations and administrative procedure regulations pursuant to last year's HB 361, "The Fees Bill." These new regulations are the first step in implementing a profound change to the state's permitting system. RDC's members have long desired to see improvements in both the State permitting process and in the structure of permit fees. DEC's work in the wastewater program is a giant step in the right direction.

An RDC work group representing all of Alaska's major industrial sectors has labored tirelessly over the past several years, in conjunction with the Legislature and the Knowles Adminis-

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*"RDC will continue to work with DEC to implement the provisions of HB 361, and we will continue to look for ways to fine-tune the State permitting process. For now, we would like to express our appreciation for DEC's excellent work on this issue as a public policy matter and in writing draft regulations that are true to both the letter and spirit of HB 361."*

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tration, to bring these important changes to fruition. The process of identifying shared goals and objectives, drafting a bill, working the bill through the Legislature and now formulating the required regulations has been an arduous one. Ultimately, however, it has been not only a success, but also a precedent of which both industry and government can be proud.

The changes represented in these new regulations can be characterized in two words — predictability and accountability. The new wastewater disposal fees will be predictable. In fact, the fees will be fixed in most cases. DEC will also be accountable for the costs of the services they provide. The make-up of the new fees will be clearly tied to the reasonable direct costs of

providing the service and DEC will provide applicants with a detailed accounting of costs. Alaskan businesses will benefit from the new system.

As a regulatory body, DEC will not always see eye to eye with the regulated community. However, there are times when the interests of both parties are best served through cooperation. The permit fees bill is just such a case. RDC will continue to work with DEC to implement the provisions of HB 361, and we will continue to look for ways to fine-tune the State permitting process. For now, we would like to express our appreciation for DEC's excellent work on this issue as a public policy matter and in writing draft regulations that are true to both the letter and spirit of HB 361.

## The ANWR vote

At press time, the President's energy package, with a key provision to open 2,000 acres of the Coastal Plain of ANWR to oil and gas drilling, passed the U.S. House of Representatives. An amendment to strike the ANWR drilling provision from the energy bill was turned back by a 223-206 vote, representing a big victory for pro-drilling advocates.

RDC and Arctic Power have been encouraging their members to contact friends

and business associates in key congressional districts of the Lower 48 to support the energy package which focuses on conservation, alternative energy and energy production.

RDC fully recognizes and appreciates the leadership and support that went into this victory from our Congressional delegation, Governor Tony Knowles, the Legislature, Arctic Power, our North Slope friends, Labor (especially Jerry Hood at the Teamsters), and our members everywhere. We have some big battles ahead, but for now, a big thank you is in order.

**Resource Review** is the official periodic publication of the Resource Development Council (RDC), Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in a responsible manner and to create a broad-based, diversified economy while protecting and enhancing the environment.

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# 2001 Annual Meeting



AMEREF President Teresa Imm addresses the RDC Board at the Annual Meeting.

## Follow the Yellow Brick Road ...



BP's Richard Campbell, center, presented a most original keynote presentation at the RDC Annual Meeting Lunch. Complete with sound and visual effects, Campbell used the Wizard of Oz theme to relay BP's message to the audience of 530. At left are Campbell and the show's producer, Paul Laird, both sporting ruby slippers.



The new 2001-02 Board of Directors gathers on the jade stair case at the Sheraton Anchorage Hotel. Bob Stiles was re-elected President and Chuck Johnson was re-elected Senior Vice President. Mark Hanley will continue to serve as Vice President and Uwe Gross as Secretary. Stephanie Madsen of the Pacific Seafood Processors Association was elected Treasurer.



The Follow the Yellow Brick Road cast are Ronnie Chappel, as the Lion; Mike Cole, as the Tin Man; Fritz Gunkel, as the Scarecrow and Richard Campbell as Dorothy.

