AMA Plans Canadian Arctic Trips

The Alaska Miners Association is conducting two trips to the Canadian Arctic of government and industry leaders to examine first hand the viability of hard rock mining under remote Arctic conditions. AMA anticipates that the Arctic trips, scheduled for April and July, will stimulate new ideas on what is needed to spark mining activity in Interior Alaska.

The seven-day identical trips are being coordinated by Ron Sheardown, a miner with extensive experience in the Canadian Arctic. Approximately 40 people can be accommodated on each trip at a total cost of $2,000 per person. Besides industry and government officials, the trips will also include numerous engineers and geologists familiar with Alaska's mineral potential and development problems.

The trip begins with a stop in Whitehorse, Yukon Territory for a meeting with the Yukon Territorial Commissioner for discussion of government relations and northern mine development. Following the meeting, the Alaska visitors fly to Pine Point Mine and railroad facility in the Northwest Territories. The itinerary includes stops at the Giant Yellow Knife gold mines, the Lupin Mine at Contwoyo Lake, NWT, Resolute, the Nanisivik Mine and the Polaris Mine deep in the Canadian Arctic.

For additional information on the trips, call the Alaska Miners Association at 276-0347.

February 18-19, 1982 Anchorage, Alaska

Coordinated by: The Resource Development Council and the State of Alaska, Department of Commerce and Economic Development

Proceedings ALASKA COAL MARKETING CONFERENCE

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February - March 1982

Development of Alaska's natural resources has a stimulating effect on the Anchorage economy where numerous large buildings are now under construction to meet the growing demand for quality office space. At right, the 22-story Arco Tower rises while the first level of the 20-story Hunt Building is constructed at left.

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Message from the Executive Director

Paula P. Easley

If you think the housing situation in Alaska is bad, talk to the folks in California. One outspoken resident, California Assemblywoman Carol Hallett, recently bemoaned housing costs and shortages and laid most of the blame on "our state's Zen governor and his army of social engineers."

Hallett said two castes were being created in California: "those who own homes and those who never will."

There is plenty of land in California, over a hundred million acres, half of which is owned by the government. Only 2.6% of the state is used for urban purposes. While only an additional 1% is projected for this need in the next 20 years, very little land is receiving development approval from local agencies. Hence the reason for skyrocketing land values.

California needs a million new housing units over the next four years, but housing starts dropped nearly 50% in 1979 and even more in 1980. The price of average homes accelerated nearly 20% a year during the last decade while wages went up less than 6% per year.

Who's to blame? Groups fighting for decent housing say it's the red tape, government interference, tons of paper-work, conflicting codes, moratoriums, environmental impact studies, open space costs, conditions placed on permits and constant delays. Recently-passed energy conservation laws, for example, have added $1,000 to $3,000 to the cost of new homes. And each $1,000 in added costs eliminates 100,000 prospective buyers from the market.

The less land there is for development, the greater the restrictions. Alaska could experience the same horrendous problem California now has. There's no question about it, we need to become more involved in land use issues.

Morris Outlines Coal Policy

Alaska will likely play a leading role in the Reagan administration's commitment to establishing the United States as the world's most reliable coal supplier, says the federal government's top coal promoter.

William Morris, Assistant Secretary of Commerce for Trade Development, told a gathering of over 400 people at the Alaska Coal Marketing Conference that "the prospects for significant coal exports from Alaska contribute to an even brighter picture for the local economy and would be an additional 1% is projected for this need in the next 20 years, very little land is receiving development approval from local agencies. Hence the reason for skyrocketing land values.

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Council Chooses Blossom . . .

Continued from page 6

avalanche-generated accidents would be far greater along the Keta and would increase the incidence of adverse avalanche-generated accidents along the Keta. In addition, it was noted that the potential for greater adverse impacts on the more remote areas, such as the combined Blossom and Wilson River systems, is greatest in the Keta road area, states the RDC summary.

The largest of the three runs occurs in the Wilkins River which has very little potential impact by road construction sedimentation, the major long-term potential impact. The RDC has not yet reached its decision supporting the Blossom river route after examining the DEIS, related documents, and holding numerous interviews with representatives of the United States Forest Service, the U.S. Forest Service and members of the Interdisciplinary Team (IT) whose job it was to perform the environmental analysis, and experts in various disciplines with extensive experience in Southeast Alaska.

