How did we get to be Alaska's number one petroleum marketer?

"One Step at a Time."

Winning people’s confidence doesn’t happen overnight. It takes years of perseverance and commitment. It means consistently proving to your customers that you can deliver on your promise to provide them with the very best products and service available.

At Petro Marine, we’re proud that we’ve earned the confidence of so many Alaskans. We’ll never take your business for granted, and we’ll strive to earn it every time we have an opportunity.

1-800-478-7586

Alaskans speak out on Clinton’s road ban initiative

Alaskans from all walks of life — miners, tourism providers, loggers, snow-machiners, oil patch workers and recreationalists — came out in force at public hearings held across Alaska last month to speak out against President Bill Clinton’s initiative to ban new roads in roadless areas of national forests.

In Ketchikan, almost all of the 40 who testified blasted the proposal, especially its potential application to Alaska’s two national forests, the Tongass and the Chugach. In Anchorage, 50 people testified with a slight majority opposing the plan.

Meanwhile, a wide coalition of Alaska and national environmental groups launched a direct-mail campaign in December urging residents to mail preprinted post cards to the Forest Service demanding that the Tongass and the Chugach be included in the President’s policy. The President cited favorable public comment last spring for a temporary moratorium on road building and is looking for more favorable comment to justify signing a permanent ban into law before leaving office at the end of the year.

The Governors of western states recently went on record opposing the administration’s policy, saying it would be disastrous for small communities that depend on multiple uses of forest lands for their economy and recreation. An amendment sponsored by Governor Tony Knowles says the public planning process, not federal fiat, is the preferred course for addressing roadless issues in Alaska.

To unilaterally overturn years of work through the public planning process by a federal policy constitutes less than a double (Continued to page 4)
Marathon Oil Company is proposing to build a five-mile long pipeline in the Kenai National Wildlife Refuge to tap a newly discovered pool of natural gas. The project is good news for Southcentral Alaska, as it will create additional gas reserves, jobs and new economic activity for the region.

Cook Inlet Region, Inc. (CIRI) owns the mineral rights beneath the part of the refuge where the gas has been discovered and has contracted with Marathon to develop the field.

The Wolf Lake prospect marks a new phase in oil and gas development on the Kenai Peninsula, where Marathon has operated since the 1950s. Old exploratory wells like the one at Wolf Lake are now being re-tapped to look for gas. The effort has paid off at Wolf Lake where CIRI hopes to gain royalties from land it has leased to Marathon. In addition, CIRI hopes to put some of its shareholders to work on the project, thereby retaining royalties with other regional Native corporations.

Construction is expected to begin on the pipeline next winter and take less than two months to complete. The underground pipeline will start at an existing exploration drill site near Wolf Lake and snake east to Marathon’s Beaver Creek natural gas processing facilities. The company is planning to use new drilling pads near Wolf Lake to capture an estimated 20-year supply of gas. Minimal environmental impact will occur from this project. The final route for the pipeline right-of-way will be selected to minimize impact to timber and wildlife habitat. Construction is expected to start this winter on frozen soil to minimize surface impacts. The right-of-way will be kept to the minimum width and will be permitted to naturally revegetate.

The total surface impact for development of natural gas reserves in the Wolf Lake area, including the well pads, pipeline right-of-way and access road, will total less than 50 acres or 0.0006 percent of the refuge’s 1,950,000 acres.

RDC recently testified in support of this project at a recent public hearing in Soldotna.

RDC highlights beluga issue

RDC testified at a recent public hearing on a proposed “deploited” listing for the Cook Inlet beluga whale, urging the National Marine Fisheries Service (NMFS) to focus its efforts on establishing a co-management agreement with Alaska Natives to regulate the subsistence harvest of the mammals.

In addition, RDC hosted a special luncheon on the topic at its November annual conference. Penny Dalton, the Director of NMFS, and several members from Southcentral Alaska, addressed proposed listing options.

NMFS is proposing to designate the Cook Inlet beluga whale stock as depleted under the Marine Mammal Protection Act. The agency is also considering an “endangered” listing under the Endangered Species Act and is expected to reach a final decision in March.

Walruses and Steller sea lions were the focus of this RDC conference panel of Southcentral Alaska mayors, including Darce Salmon of the Matanuska-Susitna Borough.