## New Incoming Board Members for 2001-02

Ernesta Ballard, Ballard & Associates, Ketchikan  
Eric Britten, CSX Lines, Anchorage  
Mayor Bert Cottle, Valdez  
Paula Easley, Easley & Associates, Anchorage  
Carol Giliam, Guest House Inn/Suites, Anchorage  
Chuck Greene, NANA Development Corp., Kotzebue  
Rick Harris, Sealaska Corporation, Juneau  
Bill Jeffress, Fairbanks Gold Mining, Fairbanks  
David Jensen, Aleut Corporation, Anchorage  
Rick Rogers, Chugach Alaska Corp., Anchorage  
John Shively, Jade North, Anchorage  
Joseph Sprague, Alaska Airlines, Anchorage  
Jim Taro, Southeast Stevedoring, Ketchikan

*"Washington too often forgets that being an ally requires working in partnership, not dictating from afar. Whether it concerns energy production or mining, timber or fishery issues, there are rarely simple choices."*

- Christie Todd Whitman

## EPA Administrator meets with RDC



EPA Administrator Christie Todd Whitman addressed RDC in Anchorage July 9, held a news conference immediately after and met with the RDC Executive Committee.



Administrator Whitman poses with RDC Executive Director Tadd Owens and President Bob Stiles.

# NANA, mine operator to work with NPS

*Further studies needed  
to address concerns*

*(Continued from page 1)*

the right decision. We are proud of what we have done so far and we intend to be providing jobs and opportunities through Red Dog for the next 50 years.”

NANA provided lands that vastly extended the Cape Krusenstern Monument, and exchanged valuable lands at Onion Portage on the Kobuk River along with other rights to make development of the mine possible. The land exchange was recognized as beneficial to both the NPS and NANA. Because selection of this route for the road corridor allowed the road to avoid important subsistence and habitat areas, the National Parks Conservation Association and the National Audubon Society supported NANA in the exchange. All parties agreed that the route selected has the least impact on the environment.



*Speaking to NANA's Board, Tom Chappel, Department of Environmental Conservation, stated that Red Dog ore has a low rate of biological uptake. Health impacts are highly unlikely due to roadway contamination.*



*Concentrate from the Red Dog Mine is trucked down a 52-mile road to port facilities on the Chukchi Sea. NANA provided lands to the National park Service that vastly extended Cape Krusenstern National Monument in a land exchange that made the road possible.*

“The NPS study has provided us with valuable information that is useful as we evaluated our transportation practices.” says John Key of TeckCominco. Prior to the NPS study, TeckCominco had already made arrangements with its trucking contractor, NANA/Lynden, to replace the entire truck fleet this summer with new carriers designed to reduce potential for spills and for loss of concentrates as “fugitive dust.”

“We have always had a philosophy of continual improvement at Red Dog and this is one of a series of improvements that we have made since the mine opened,” said Key.

TeckCominco sees the study as indicative of the need to further improve upon its transportation practices. Truck wash stations have been put in place and other dust reduction practices such as stilling curtains within the unloading areas are being prepared.

NANA and TeckCominco, the mine operators, provided logistical support for the recent NPS study, but were not included in any review prior to its release. While the study indicated metals deposition and the road as the probable source of the metals, it did

not provide information to answer the resulting concerns of the public regarding potential health or environmental impacts.

In an attempt to provide context to the study, the National Park Service compared the Cape Krusenstern dust-metals levels with those identified in a similar Eastern European study. On the surface this comparison indicated levels of metals were exponentially higher than levels found in Eastern Europe. This comparison has been highly publicized and has caused considerable concern to the local citizens.

While it seems a suitable comparison on the surface, further investigation revealed significant differences in the study methods. The Eastern European studies, looking to document regional impacts, avoided sampling near known sources and they avoided sampling along roadsides. By comparison, the Cape Krusenstern study was confined to the areas immediately adjacent to the DMTS road. Additionally, the surficial dust was shaken off the European mosses before measurement, whereas the Cape Krusenstern study included all dust.

