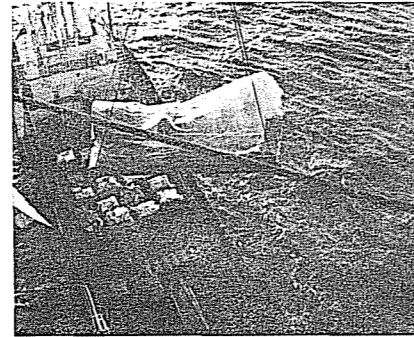
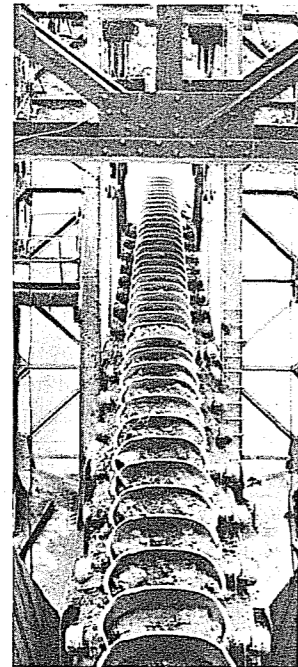
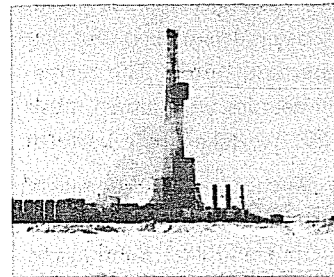
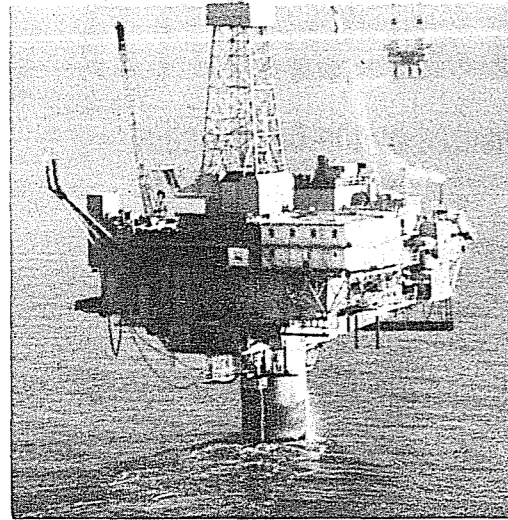


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OMAR RESOURCE REVIEW

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August, 1978

**ABSURD,
BUT NOT
FUNNY**

When the Supreme Court, in interpreting the Endangered Species Act, halted the construction of the 80 per cent-completed Tellico Dam in Tennessee, the snail darter was deliriously happy.

The public in general was not, however, and efforts to give the 1973 act some flexibility may prove fruitful if the U. S. House endorses a Senate plan that would establish a high-level government committee to grant exemptions to the Act.

When first enacted, the Act was portrayed as the safeguard of natural and historical treasures, such as the bald eagle, but when the U. S. Fish and Wildlife Service began classifying certain

minnows, clams and snapdragons (your average furbish lousewort) as "endangered" or even "threatened," the absurdities proliferated.

In 1973, only 109 endangered species were listed by the Interior Department. By 1975 over 24,000 species were listed, including 67 varieties of snails, 40 mussels and eight per cent of the nation's seed plants and ferns. (No one we know is courageous enough to get the latest count.)

Unless the Congress develops a sensible approach to dealing with endangered species, you can be sure every development project in Alaska will be stopped dead.

**"THE ROAD
NOT
TAKEN"**

A court fight over whether the North Slope haul road should be open to the public is brewing in Fairbanks. Legislators and candidates supporting the suit say it is unconstitutional to use public funds to maintain a road open only to certain industrial and tour bus use.

National environmental leaders meeting with oil company executives in Anchorage last month declared closing the North Slope haul road to public use a major priority to "prevent destruction of the northern part of the state."

