BLM intends to prepare new land plan for NPR-A

The Bureau of Land Management has issued a notice of intent to prepare a new integrated management plan and associated environmental impact statement for the National Petroleum Reserve-Alaska.

The announcement follows an order issued earlier this year by the Department of the Interior to revise the existing plan to determine whether more land in the reserve should be opened for oil and gas leasing.

The current plan issued under the Obama administration closed half of the 22 million-acre reserve, including highly-prospective areas of the coastal plain in and around Teshekpuk Lake and adjacent to Smith Bay to drilling.

“Production from federal leases is being realized 95 years after the then Naval Petroleum Reserve was established,” said Joe Balash, Assistant Secretary of the Interior for Land and Minerals Development. “As advances in technologies are discovered for use on the North Slope, the Department of the Interior determined it is appropriate to consider a different approach to management of the NPR-A.”

The areas off-limits to drilling under the current plan are along a major geologic structure known as the Barrow Arch. Moreover, recent discoveries in the Nanushuk and Torok formations have forced BLM to rethink its earlier evaluation under the previous administration.

Since the recent discoveries, the U.S. Geological Survey has sharply increased its mean estimate of oil reserves in NPR-A to 8.7 billion barrels. The earlier estimate was 890 million barrels. A significant proportion of this newly recognized potential is in northern areas closed to development.

RDC encourages its members to submit comments supporting the opening of additional prospective areas within NPR-A to oil and gas development. Comments will be taken up to January 7th and may be submitted online at http://www.blm.gov/alaska/NPR-A-IAP-EIS.
Alaskans have a stake in oil and gas development. It will take all of us to win the hearts and minds of Alaskans.”

Moriarty is encouraged with streamlining efforts underway with federal agencies on the regulatory process, but warned misinformation about the industry could jeopardize these efforts that would help make America energy dominant.

The mining industry in Alaska is also looking at an exciting year with both the Fort Knox and Red Dog mines expanding into new mineral deposits. Moreover, the Usibelli Coal Mine is seeing increases in coal consumption from Interior Alaska power plants, and the Greens Creek Mine in Southeast Alaska recently completed a $60 million tailings facility expansion which will extend its operations.

Karen Matthias, Executive Director of the Council of Alaska Producers, outlined these projects and others, including the finalization of state permits for the Donlin Gold project and the initiation of the long and exhaustive federal permitting process for the Pebble project.

Matthias reported there has been a surge of Australian investment in Alaska with Northern Star acquiring the Pogo Mine and Trilogy Minerals receiving capital from South 32. She added the Australians are also investing in exploration projects.

Matthias said Alaska has consistently ranked in the top five for its mineral potential. However, she noted a healthy economy, fiscal stability, and a trusted and consistent, science-based regulatory regime will be required to realize that potential.

“We must win the hearts and minds by demonstrating exceptional operations in healthy ecosystems, embracing new technologies, and more efficient use of energy,” Matthias said. “There is such a disconnect between everyday use of mined products and support for the mining industry. Everybody knows that salmon are extracted from the ocean by fishermen, but who thinks about their smart phone coming from minerals extracted from the earth by mining?”

Owen Graham, Executive Director of the Alaska Forest Association, reported uncertainty continues in the forest products industry as China intends to put a 25 percent tariff on Alaska spruce imports. China is the major market for Alaska timber products.

Graham said there’s a big push by young growth suppliers to move as much wood into China as possible before the tariffs kick in, and then move into the Korean market. However, there is concern that the Koreans will drop their prices for Alaska logs, knowing the predicament the suppliers face.

Graham said the top three things incoming Governor Mike Dunleavy can do to help Alaska’s struggling timber industry is to persuade the federal Department of Agriculture to exempt as much of the Tongass National Forest as possible from the Roadless Rule, reorganize the state Division of Forestry to streamline the timber sale process, and encourage more private ownership of forest land.

Ricky Gease, Executive Director of the Kenai River Sportfishing Association, said Alaska will continue to make up over half of the commercial seafood harvest in the entire nation next year. Gease said Alaska accounts for six of the top ten ports in the U.S. in terms of fisheries value and between five to six billion pounds of Alaska seafood is exported each year.

“Both the sport and commercial fishing industry are integrated into the fabric of life in Alaska, and we see ourselves as a natural partner with the state due to our long-term and continued investment here,” said Gease.

With regard to the commercial sector of the fishing industry, Gease pointed out it operates in global commodity markets like other resource industries and its value depends on demand for Alaska seafood and global price trends. Some critical markets for salmon and pollock have improved — salmon is remaining in demand, especially domestically, and pollock, which has been at a very low point, is starting to see an uptick.

Gease noted quotas for federal fisheries will be set in December, most stocks are still very strong, and sustainable management of the fisheries is mandated by law. Salmon fisheries were challenging in 2018 with the exception of Bristol Bay.