“We support studies like this one but we take strong exception to the choice

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*"We support studies like this one but we take strong exception to the choice made by the study authors to incorporate information from an irrelevant study in Europe. The conclusions drawn led to unfounded fears on the part of local residents who in fact, are in no danger."*

- John Rense  
NANA

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made by the study authors to incorporate information from an irrelevant study in Europe," said John Rense, NANA's Vice President of Resources. "The conclusions drawn led to unfounded fears on the part of local residents who in fact, are in no danger."

In order to address the concerns that the study has raised, NANA, TeckCominco, the National Park Service and AIDEA are working together to coordinate further studies. Research that has already been initiated includes an Alaska Department of Health and Social Services review of bioavailability studies conducted in 1995 on Red Dog concentrates. Initial reviews indicate that the metals from the Red Dog concentrates are in a form that the body does not readily absorb.

The Alaska Department of Fish and Game is sampling resident fish in the streams along the DMTS road to determine if there are elevated metals in the fish tissues. Similar studies

conducted on fish in the nearby Wulik River have shown that the mining activity has not impacted fish tissues. In fact, the fish have been shown to be expanding their habitat along the nearby streams due to the improved water quality downstream of the mine resulting from TeckCominco collecting and treating naturally mineralized water along with the mine drainage waters.

Further studies are expected to come out of the cooperative efforts with hopes of addressing the public concerns and bringing this issue into perspective.

"The main thing is that we Inupiaq are the original environmentalists," said NANA Regional Corporation President Charlie Curtis. "We are proud of the Red Dog Mine, not only because of its economic benefits but also because of the commitment made to protect subsistence hunting and fishing in our region. We have overcome many challenges to make Red Dog a success. We will continue to work with all involved parties to ensure fulfillment of our commitment."

## AMEREF gets new forestry module, upgrades

*By Jason Brune*

*RDC Projects Coordinator and AMEREF Coordinator*

Ask a student where milk comes from and he'll probably roll his eyes and say, "A cow."

Ask the same student where a pencil, computer, or car come from and he'll likely shrug his shoulders and say, "I don't know."

But, ask the same student their opinion on drilling for oil, timber harvesting, or mining and they are likely to recite an environmental sound bite stating their opposition.

Enter the AMEREF program—a non-profit Alaskan specific education program created by teachers in conjunction with industry. AMEREF, the Alaska Mineral and Energy Resource Education Fund, has been helping educate Alaskan students for nearly 20 years. AMEREF helps teach Alaskan students about the origin of such products as pencils, computers, and cars while outlining the benefits of responsible resource development.

AMEREF's mission is to provide Alaska's students with the knowledge to make informed decisions on mineral, energy, and forest resources. "People need to know the origins of the raw materials that comprise products we use every day," AMEREF president Teresa Imm said. "With the importance of natural resources to Alaska's economy, it is imperative we bestow this knowledge on our children."

AMEREF represents the private half of one of the state's most successful and longest-running public-private partnerships. In conjunction with the Department of Education, AMEREF helps provide a balanced perspective on mineral, energy, and forestry issues and their effect on Alaska.

AMEREF develops and distributes to Alaskan schools the Alaska Resources Kit, an Alaska-specific, interdisciplinary set of curriculum modules, lessons, activities, and support materials on Alaska's natural resources. The kits, which are in use in all 54 Alaska school districts, include samples of oil, minerals and rocks common to Alaska, videos, posters, maps, reference books, and dozens of lesson plans and learning activities. The lesson plans are constantly updated to meet current state education standards.

Most recently, AMEREF added a Forestry Module which delves into the science, economics, production, and end-products of timber harvesting. Work is starting on an AMEREF multimedia CD project which will bring a technological upgrade to the AMEREF kits' materials as well as increase the program's exposure.

Funding for the program, which includes the Alaska Resources Kits as well as training the teachers that use them is provided through private donations, grants, and

*(Continued to page 6)*

# Roadless Rule back for comment

The U.S. Forest Service has formally reopened discussions on former President Clinton's roadless rule, a sweeping mandate which closes 58.5 million acres of federal forests to logging and road construction, including nearly 15 million acres of unroaded areas in Alaska where it would have its biggest impact.