Ted Snyder, Sierra Club president, said the road use was not a local issue; it was a national issue since federal funds were used to build the road and it was a federal offense to blow up the pipeline.

One group's president commented on the scenic and wildlife attractions he had enjoyed on the American Petroleum Institute-environmental tour up the road and asked, "Who are we, forty people or so who were fortunate enough to share that experience, to say no one else should?"

**WOLF
IN
SHEEP'S
CLOTHING**

An assistant professor from the University of Texas, who concluded HR 39 would not create barriers to Alaska's development, caused considerable

anguish to those certain that Alaska's long-range development would be adversely affected.

Continued on page 2

Last winter Matthew Berman, on leave from the University and funded by a Rockefeller Foundation fellowship, came to Anchorage and visited OMAR headquarters.

At the time he professed to be in Alaska to do a study of "power needs along the railbelt."

After offering assistance to Berman in the form of statistical data and published reports on energy projections, Berman made the purpose for his visit clear: to obtain a list of OMAR's members and financial supporters. The request was rejected.

Berman did admit he had a desk in the Trustees for Alaska office but denied any association with that group.

It would be interesting to learn if the railbelt energy needs study was ever done and on what basis the fellowship was granted — for that purpose or to evaluate the impact of HR 39 on

Alaska.

In the report, Berman called the Southeast logging industry "a federal welfare program to export forest products at profit," heaven forbid.

John Sandor, regional forester, Juneau, took issue with Berman's analysis of the timber industry and said in an August 9 letter, "It is unfortunate you did not contact our office or the Forest Service Economics Research staff during the preparation . . . of your report. Such contacts would immediately have brought to your attention the erroneous assumptions and application of data that prompted the press and others to conclude that each person employed in the timber industry was being subsidized, by \$3,000 or more per year."

Sandor listed two pages of suggestions Berman might follow that would be "helpful in correcting the report. . ."

**LOUISIANA'S
"FIRST USE"
TAX MAY
GET
COURT TEST**

The Louisiana Legislature and Gov. Edwin Edwards have approved legislation establishing a "first use tax" on natural gas produced in the federally-regulated zone three miles offshore. The first attempt ever by a state to tax mineral resources in the federal domain, it is expected to be challenged in court. If declared a constitutional tax, Loui-

siana could earn some \$170 million a year on gas produced offshore and piped to other states. Costs would be included as part of overall pipeline operations and passed on to consumers. The tax of seven cents per thousand cubic feet on federal gas would be the same as that applied to gas produced in the state.

**GILBRETH
JOINS
OMAR
EXECUTIVE
COMMITTEE**

O. K. "Easy" Gilbreth has been appointed to the OMAR Executive Committee effective August 1. Gilbreth formerly headed the state's Division of Oil and Gas, and is now employed by the Alaska Oil and Gas Association. OMAR President Lee Fisher, in announcing the appointment, said Gilbreth would bring the committee, which

meets weekly to coordinate the Organization's activities and set policy, a broad range of expertise in oil and gas resource issues. Gilbreth replaces Perry Eaton, who resigned because of added responsibilities as a vice-president for United Bank Alaska. Eaton served on the committee for two years.


**OMAR
TO CONDUCT
STATE FAIR
SURVEYS
THIS YEAR**

OMAR will again conduct a survey on key questions concerning Alaska's future and development at the Palmer State Fair this year.

The surveys of fair participants, believed to be a good cross-section of

Alaska's population and attitudes, will take place from noon to 8 p.m., Saturday, Sunday, August 26 and 27, and Saturday, Sunday and Monday, September 2, 3 and 4. Stop by the OMAR booth in the Hoskins Building.