Gease expressed concerned with the push toward fish farming in the U.S. and the general continued upward trend in production from fish farms globally. Like timber, increased tariffs both from China and imposed by the U.S. on China, includes Alaska seafood. Gease said such action will increase the cost of Alaska seafood relative to other countries, putting the premium price of Alaska seafood at a greater competitive disadvantage compared to others.

Tourism continues to be a bright spot in the Alaska economy with a record 2.25 million visitors coming to the state this year. Next year more than 2.3 million people are expected to visit Alaska, most arriving on cruise ships.

Scott Habberstad, Director of Sales and Community Marketing at Alaska Airlines, reported that winter tourism has increased 33 percent in recent years and the cruise ship season has expanded beyond the core summer months to early spring and well into fall.

In 2019 and beyond, Habberstad said tourism will be a part of the solution to a balanced state budget. He noted tourism contributes $126 million into the state’s unrestricted general fund and $88 million into the revenue side of city and borough budgets.

“Investment in tourism opportunities will only add to the positive impact of the visitor industry on the economy,” Habberstad said.

A common thread among panelists was that the biggest highlight and disappointment of the year for their industries was Ballot Measure One. They noted had the ballot measure passed, it would have crippled the industries that support the state’s economy, impacting every Alaskan.

Alaskans strongly rejected the initiative by a 62-37 percent margin.
On Election Day November 6th, the voice of 62.32% of Alaskans who voted made it clear that Ballot Measure 1 would fail, much of which is thanks to efforts of the Stand for Alaska coalition.

Last year, RDC worked closely with other organizations to form Stand for Alaska, the coalition that worked persistently for 11 months to defeat the measure.

Ultimately, the group included over 550 Alaska businesses, including Alaska Native corporations, trade associations, labor and unions, and tens of thousands of individual Alaskans. This coalition put the interests of many above the interests of few and proved once again that law through initiative is poor policy.

Defeat of the ballot measure shows that community and resource development can coexist with Alaska’s diverse wildlife and environments. As a resource development state, we must uphold our constitutional mandate encouraging the development of Alaska’s resources.

With the 171,711 votes cast for ‘No,’ the message was clear that Alaska does protect habitat, and that we do it right. This outpour of ‘No’ votes protected our communities and our projects around the state.

A special thank you to the Alaska trade associations that charged the way to make sure our fellow Alaskans knew how bad the ballot measure was for our jobs, communities and our economy.

And a huge thank you to the Stand for Alaska team, particularly campaign manager Kati Capozzi, and all of you who voted no on 1 and supported this amazing effort. As we wrap up 2018 and prepare for next year, RDC is thankful for the efforts of many to protect the opportunities to Grow Alaska Through Responsible Resource Development.
ConocoPhillips Alaska President Joe Maruszack highlighted a busy upcoming drilling season for his company on the North Slope.

Hilcorp Alaska’s Senior Vice President David Wilkins focused on his company’s innovative efforts to increase production in Alaska.

State economist Neal Fried said Alaska’s three-year recession is likely to end by the end of this year.

Keiran Wulff, President, Oil Search Alaska LLC, discussed his company’s exploration efforts in the promising Nanushuk formation.

Declaring “Alaska is open for business,” then Governor-elect Mike Dunleavy pledged the responsible development of Alaska’s resources to grow Alaska’s economy. Above Dunleavy and new Alaska Department of Natural Resources Commissioner Corri Feige address the press.

Janet Weiss, President of BP Alaska and Brad Tilden, Chairman and Chief Executive Officer of Alaska Air Group, have a conversation on shared values and setting a course for the future during a keynote lunch presentation.

NANA President and CEO Wayne Westlake and ANCSA Regional Association Executive Director Kim Reitmeier were keynote speakers at lunch.

Dr. Ian Meade from the U.S. Energy Information Administration spoke on global energy trends and where Alaska fits.

Richard Williams, a senior vice president at NOVAGOLD, discussed progress at the Donlin Gold Project.

Bradley Oliphant, Senior Counsel at Perkins Coie LLP, addressed Modernizing the Endangered Species Act.
Because you run a business security is not an option.

In Alaska, your office can be just about anywhere, making communication and security paramount. At AT&T, it’s our business to help protect your business. By offering multiple layers of security across applications, devices, networks and platforms, we help reduce your risk of exposure from malicious attacks, so that companies like yours can stay Connected & Secure. Discover the Power of & with AT&T.

Speak with an AT&T representative about Network Security solutions today.

