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Federal policy should recognize Alaska’s special needs, conservation record

The Alaska Wetlands Coalition (AWC) elevated Alaska’s concerns on wetlands policy before a key White House working group developing wetlands policy for the Clinton administration.

With the urging of Senator Ted Stevens, President Bill Clinton’s Interagency Working Group on Federal Wetlands Policy heard from Becky Gay, Coordinator of the Alaska Wetlands Coalition, along with two other panelists, Nelson Angapak, land manager for the Alaska Federation of Natives and John Sandor, Commissioner of the Alaska Department of Environmental Conservation.

The White House task force held three meetings in early July to discuss Alaska’s interests

The AWC was formed, therefore, to work on changing federal regulations, bring some community perspective and balance to the debate and help guide the overall national policy decision. Because it represents diverse Alaska interests and areas, the AWC has been well received.

AWC members include native corporations, municipalities, labor unions, resource companies and small businesses.

The AWC pledges to work with the Clinton administration and Congress for the development of a wetlands policy which preserves and protects valuable wetlands throughout the nation, while taking into account the particular needs and circumstances of Alaska and its excellent wetlands conservation record.

Wetlands Coalition represents diverse Alaska interests

The AWC was originally organized to represent a diverse state membership in response to the 1989 Memorandum of Agreement between the Corps of Engineers and the Environmental Protection Agency. Members were concerned that a national policy would be crafted without any consideration for Alaska’s unique circumstances and excellent conservation record.

The AWC is the voice for the future of Alaska’s wetlands.

Wetland Comparison

According to U.S. Fish and Wildlife Service estimates, Alaska originally had approximately 170.2 million acres of wetlands. Only about 200,000 acres (0.1%) of these wetlands have been used for all types of development, including communities and infrastructure. In the contiguous 48 states, development has taken a toll on wetlands, about 63% of which have been affected. The current annual wetland reduction of 275,000 acres in the contiguous 48 states is more than the total estimated acreage of all wetlands used in Alaska.

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Native leader wants exemption from strict wetlands regulations

Editor's Note: The following is excerpted from testimony given to the White House Interagency Working Group on Federal Wetlands Policy on July 1, 1993 in Washington, D.C. by Nelson Angapak, Board Member of Calista Corporation and land Manager for the Alaska Federation of Natives, Inc.

Under the Alaska Native Claims Settlement Act (ANCSA) of 1971, Native Alaskans have the right to select certain lands in return for relinquishing our native, aboriginal rights to all the land in Alaska. Because so much of Alaska's land mass qualifies as wetlands, the current Section 404 program can virtually nullify these rights.

In 1989, a Memorandum of Agreement addressing the concept of "no net loss" formula of wetlands was signed between the United States Army Corps of Engineers and the Congressional staff members to Western Alaska over the years. These staffers came to the Calista Region under the context of Alaska. The current program does not recognize the special circumstances and values, is denying Native Alaskans the demand and constraints of the Section 404 program impose a heavy burden on the ability of the Yupik people to use their lands.

If the program is not reformed to recognize the special conditions in Alaska, then what little economic opportunities that exist in the Calista Region today will be lost.

People in the United States, and in particular, urban settings, become upset if unemployment figures go above 8%. At the present time, in the Calista Region, by Western standards, we have something like 80% unemployment. And there will be virtually no economic development opportunities are stymied by the land use limitations of the Section 404 program.

We cannot survive and provide our people even a minimum standard of living on only half of our land entitlement. Many of our people lack running water and indoor plumbing, because construction of a water system crosses permafrost which qualifies for sanctuary under the Section 404 program. Indeed, there are some 49 states thousands of acres of "wetlands" which do not significantly contribute to the ecosystem.

The concept of "no net loss" of wetlands for the Clinton Administration to seriously consider. It is a very simple, but logical solution. The lands that were selected by the Native Corporations throughout Alaska should be effectively exempted from strict wetlands regulations. If this solution is followed, economic conditions in the Region and Alaska are likely to improve.

In conclusion, the current Section 404 program works under hardship on Native Alaskans and is unrealistic in the context of Alaska. The current program does not recognize that over 170 million acres of Alaska qualify as wetlands, most of which can be characterized as low-value.

Staunch protection of such a vast amount of wetlands, which do not serve traditional functions of wetlands, is misplaced. This protection, without realistic balancing of the consequences and values, is denying Native Alaskans the basic standard of living taken for granted by other citizens of the United States. Native Alaskans should not be denied either their birthright or their rights as citizens simply because they live in a unique, yet harsh, area of the Alaska economy, assuming an economic multiplier of 1.5.

"The value of the already dead timber surpasses that of salmon landings for the same period and is many times over the Alaska Permanent Fund dividends paid to state residents," said Brady. The Permanent Fund analogy is important, Brady pointed out, when one realizes that those dividends are paid from "interest" earned by liquidating state nonrenewable resources, while the timber lost is value lost from the "principal" of a renewable resource, value that can be returned over and over again.