ANNUAL SUBSCRIPTION — \$25.00



THE RIDE THE "ROARING TWENTIES" EXPRESS TO SEWARD

An Alaska Railroad Charter* sponsored by the Organization
for the Management of Alaska's Resources, Inc. (OMAR)

**SATURDAY, SEPTEMBER 16, 1978
10 AM - 11 PM**

**RESOURCE
RAIDERS
CHALLENGE
GREENIE
BACKPACKERS**

The football "Game of the Year" takes place in Seward, Alaska, September 16 between OMAR and the Department of the Interior. Rumor is that Interior is experiencing difficulty in putting together its team for a number of reasons, including defection by several of its 250-lb. linesmen to the OMAR team.

Five women have signed up on the Resource Raiders team and have been seen doing pushups and jogging during lunch hours at team headquarters at 627 West 3rd.

Herb Shaindlin was seen checking out a book on "Rules of Touch Football for Referees." Reporters were unable to ascertain details of Shaindlin's recent whispered conversation with Interior's Special Assistant, Jerry Gilliland. While not substantiated, it was assumed Shaindlin was attempting to make a deal for "part of the action." (The winning team is to be awarded 230 million acres of land.)

The teams and cheerleaders will be

dressed in 1920's attire in keeping with the theme of the charter trip via the Alaska Railroad — "The Roaring 20's Express." Passengers and team members will be entertained en route by dance-hall girls and music. The recreation cars will feature well-known musical groups. Mr. Whitekeys will perform in one, the Anchorage Krausenpielers German Band in another and Wendy Williamson's Dixieland Jazz Band in the third.

Lunch and beverages will be served on board. Dinner, a cookout on the beach hosted by the Seward Chamber of Commerce, will follow for passengers and survivors of the football game.

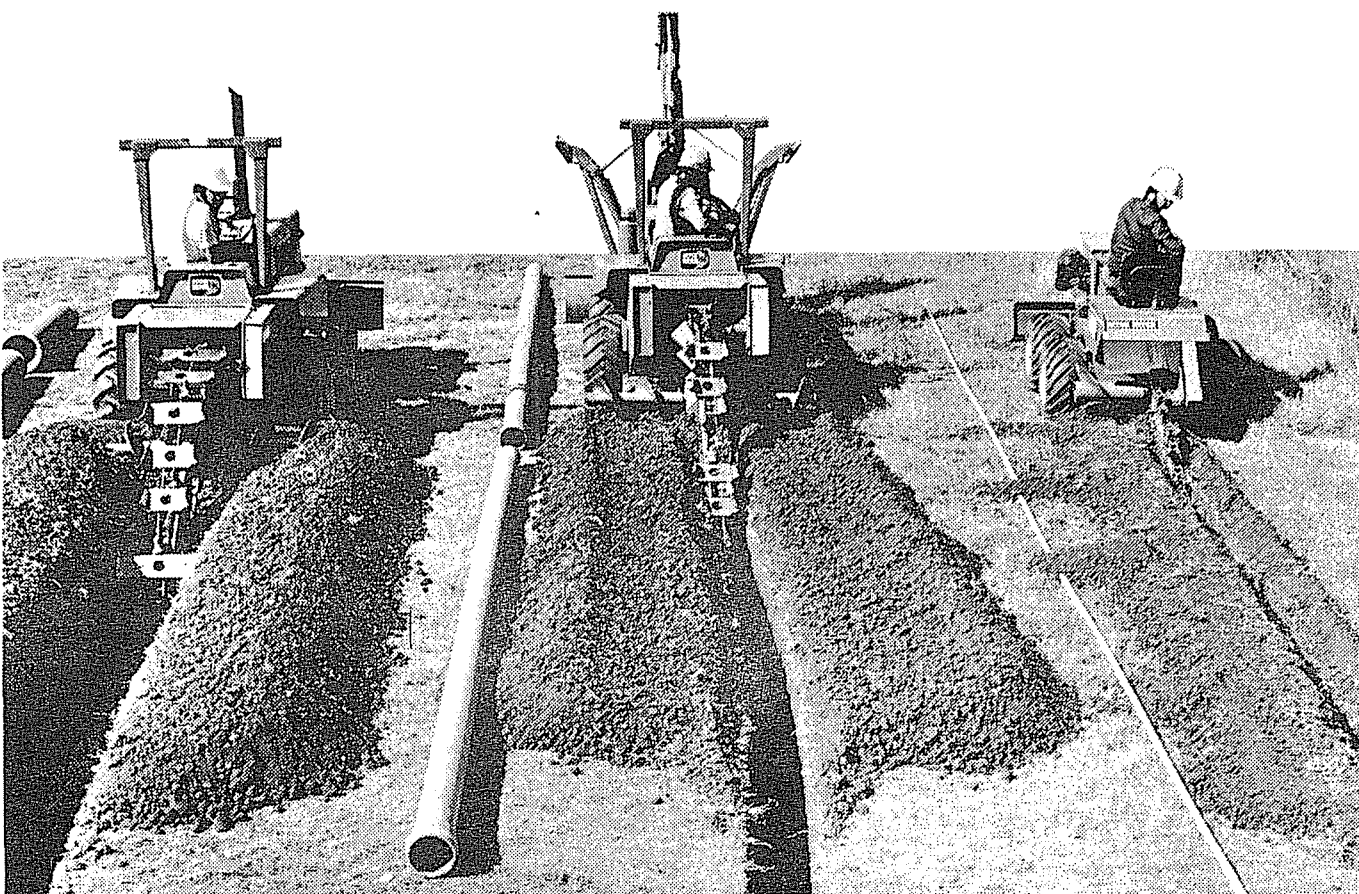
Any passengers not reboarding the train which departs at 7pm will automatically become members of the Seward Chamber and be placed on the town's tax rolls.