907-264-7387
1-800-955-9556

Source: Symantec Internet Security Threat Report, Volume 20
© 2017 AT&T Intellectual Property. All rights reserved. AT&T, the Globe logo and other marks are trademarks and service marks of AT&T Intellectual Property and/or AT&T affiliated companies. All other marks contained herein are the property of their respective owners. This document is not an offer, commitment, representation or warranty by AT&T and is subject to change.
THANK YOU SPONSORS!

39TH ANNUAL ALASKA RESOURCES CONFERENCE

PLATINUM SPONSORS
Ahtna, Inc.
AT&T
BP Alaska
ConocoPhillips Alaska Inc.
ExxonMobil
Hilcorp Alaska, LLC
Jacobs
Northrim Bank
Ravn Alaska

VIP RECEPTION HOST
ExxonMobil

LUNCH SPONSORS
Holland America Line
Northrim Bank

BREAKFAST SPONSOR
Wells Fargo
Wood

NETWORKING BREAK SPONSORS
Alaska Oil and Gas Association
ConocoPhillips Alaska, Inc.
Stoel Rives LLP

SEND OFF TOAST SPONSOR
Stand for Alaska

CHARGING STATION SPONSOR
GCI

COSPONSORS
Alaska Gasline Development Corporation
American Marine International
Arctic Slope Regional Corporation
ASRC Energy Services
Chugach Alaska Corporation
CLIA Alaska
Cook Inlet Region, Inc.
ENSTAR Natural Gas Company
Fluor
Fugro
Hotel Captain Cook & the Voyager Inn
Lynden
Marathon Petroleum
Matson
NANA Regional Corporation
Northern Star (Pogo) LLC
Pacific Environmental Corporation
Pebble Partnership
Petrotechnical Resources of Alaska
Repsol Services Company
Sealaska Corporation
SRK Consulting (U.S.), Inc.
Teck Alaska

COSPONSORS (CONTINUED)
Van Ness Feldman LLP
Westward Fishing Company
Westward Seafoods Inc.

ESPERSSO STAND SPONSORS
ASRC Energy Services
Hecla Greens Creek Mining Company

CENTERPIECE SPONSOR
Alaska Airlines and Alaska Air Cargo

NAME TAG SPONSOR
ExxonMobil

GENERAL SPONSORS
Alaska Business
Alaska Communications
Alaska Frontier Constructors
Alaska Journal of Commerce
Alaska National Insurance Company
Aleut Corporation
Alyeska Pipeline Service Company
Calista Corporation
Chugach Electric Association
Cruz Companies Alaska
Donlin Gold LLC
DOWL
Dowland Bach
Doyon, Ltd.
EXCEL Alaska
HDR
ICE Services, Inc.
Judy Patrick Photography
Kinross - Fort Knox
North of 60 Mining News
North Slope Borough
NOVAGOLD Resources, Inc.
Oil Search Alaska LLC
Perkins Coie LLP
Petro 49 Inc/Petro Marine Services
Petroleum News
Ruen Drilling, Inc.
Saltchuk

UNDERWriters
ABR Inc., Environmental Research Services
AIDEA
Alaska Earth Sciences
Alaska Laborers Union
Alaska Railroad Corporation
Alaska USA Federal Credit Union
Anchorage Sand & Gravel
Aspen Hotels of Alaska
Associated General Contractors of Alaska
Beacon Occupational Health & Safety Services

UNDERWriters (CONTINUED)
Bering Straits Native Corporation
Blueprint Alaska
Brice Marine, LLC
Brilliant Media Strategies
Bristol Bay Native Corporation
Coeur Alaska - Kensington Mine
Competentia
Conam Construction Company
Constantine Mining LLC
Crowley
Denali Drilling, Inc.
exp Energy Services, Inc
Fairweather, LLC
First National Bank Alaska
Flowline Alaska, Inc.
Foss Maritime
Glacier Oil and Gas
Global Diving & Salvage, Inc.
Golder Associates, Inc.
Granite Construction Company
Halliburton
Hawk Consultants LLC
IBEW Local 1547
Key Bank
Koncor Forest Products
LGL Alaska Research Associates Inc.
McDowell Group
Michael Baker International
MSI Communications
NC Machinery
NC Power Systems
Northern Industrial Training, LLC
Owl Ridge Natural Resource Consultants, Inc.
Pacific Seafood Processors Association
Pape Kenworth Alaska
Petro Star Inc.
Price Gregory International
Quantum Spatial, Inc.
Quintillion
Reeves Amodio LLC
Resource Data Inc.
SAEExploration
Samson Tug & Barge
SLR International Corporation
Stantec Consulting
Taku Engineering, LLC
Teamsters Local 959
The Wilson Agency
Tower Hill Mines, Inc.
UA Land Management
Udelhoven Oilfield System Services
UMV expressDMVsolutions
Usibelli Coal Mine, Inc.
Vitus Energy, LLC
Western Star
Winchester Alaska, Inc.
YUIT COMMS
Roadless Rule Citizens Advisory Committee submits final report

The Alaska Roadless Rule Citizens Advisory Committee finalized a report for the State of Alaska to consider when providing input on a state-specific Roadless Rule for the Tongass National Forest. The State is one of several cooperating entities working with the U.S. Forest Service as it prepares a draft environmental impact statement for the state-specific rule.