In late February, the Forest Service announced that it will issue a Supplementary DEIS to present additional research and expanded considerations for public comment prior to issuing the final EIS. Due out by the end of March, the Supplementary DEIS will include a preferred alternative selected by the U.S.F.S. Chief. The public will have 45 days to comment on the final EIS. At this time, the RDC has not yet reached its decision regarding the route.

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Citing human safety as the basis for its recommendation, an Environmental Review Team (ERT) formed by the Resource Development Council selected the Blossom River route for access to the U.S. Borax mine. The road would also involve substantial higher operating costs due to constant avalanche control activities and road closures, and would increase transportation expenses due to the additional fifteen miles of distance to and from Ketchikan, Stump added.

After a thorough analysis of the Draft Environmental Impact Statement prepared by the Forest Service, the ERT concluded that arguments for and against both the Keta and Blossom routes as they relate to the wilderness and recreational values of Misty Fjord, did not clearly favor one route over the other. Stump said "each side has its valid points."

In citing fishery impacts, the ERT reported that fishery habitat would be less impacted along the Blossom corridor since the river is protected by a quarter to three-quarter mile buffer between it and the road for all but a small portion near the end of the river. The Keta road would cross and repeatedly encroach on the river bed over half the road's length, offering little or no buffering protection from road construction, says the ERT. It also found that not only would the Keta route delay the project one year because of construction downtime during salmon spawning and migrating seasons, but the road itself would be more costly to build when considering expansions to a main haul road," said Stump. The road would also involve substantially higher operating costs due to constant avalanche control activities and road closures, and would increase transportation expenses due to the additional fifteen miles of distance to and from Ketchikan, Stump added.

The Legislature has been in session over two months now. Action has come at a slow pace due to the Hohman matter in the Senate and the change in committees in the House. Predictions are that action will be taken on the most substantial matters while the others will fall by the wayside.

The legislators made history by overriding five of the Governor's vetos. S.B.5, sponsored by Senator Bettye Fahrenkamp, was one of the bills. This bill was supported by the Resource Development Council because of the impact of regulations on development. Another bill, S.B.4, is another effort toward regulatory reform. Introduced by Fahrenkamp, the bill's objective is to simplify permit procedures. RDC testified for half of this bill and it passed the Senate. The House Judiciary Committee revised the bill considerably by incorporating provisions of the Governor's Uniform Permit Procedures into it. The bill was sent back to the Labor and Commerce Committee. Hearings have been held on a proposed committee substitute and RDC testified in favor of the substitute.

There are several other bills that focus on regulatory reform and RDC will monitor them for possible action. Funding for the Susitna hydroelectric project is a big issue in Juneau and at present Senator Dankworth has introduced an appropriation bill, S.B.908. However, the Senate Rules Committee has introduced S.B.664, a new hydro-financing plan which has been labeled a priority by the Governor. This bill provides an alternative method for state financing of hydroelectric projects adopted by the legislature last year. RDC sent legislators a resolution reaffirming for support the legislation enacted last year.

Coastal zone management has surfaced as another controversial issue. The House Finance Committee has cut the funding for this program and Senator Mike Colletta sponsored a bill last year that eliminated the program. The Senate Rules Committee by request of the Governor has introduced S.B.665, the transfer of the Alaska Coastal Policy Council and the Office of Coastal Management from the Governor's Office to the Department of Community and Regional Affairs to make review amendments. We expect to see another bill that would either eliminate the program or make substantial changes in it. RDC has been an opponent of C.Z.M.

The pending transfer of the Alaska Railroad to the state from the federal government has created the need for state legislation. Several bills have been introduced and a committee substitute for S.B.212 is probably world wide in the coming weeks.
Industry: State Needs to Provide Positive Development Attitude

The State of Alaska needs to provide a positive attitude toward economic development in order for the state's new coal industry to grow and flourish, according to Robert Stiles, President of Diamond Alaska Coal Company.

Stiles joined West Boettger, Mobil Oil Corporation, Charles Boddy, Usibelli Coal Company and Cole McFarland of Placer Amex Inc., in a panel discussion on coal projects and development plans at the Alaska Coal Conference.

The Diamond Alaska Coal Company president said the state needs to provide a stable business environment and understand that the development of coal is not like the development of oil. He pointed out that the pricing and contracting system is totally different. "Coal is unique, it's not like hardrock mining," Stiles said.