The public has until September 10 to comment on ten questions that were published in the Federal Register last month.

The rule was originally scheduled to take effect in March, but the Secretary of Agriculture extended the effective date until May to permit a thorough review by the new Bush administration. Eight lawsuits involving seven states, including Idaho and Alaska, were filed against the rule. In May, the Idaho District Court granted a preliminary injunction barring the Forest Service from implementing the measure.

Judge Edward Lodge agreed with the arguments of a variety of interests who filed the Idaho lawsuit that allowing the rule to take effect would pose serious risks of "irreparable harm." However, Lodge encouraged the Bush administration to move ahead with a study of possible revisions after seeking additional public input.

Many interests in the West, where most of the rule's impact would be felt, maintained all along that the Clinton administration's roadless rule was predetermined and one-sided, failing to consider the long-term consequences for managing the health of the national forests. Senator Larry Craig of Idaho argued during the rule's creation that it would amount to a sweeping mandate from Washington that didn't take into account the conditions of each forest.

Many assert that the most appropriate process for evaluating and making long-term resource management decisions is through the local forest planning process. They also maintain that decisions affecting individual national forests should be based on local information and knowledge and the best available science rather than applying one



*RDC maintains that decisions on new roads in national forests should be made on a case-by-case basis through local plans.*

standard uniformly to every roadless area, no matter its location.

Environmentalists claim the Bush administration and the Court are ignoring 1.6 million comments the Forest Service already received on the issue. According to the agency, 95 percent of the comments were in support of the rule.

However, most of the comments supporting the rule were in the form of pre-printed post cards with generic, but compelling sound-bites designed to appeal to one's environmental conscience. The post cards were printed in mass by environmental groups and sent to well-meaning Americans who know little about local forest planning and other technical resource management issues.

Most comments received from local and state governments in the West, as well as residents and a wide variety of interests near the forests impacted by the rule, were in opposition to the mandate.

The vast majority of roadless areas are in the West with smaller sections scattered across the nation.

RDC is working with various interests in Alaska to provide the new administration with additional input on the rule. An Action Alert will also be sent to members and posted on the RDC website at [www.akrdc.org](http://www.akrdc.org).

## 2001 Alaska Coal Classic



*Proceeds from the Alaska Coal Association's Golf Tournament go directly to AMEREF. Above are Bob Stiles, Gail Phillips and Charlotte MacCay. Below, Becky Gay swings, but look closely, the ball is still there! Good thing Becky bought her mulligans.*

## AMEREF ...

*(Continued from page 5)*

various fund-raising activities such as the "Coal Classic" Golf Tournament, a raffle held at the Alaska Miners Association's (AMA) annual convention, and an annual matching grant from National Bank of Alaska, now Wells Fargo. Also, each year a proposal goes before the Alaska Legislature to continue the public/private partnership between the Department of Education (DOE) and AMEREF. DOE is a full participant in the partnership by directly funding a portion of the program.

If you know a teacher that would like to receive a kit or you are interested in helping support the AMEREF program and responsible resource education for Alaskan children, please call or e-mail RDC.

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## RDC comments on groundfish SEIS

In comments to the National Marine Fisheries Service, RDC endorsed Alternative One of the draft Supplemental Environmental Impact Statement for the Gulf of Alaska and Bering Sea groundfish fisheries.

Alternative One endorses the current conservation and management system created by the North Pacific Fishery Management Council (NPFMC). The alternative takes into account the effects of management changes on fishermen, processors, local communities, and other interests.

Over the past 25 years, the NPFMC has used scientific and economic data to recommend hundreds of changes for fisheries management. During this period, no fishery stock managed in the Gulf or Bering Sea has been listed as over-fished.

RDC opposed alternatives which unnecessarily shorten fishing seasons or excessively decrease allowable catch. RDC also opposed alternatives that unnecessarily close near shore areas as they put small boat fishermen at risk. See RDC comments on the web at [www.akrdc.org](http://www.akrdc.org).