Reservations should be made promptly. Send check for \$78 per person to OMAR, Box 516, Anchorage, Alaska 99510.

**Have fun and support OMAR who supports you, your business,
your lifestyle, your job!**

**ALL INCLUSIVE CHARTER FARE
\$78 per person**

*There are no passenger runs to Seward, so don't miss this special trip.



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Modularmatic concept. And it's all backed up by the strongest dealer organization in the industry. So, if you need trench — a little or a lot — Ditch Witch has the answer for you. Whether it's just a few feet or mile after mile after mile. So, talk to us soon. Ditch Witch of Alaska, 1900 W. 47th Avenue, Anchorage, Alaska. Phone (907) 276-1612. Telex 090-25138



DITCH WITCH HAS THE ANSWER!

STAR SPANGLED LANDLORD

Recent efforts to determine current, accurate breakdowns of land ownership in five western states proved somewhat more difficult than OMAR expected. Now we have them, and so do you:

	Federal	State *	Private	Indian
Alaska	88.8%	9.7%	.03%	1.4%
Nevada	86.0%	.9%	11.50%	1.6%
Utah	64.1%	10.0%	21.20%	4.2%
Idaho	63.1%	4.7%	30.70%	1.5%
Oregon	52.2%	2.7%	43.90%	1.2%
Wyoming	47.6%	5.7%	43.60%	3.0%

* includes boroughs, counties and municipalities

Seeing this comparison, it is obvious why our western state sisters sympathize with Alaska's D-2 lands. They, too have been fighting the land battle and watch with frustration as grazing, timber and mining lands go from productive, beneficial status to wilderness classifications.

Mutual problems of these and other western states have huge acreages within their borders controlled by the federal government are solidifying state, private and congressional leaders into a strong western block.

That precisely was the purpose for OMAR's involvement in organizing the Western States Resource Congress early this year. A major conference will be held in Seattle this November to pursue the organization's goals toward more reasonable approaches to problems of the western states.

EPA DENIES CONSTRUCTION PERMITS

A \$1.4 billion power generating complex at Colstrip, Montana has been denied construction permits by the Environmental Protection Agency based on its computer findings that the coal-fired plants would violate the pristine air standards of the Northern Cheyenne Indian Reservation.