Stiles stressed the coal industry would not generate large revenues for the state coffers as the oil industry has since production began at Prudhoe Bay. "There's not going to be two more Prudhoe Days in Beluga," said Stiles and the other coal coalfield supporters argued quite concerned that many people were thinking that coal may be another oil industry to Alaska. They were careful to point out that two or three mines did not make an industry.

"None of us are here to avoid regulations or to avoid carrying our fair share for the costs associated with our developments," Stiles said. "The establishment of taxes, the veiled threat of taxes, make not only us nervous but the market nervous and when the market gets nervous, you don't sell coal and when you don't sell, you don't mine."

Stiles says the state needs to obtain an adequate, reasonable return for utilization of its assets, namely coal. He says the state's role should be one of

Easley NamedTo ALA Board

Paula Easley, Executive Director of the Resource Development Council, has been appointed to the 21-member National Public Lands Advisory Council by Interior Secretary James Watt.

"The Advisory Council will be asked to offer objective advice on the many issues surrounding multiple-use management of the public lands, especially those issues affecting energy and mineral development and overall rangeland management," Secretary Watt said. Council members will report to the Secretary through BLM director Robert R. Burford.

Burford, noted the expanded Council (up from members from the Council that served the previous administration) "provides a good balance of interests that will be valuable in establishing better communications with all public land users."

Easley has also been named to the National Advisory Board of the newly-formed American Land Alliance.

Easley, who has served as the Council's executive director since 1976, addressed members of the alliance on February 5 when she spoke on Alaska land and resource development issues at a National Land Use Conference in San Francisco. She attended with several hundred persons with specialized interests in land use attended the meeting, sponsored by ALA and the California Coastal Council.

The American Land Alliance is seeking to establish an equitable and rational land use policy in the United States which will serve the needs of the community while protecting the rights of the individual," says Easley. She says the Alliance's main purpose is to "form, as independent organizations and individuals concerned about the erosion of private rights and the growth of abusive land use practices.

RDC ANNUAL MEETING
Friday, April 16
Sheraton Anchorage Hotel
278-9615

Bagge, Rothschild Advocate Action

"We are riding the crest of a new energy tide which is lapping at the shores of Europe and is moving swiftly toward the nations of the Pacific Rim," said Carl Bagge, President of the National Coal Association.

Speaking before the Friday luncheon of the Alaska Coal Marketing Conference, Bagge said for years the people of the free world have been little more than passengers on an energy ship adrift in the ever-changing tides of OPEC pricing and production decisions.

The former federal power commissioner added, "those days are quickly drawing to a close for we have an opportunity to fire our energy ship with coal, and with a steady hand at the helm to chart a new energy course."

Bagge said Alaska must get in on the action of the three-year-old "world steam coal explosion." He said Australia is in a "commanding position" to meet the burgeoning coal needs of the Orient, but Alaska could change that through export production in its strategic location.

Bagge won a loud applause from the audience when he praised Interior Secretary James Watt. "Finally we have a Secretary of Interior who understands the real meaning of balance," he added. "It takes guts to be a Jim Watt in Wash-

Survey: Nuclear Energy Cheaper

Electricity produced by the nation's nuclear plants was cheaper than that from coal-fired plants, says the Energy Daily. The well-respected publication reported this finding from an Atomic Industrial Forum survey of 44 electric utilities representing 56 nuclear, 36 coal, and 21 oil units.

In 1980, nuclear power cost 2.3 cents per kilowatt-hour while coal power cost 4.3 cents per KW. However, the gap in electric rates between a nuclear plant and a coal plant has significantly narrowed over 1979. In the year before nuclear power cost 1.9 cents a KW while oil was running at 4.3 cents per KW.

According to the AIF survey, nuclear plants performed better overall than coal-fired facilities in 1980. However, in two of three rating areas, (capacity factor, forced outage and availability) oil-fired plants performed better. Nuclear power plants had a 58.3 percent capacity factor in 1980, comparing favorably with 58.2 percent for coal plants and 39.5 percent for oil plants. Nuclear's forced outage rate was 10.8 percent, better than coal's 13.9 percent rate but much higher than oil's 6.2 percent. In availability, nuclear scored worst with a 67.4 percent availability rate while coal rated 75.1 percent and oil 77.1 percent.