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## RDC calls for limits on EFH

Essential Fish Habitat (EFH) should be limited to areas truly essential to fish stocks and to activities that directly affect marine or estuarine environments, RDC stated in comments to the National Marine Fisheries Service on the scope of an upcoming environmental impact statement the agency is preparing for EFH components of the North Pacific Fisheries Management Plan.

RDC said that land-based development, wetlands dredge and fill permits, upstream discharges governed by the Clean Water Act and all other non-marine activities should be excluded from the EFH program.

The program was intended by Congress to be a streamlined, information-sharing process focused only on the most important fish habitat. Instead, it has evolved into a confusing, prescriptive regulatory program that encompasses all marine, coastal, estuarine and inland waters capable of sustaining fish. See RDC comments on the web at [www.akrdc.org](http://www.akrdc.org).

# brief review

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## Judge hears oral arguments on beluga whale listing

A federal judge in Washington, D.C., heard oral arguments last month on whether Cook Inlet beluga whales should be listed as endangered under the Endangered Species Act.

The decision by the court on the merits of the case is likely to come sometime in August.

Trustees for Alaska is challenging a National Marine Fisheries Service decision to list the whale as threatened under the Marine Mammal Protection Act. Such a listing gives the agency the tools that it needs to regulate Native subsistence hunting, considered the cause of a decade-long decline in the whale's population.

Unlimited Native hunting, which had grown to an estimated 80 animals a year, was stopped in 1999. Since then the population has been slowly recovering.

An attorney for NMFS told the court that there is no evidence that other factors outside hunting contributed to the decline of the species or pose a future threat.

Both RDC and the Alaska Oil and Gas Association intervened in the case on behalf of the agency. The Municipality of Anchorage, the Matanuska-Susitna Borough and the Kenai Peninsula Borough also intervened on behalf of NMFS.

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## VECO is top exporter

An Alaska company that employs 4,500 people - over 2,000 of them in foreign countries - has been named Alaska's Exporter of the Year for the year 2000. VECO was presented with the annual Governor's Exporter of the Year award at the Export Alaska banquet in Anchorage this spring.

"VECO is an Alaska-founded and Alaska-owned company that exports project

engineering, construction, and operations expertise around the world," Gov. Tony Knowles said. "We congratulate VECO on their success in selling Alaska services and know-how into markets like Russia, China, Kuwait, India, Central Africa and Egypt."

VECO has been a long-time member of RDC.

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## Check out new RDC website

To further promote RDC's mission of "Growing Alaska through Responsible Resource Development," RDC is working to increase its online presence and educational efforts.

The RDC website ([www.akrdc.org](http://www.akrdc.org)) has undergone a recent facelift and now includes current and back issues of *The Resource Review*, hot action alerts, as well as updates and highlights of RDC events and issues.

Photos of recent events and fact sheets are presented for each major Alaska industry. The site is being updated daily and suggestions for content additions are always welcome (e-mail [resources@akrdc.org](mailto:resources@akrdc.org)).

Coming in future months, RDC members will be able to renew their membership, register for events, and participate in interactive issue debates, all online.

The site is being hosted by RDC Executive Committee member Scott Thorson of Network Business Systems ([www.nbsys.com](http://www.nbsys.com)). RDC Projects Coordinator Jason Brune is heading up the website project.

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## Upcoming RDC events

**Aug. 23:** RDC Lunch featuring Craig Milan, President Royal Celebrity Tours and Jack Williams, President Royal Caribbean Cruise Lines/Captain Cook Hotel. Call RDC for reservations.