Ray Webster, executive vice president of Pacific Northwest Waterways Associates, said, "It seems to me that the EPA should have addressed the determination that the reservation requires a Class I air standard rejection of the permit is inconsistent with the President's

national energy objectives and too serious a decision based upon a potential pollution finding determined by theoretical computer data."

Webster said the negative decision by EPA was "simply another interim bureaucratic decision which ultimately will be resolved in the courts." Citing the costs of construction delays to the project's five partners (\$165,000 a day) he suggested, "maybe the solution is to initially go to court for the permit without asking the regulatory agencies to become involved."

STRATEGIC PETROLEUM RESERVE PIPELINE CONSTRUCTION BEGINS

Construction began July 8 on a 57-mile pipeline connecting one of the U. S. Energy Department's underground oil storage bunkers in Louisiana with a Mississippi River tanker terminal.

The \$27 million pipeline will carry foreign crude oil to be stored underground as part of a strategic petroleum reserve — 500 million barrels of oil intended as a hedge against foreign embargoes.

The scheduled completion date is December 19.

The pipeline is being built by Bannister Pipelines of America, the pipeline division of a U. S. subsidiary of Bannister Continental Ltd. of Edmonton, Alberta.

The line includes a 12-mile crossing of the environmentally sensitive Atchafalya River basin.

The right to put a pipeline across the river basin is part of an agreement worked out with Gov. Edwards in which the state agreed to let its underground salt domes be used as storage pools for the oil.

Long-time attempts by Alaskan interests to store excess Prudhoe Bay crude in Alaska as part of the strategic reserve project were rejected on the grounds that, in a national emergency, Alaskan supplies would be situated too far from key areas needing the resources.

**NEW TWIST
TO AN
OLD ACT**

The Antiquities Act of 1906 is legislation in which Congress vested discretion on the President to withdraw areas of public lands for national monuments for historical and scientific protection. Since passage, this act has been utilized by numerous presidents to withdraw areas throughout the Western U.S.

Teddy Roosevelt used the Act sixteen times to establish a series of national monuments including the Redwoods and Lassen Parks in California and the Petrified Forest in Arizona.

President Taft from 1909 to 1912 withdrew eleven areas including what is now Olympic National Park in Washington and the Sitka National Monument, now the Sitka National Historic Park in Alaska.

Woodrow Wilson used the Act eight times, withdrawing a series of national monuments including Katmai, the nation's second largest area in the National Parks System.

Warren Harding used the Act seven times, and Calvin Coolidge six and withdrew, among others, Glacier Bay National Monument, the third largest National Park service area in the country, in 1925.

The most notable example of use of presidential authority occurred in 1943 when President Roosevelt, following the failure of Congress to enact legislation, created the Jackson Hole National Monument in what is now the Grand Tetons National Park. Following

that creation under the Antiquities Act, seven years of fighting between the state of Wyoming and the President took place during which funds to develop the area were denied through legislation.

Finally in 1950 the Wyoming delegation realized they could not repeal the establishment of the monument by federal legislation and instead received a few concessions — specifically the building of a road through the area — and agreed to the creation of a national park. Incidentally, the final area of the national park was larger than that which was withdrawn originally . . . under the Antiquities Act. As part of the fight, the State of Wyoming appealed the action to the Federal Court and lost the case because the Federal Court said discretionary authority in the President created a situation in which Congress could be the only judge of whether or not the President had adequately or inadequately overreached authority under the Act.

The Court refused to substitute its judgement for the judgement of the President. It is for these reasons Senator Ted Stevens warns of the possibility that President Carter might act and withdraw 100 to 120 million acres of lands under the Antiquities Act. This would force the State of Alaska to pursue a series of lawsuits and attempt to repeal or amend land withdrawals through individual legislation in subsequent Congresses.

**HOUSE PANEL
OK'S \$25 MILLION
FOR
SUSITNA DAM**

The Susitna Hydroelectric Project has received the blessing of the U. S. House Subcommittee on Water Resources, which approved a \$25 million appropriation for Phase I studies. The action leads the way for final approval by the Office of Manage-

ment and Budget of preliminary field work being conducted by the Army Corps of Engineers.