The committee was established to advise the State on future management of inventoried roadless areas in the Tongass. The committee developed four options in its final report. All options would allow road building and associated tree cutting in roadless areas for projects associated with transportation and utilities, mining, hydroelectric and other renewable energy, cultural uses, and forest health improvement. The options also include removing certain locations from the roadless inventory to allow for timber harvest and other economic development activities, while designating other areas for preservation of roadless values.

The four options are in addition to a no-action alternative that keeps the current national Roadless Rule in place, and an alternative restoring a full exemption of the Tongass from the national rule.

The DEIS is expected to be released next summer.

RDC believes the 2001 Roadless Rule prohibitions are unnecessary in both the Tongass and the Chugach, which can be adequately protected under amended land management plans.

RDC submitted detailed comments on the proposed rulemaking for the state-specific rule. Those comments are available at akrdc.org.

RDC expresses wide-ranging concerns on Chugach National Forest

RDC expressed wide-ranging concerns regarding the future management of the Chugach National Forest in its comments on a draft environmental impact statement pertaining to a revised land management plan for the forest.

“Our concerns can best be addressed through the implementation of a true multiple-use mandate, which has been a cornerstone of Forest Service policy,” RDC said. “This mandate sets national forests apart from national parks and refuges.”

RDC’s comments covered issues pertaining to timber production and harvests, mining, tourism, access, renewable energy, Wild and Scenic Rivers, Wilderness designations, and the national Roadless Rule.

“While RDC appreciates and values recreation, tourism, salmon fisheries, and wild renewable resources, the Chugach National Forest offers much more to local communities and economies and should be managed to include other multiple uses such as timber harvesting, mining, energy development, and broader access for these activities and recreation,” RDC said.

RDC advocated for a reasonable and sustainable commercial timber harvest in the forest plan. Moreover, RDC advocated for a rulemaking to apply an Alaska-specific Roadless Rule to the Chugach.

Given the current national Roadless Rule is intertwined into the revised management plan for the Chugach, RDC urged the U.S. Department of Agriculture to pause the current revision process should the department move forward with a proposed rulemaking.

Supreme Court limits authority to designate critical habitat

In a unanimous decision, the U.S. Supreme Court ruled that an area is eligible for designation as critical habitat under the Endangered Species Act (ESA) only if it is also “habitat” for the species. The high court also ruled that federal courts can review the decision not to exclude areas from critical habitat based on economic impacts and other factors. The decision leaves significant merits and statutory interpretation to the appeals court on remand.

The court’s ruling is a significant victory for property owners, including companies in the forest products and energy industries. The decision limits the areas that can be designated as critical habitat by requiring the U.S. Fish and Wildlife Service to first find that an area is indeed habitat currently occupied by the species.

The justices questioned whether a wooded area in Louisiana could be deemed under the law as a critical habitat for endangered frogs who might be able to live there in the future if some trees were removed. The 8-0 ruling was a partial victory for Weyerhaeuser Corporation and other companies that challenged broad habitat protections imposed by the Service.

The ruling also opens the door for private parties to challenge the Service’s cost-benefit analysis underlying critical habitat designations.

The court’s decision follows several agency-level attempts to limit the scope and regulatory burden of the ESA.

RDC advocates for Preferred Alternative in Nanushuk FEIS

In comments to the U.S. Army Corps of Engineers, RDC expressed its strong support for Alternative 5 in the Final Environmental Impact Statement (FEIS) for the Nanushuk Project, which could ultimately prove to be one of the largest fields discovered on the North Slope.

RDC encouraged the Corps to adopt Alternative 5 as its Preferred Alternative in the FEIS. Of the action alternatives, Alternative 5 would have the fewest direct effects to water bodies and floodplains, the smallest area of high-value wetlands loss, have the least impact on polar bear denning habitat, and the second smallest area of habitat alterations.

New oil production from Nanushuk could add up to 120,000 barrels of oil per day into the Trans-Alaska Pipeline System. Nanushuk development is being pursued by Oil Search Alaska LLC and Repsol.

The project would generate significant long-term economic activity with hundreds of North Slope construction jobs and additional direct jobs in Anchorage. For each direct oil industry job, 20 additional jobs are generated across the Alaska economy.
Responsibility goes beyond compliance. At ExxonMobil we deeply value the wisdom, culture and vision of Alaskan Natives. Our responsibility is to learn from and collaborate with all Alaskans to responsibly develop Alaska’s resources.