**Aug. 26-31:** RDC Congressional staff tour of Alaska

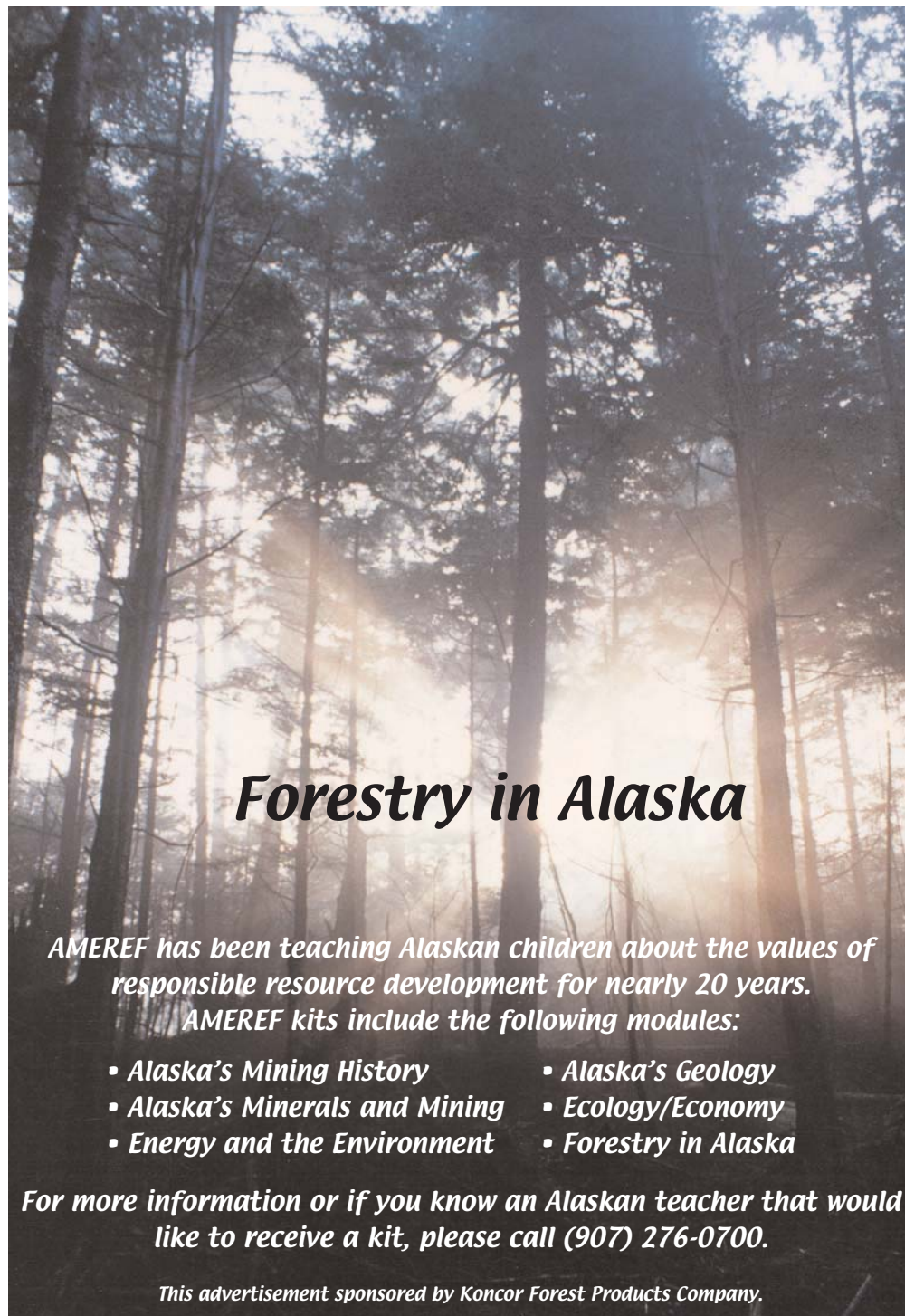
**August 31:** RDC Board tour of cruise ship docked in Seward

**Sept. 6:** RDC Breakfast Forums begin

**Sept. 27-29:** RDC Board Outreach to Kenai Peninsula (Seward, Kenai, Homer)

**Nov. 29-30:** RDC Annual Conference at Sheraton Anchorage Hotel

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- *Ecology/Economy*
- *Forestry in Alaska*

*For more information or if you know an Alaskan teacher that would like to receive a kit, please call (907) 276-0700.*

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