With no hitches, the project could supply 40 per cent of railbelt power needs (Anchorage to Fairbanks) by the early 1990's.

**FRINK
SPEAKS
FRANKLY
ON D-2**

It was nice to see Washington attorney/lobbyist Gary Frink back in town this month. He had some words of advice concerning d-2, should the issue be held over until the 96th Congress.

At the August 10 OMAR meeting Frink said: "I have a lot of thoughts on what can be done in the future — where the state ought to be going in the next legislative year. First of all, I firmly believe the state has got to begin talking to Washington on the d-2 issue with one voice. OMAR, CMAL, the State government and all Alaskans must do everything possible — and OMAR particularly has

the statewide constituency to do this — to encourage the entire state to speak in one voice.

"I think you need to take on the Interior Department as the first step. It is clearly true that the Interior Department has been infiltrated by preservationists — Ted Stevens said this as well on the Senate floor. It's sort of like a war — fighting for a town block by block and house by house — you have to start with the Interior Department. You need to ferret out the preservationists and expose their biases publicly.

"You also need to be aware of the move

by the Carter administration to restructure the Executive branch. By reorganizing the departments, the Forest Service would be in a new Department of Natural Resources, i.e., the Interior Department. We have to fight that with every ounce we have. It would be another disaster.

"I also think we have to tell a stronger story. We have to organize a national constituency . . ."

Frink discussed strategy in a meeting with the OMAR Executive Committee later that week.

**FUNDS GO
TO BIOMASS
CONVERSION
RESEARCH**

Mississippi, Arkansas and Louisiana are participating in a federally-funded research program to determine the feasibility of biomass conversion (also called "bioconversion), the process of extracting usable energy from plant and animal wastes.

In addition to fuel, bioconversion can produce basic petrochemicals, thus relieving pressure on oil and gas feedstocks. Support-

ers say the approach could eventually supply more than a fourth of the world's energy needs.

Bioconversion is rapidly gaining research support because much of the technology is well-proven; it works in small and large-scale projects, feeds on renewable resources, is often non-polluting and serves the double purpose of waste removal and energy production.

**ENERGY
IMPACT
ASSISTANCE
ACT**

Word from Senator Gravel's Washington office at press time was that the Energy Impact Assistance legislation is languishing in the Governmental Affairs Committee but should be acted upon in time to assist Alaska in dealing with gas pipeline impacts.

Concerns voiced on the legislation were: The definition of an energy impact project was too expansive and disapproval with makeup of the assessment team and government coordination aspects of the bill.

Opposition to the legislation outside the

committee appears to be generated from eastern and central states with existing massive energy programs which would not qualify for aid, according to Gravel's office. Opponents from industry say the increased tax base and revenues generated by large energy impact projects should adequately compensate local and state governments for project impacts. No opposition was seen to loans and loan guarantees or to grants for planning purposes.

TRANS-ALASKA OIL PIPELINE COLLECTORS' ITEMS

Commemorative plaques and desk weights certified to contain oil from the FIRST BARREL OF OIL received at Valdez, Alaska, from Prudhoe Bay, July 28, 1977:

WALNUT PLAQUES Distinctive and elegantly designed, each plaque is numbered for one of 799 pipeline miles. The map of Alaska is carved in bas relief, set off by inset brass corners and inscribed plate, raised lettering and miniature pipeline containing Prudhoe Bay oil. Size: 12" x 14" Cost: \$200

DESK WEIGHTS Clear lucite desk weight measures 4½ x 3¾ x 1½ inches with red base. Tube of oil, pipeline mile and inscription in center. Cost: \$30

True collectors' items, only 799 of each were manufactured. Register of owners maintained at OMAR. Send check or money order to Organization for the Management of Alaska's Resources (OMAR), Box 516, Anchorage, Alaska 99510.