Preliminary estimates are that the beetle will damage more than 1.2 million acres across this season, bringing the total to approximately 2.5 million acres of infested forest since 1990. The beetle is consuming timber on federal, state, municipal and private lands that, in the opinion of timber engineers, are accessible for timber harvesting and other forest management activities.

Freeman joins RDC staff

Former Service High School graduate Ken Freeman has been appointed Projects Coordinator of the Resource Development Council.

Freeman attended Oregon State University where he graduated with a bachelor of science degree in speech communication. He recently earned a masters degree in public administration from Portland State.

As Projects Coordinator, Freeman will oversee the coordination of special projects and assist staff in special events planning and issues work.

A third generation Alaskan who was born and raised in Anchorage, Freeman said, "having spent the last five years attending school in the Lower 48, I have developed a profound appreciation for Alaska's unique potential and I feel fortunate to be able to return to my home and be part of an organization which will have a positive impact on Alaska's promising future."

Freeman worked the previous two summers and Christmas break as an intern at RDC and provided assistance on Alaska Wetlands Coalition events.
Oil good for local economies

ARCO officials address local benefits

*"Today the tax on a $100,000 Kodiak home is $750. Without state revenue from oil production, the tax would be more than $2,500."*

— John Roots

*"With oil production from the North Slope declining, offshore oil development would improve the outlook for total production. Recognizing that offshore development is a sensitive issue in fishing communities, ARCO officials emphasized that the industry has operated in the North Sea, Cook Inlet and other areas for decades."*

Cook Inlet, Davis said. "And we hope to make additional new discoveries." ARCO's Sunfish discovery in upper Cook Inlet west of Anchorage could produce 100,000 barrels a day. The potential 750 million barrel field is the largest discovered in Cook Inlet. The field could mean five additional platforms for Cook Inlet and 150 new wells. The project will provide employment for about 800 people for a number of years. Operations and maintenance will require about 120 people.

ARCO and its partner, Phillips Petroleum, are preparing to spend $2.5 billion developing the field. The estimate has been defined by using new and old seismic data.

Another recent ARCO discovery, Kuvum, located off the Arctic coastline northeast of Prudhoe Bay, may hold anywhere between 1 to 6 billion barrels of recoverable oil. The high estimate would make it second only to Prudhoe Bay in size. The remoteness of the field, however, presents a number of hurdles for the company to overcome.

**Secretary Babbitt is coming to town**

The National Park Service is coordinating a three-week visit to Alaska by the Secretary of the Interior this August. As landowner and natural resource custodian for over 220 million acres of federal lands in Alaska, which comprises 60 percent of Alaska's land mass, it is appropriate the Secretary takes an inventory and sees for himself that Alaskans are not poised to lose, pollute, cut and bulldoze federal property under his charge. In fact, he should return to Washington relieved that Alaskan miners, trappers, loggers and fishermen have treated his charge so well over the better part of this century.

Based on the recent increase in misinformation in the press, the Secretary must be planning another push for his plans to levy gross royalties and a recitation tax on mining interests and other resource users on federal lands. The so-called Mineral Policy Center recently held several press conferences which were followed by statements strategically made from the Secretary promoting increased royalties and recitation taxes. Bruce Babbitt's plans seem oblivious to the likelihood that increasing gross royalties will reduce income tax revenues to the federal government in a magnitude that is several times greater than the anticipated take from royalties on the few projects that could withstand new economic penalties. Wealth must be first created before it can be taxed. This attack on the Mining Law is but another example of a significant contradiction to President Clinton's stated goals for the economy.

Along the lines of misinformation on the mining law, unconfirmed sources say that some of the Secretary's staff have ordered local federal land authorities in eleven states, including Alaska, to forward "examples of notorious, visually dramatic, unexplained (abandoned) mines on the public land for future use availability." Apparently, the Secretary or his staff plan to visit and film these properties to use in press releases and lobbying of Congress.

With literally hundreds of examples of good stewardship by Alaskans of federal lands and resources, certainly the Secretary would not stoop to "witch hunt" tactics in an effort to mislead Congress and the American public about resource development on federal lands in Alaska. Nevertheless, if the deception is attempted, the Secretary will surely be disappointeed with the results of Alaska film footage. It is very hard to tell the difference between an abandoned placer mine, a braided streambed, a gravel pit and a glacier moraine.

With the President and Vice President of the United States both agreeing that American industry should focus on developing new technology to reduce pollution from energy plants and other sources, surely the Secretary will visit the Healy Clean Coal Project. This project has gained the support of the Department of Energy and the State of Alaska through its newly-developed technology that will reduce emissions from coal burning electricity-generating power plants.

With over half of the nation's power needs supplied by coal-burning plants, cleaner technology will have great benefits to Americans. This sort of technology is exactly what Vice President Gore and President Clinton campaigned on last year. With the Healy project, we can have it both ways — new technology to reduce pollution, developed in America and located outside of one of the nation's largest national parks.

When successfully operating, the new Healy plant will serve as a model for clean burning power plants all over the world. The U.S. companies responsible for its development will be able to export and license this cleaner technology all over the globe. Notwithstanding all of the benefits, the National Park Service has protested against this project with a NIMBY attitude. But given the stated position of the Clinton administration on developing new cleaner technology to meet our industrial needs, how could the Secretary be against this project?

Welcome to Alaska, Mr. Secretary. We hope you leave with a better understanding of the people that live here and the importance of the natural resources under your charge to Alaskans and all Americans.

Congressional tour directed at wetlands

To promote a better understanding of Alaska's unique circumstances regarding wetlands development and regulation, the Alaska Wetlands Coalition (AWC) will host a Congressional and administrative staff tour of Alaska in mid-August.

Directed at key congressional staff involved in the Clean Water Act and wetlands legislation, the tour will include wetlands in Juneau, Sitka, Anchorage, Bethel, Kvichak, Prudhoe Bay, Nome and other Bush communi-

ties. Congressional staff and administrative officials will meet with local community officials, as well as state environmental and private sector representatives during the local tours.

AWC has hosted a number of trips over the past several years to facilitate discussion and understanding of the wetlands issue as it relates to Alaska, its industries and local communities.
Virtually every facet of resource development affected by wetlands

(Continued from page 1)

regulatory and non-regulatory issues as they develop the Clinton administration's position on wetlands policy. The task force heard first from environmental advocates and later from the AWC and Commissioner Sandor. The task force consists of a host of federal agencies that deal with wetland protection. The Alaskans focused on their state's unique circumstances and excellent conservation record. Gay told the group that over 70 percent of the useable land in Alaska is considered wetlands and that any new policy should be flexible enough to recognize Alaska's special needs. She discussed some of the tremendous hurdles local communities face in trying to build basic infrastructure. “With the broad definition given for wetlands, it is clear in Alaska that any development, including schools, roads, hospitals, homes and resources, no matter how conscientious, naturally requires the use of wetlands,” Gay said. “The question remains, how can we avoid wetlands when dry uplands are scarce in Alaska?”

Because of the high abundance of wetlands in Alaska, virtually all land use activity, including that of cities, villages and boroughs, are affected by wetlands regulations and policies. Gay noted that current regulations and policies already have a stifling effect on many local economies and communities. She warned that application of a “no net loss” formula would bring nearly all development to a screeching halt. With so much of Alaska’s non-mountainous areas considered wetlands, municipalities often have no alternative to wetlands for development. And because so much of the state is undeveloped, restoration of degraded or damaged wetlands is not much of an option, nor is the creation of new wetlands.

Approximately 170 million acres in Alaska are classified as wetlands. Millions of these acres are preserved in national parks and wildlife refuges which were created or expanded by the Alaska National Interest Lands Conservation Act of 1980. Unlike the Lower 48 states, many of which face significant losses of wetlands, over 99 percent of Alaska’s

“With the broad definition given for wetlands, it is clear in Alaska that any development, including schools, roads, hospitals, homes and resources, no matter how conscientious, naturally requires the use of wetlands. The question remains: How can we avoid wetlands when dry uplands are scarce in Alaska?”

-Becky Gay

Gay warned that an inflexible wetlands policy would not only threaten expansion of basic services and infrastructure in Alaska communities, but stand as a tremendous obstacle to development of the state’s energy resources, which are a large and vital element of its economy.

“So much of what Alaska contributes to the nation comes from our ability to make use of our natural resources, most notably oil,” Gay said. Unfortunately, so much of our oil, natural gas and coal deposits are on the North Slope where literally everything you see qualifies as wetlands.”

Gay told the White House panel that virtually every facet of resource development is affected by wetlands regulation, from exploration and development activities to pipeline construction. “In any number of ways the Section 404 (Clean Water Act) program can effectively lock up our energy resources with potentially devastating impacts,” Gay said.

Gay said the Section 404 wetlands regulatory program needs to be reformed with provisions for Alaska’s unique circumstances. She noted that the EPA took a significant step in that direction last year with the proposed “one percent rule.”

“A wetlands policy without flexibility would break the statehood compact and the spirit of the Alaska Native Claims Settlement Act. We must have the opportunity to develop portions of our land to secure our economic future.”

-Senator Ted Stevens

The one percent rule would have released any state from a strict mitigation sequencing policy if less than one percent of its wetlands had been developed. The Bush administration okayed the proposed rule, but it has not been finalized by the Clinton administration. The AWC urged the White House task force and the EPA to reconsider promulgation of the one percent rule. Gay said the rule would go a long way toward relieving the disparate impact felt by Alaskans under the Section 404 program. More generally, Gay said the AWC supports legislation to reform the program along the lines of H.R. 1330, sponsored by Congressman Don Young. Young’s legislation recognizes that all wetlands are not of equal value and should not be treated the same.

“This legislation recognizes that any wetlands program must respect the rights of private property owners,” Young told the task force. “Since a large majority of the wetlands in the United States are privately owned, or have significant private property rights associated with them, it is important to recognize that if we protect a valuable wetland because the national interest is furthered, the nation

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