Walrus delegates that Municipality of Anchorage monitoring efforts and other water quality studies have consistently shown no impacts to Cook Inlet from community or industrial activity. He also noted that state and federal water quality studies have largely ruled out exposure to pollutants as a factor in the belugas’ decline.

Walrus feared that Anchorage could be forced to invest hundreds of millions of taxpayer dollars into new wastewater treatment facilities if the belugas are listed as endangered.

We can no longer afford to imitate Laurel and Hardy, and we’ll all reap greater benefits from cooperation than from confrontation and from negotiation rather than litigation.”

-RDC President & CEO

Petro Marine Services

Do business, government really have to behave like Laurel and Hardy?

As I contemplate the relationship between business and the bureaucracy on resource development issues in Alaska, I’m often reminded of the antics of Laurel and Hardy, the comedy duo whose films in the 1920s and ’30s depicted them stumbling through a series of self-induced and escalating blunders, invariably culminating in chaos.

It is not a stretch at all to think there’s a tremendous amount of imagination to see the similarities. All too often, we work against each other, resulting in unnecessary and burdensome paperwork, mutual mistrust, and a loss of productivity and economic growth.

Then we shake our heads, point fingers at each other and, like Ollie in so many of the Laurel and Hardy classics, say, “Here’s another fine mess you’ve gotten me into.”

I’ve witnessed many examples of businesses and bureaucrats tangling over development throughout Alaska, and I’ve reluctantly concluded that Lewis and Clark had to fund two expensive expeditions just to get themselves out of hot water.

At Petro Marine Services, we try very hard to promote a more productive relationship with the regulatory community to focus on finding solutions in a spirit of cooperation, collaboration and mutual respect.

In the wake of Exxon Valdez, Petro Marine found itself in a regulatory “no man’s land” with regard to spill response standards.

As I contemplate the relationship between business and the bureaucracy on resource development issues in Alaska, I’m often reminded of the antics of Laurel and Hardy, the comedy duo whose films in the 1920s and ’30s depicted them stumbling through a series of self-induced and escalating blunders, invariably culminating in chaos.

It is not a stretch at all to think there’s a tremendous amount of imagination to see the similarities. All too often, we work against each other, resulting in unnecessary and burdensome paperwork, mutual mistrust, and a loss of productivity and economic growth.

Then we shake our heads, point fingers at each other and, like Ollie in so many of the Laurel and Hardy classics, say, “Here’s another fine mess you’ve gotten me into.”

I’ve witnessed many examples of businesses and bureaucrats tangling over development throughout Alaska, and I’ve reluctantly concluded that Lewis and Clark had to fund two expensive expeditions just to get themselves out of hot water.

At Petro Marine, we try very hard to promote a more productive relationship with the regulatory community to focus on finding solutions in a spirit of cooperation, collaboration and mutual respect.

In the wake of Exxon Valdez, Petro Marine found itself in a regulatory “no man’s land” with regard to spill response standards.

We can no longer afford to imitate Laurel and Hardy, and we’ll all reap greater benefits from cooperation than from confrontation and from negotiation rather than litigation.”

-RDC President & CEO

Petro Marine Services

Speaking at the RDC conference in November, Dale Lindsey gets his point across in his presentation on business-government relations.
Anadarko: We believe in Alaska

Editor's Note: Here is a condensed version of John Seitz's presentation at RDC's annual conference. Mr. Seitz is President and CEO of Anadarko Petroleum Company.

Anadarko is one of the largest independent oil and gas exploration and production companies in the world. Some of the regions where Anadarko has chosen to focus include the U.S. onshore and offshore, North Africa and the North Atlantic, where we're in the initial phases of exploration near Scotland and Ireland. Most recently, we've turned to Brazil and Argentina. In Alaska, our partnership with ARCO will bring Alpine on line in 2000.

Anadarko is different from most other oil companies. We are willing to take risks and explore aggressively, a history is full of examples of how we bucked conventional wisdom.

We discovered the largest gas field offshore Texas, where everyone "knew" no giants would be found. In the great Hugoton Field of the mid-continent, Anadarko was one of the first companies to aggressively pursue it. We have significantly increased U.S. gas production -- and our own.

In East Texas, we discovered and are developing a trillion cubic feet gas field, 103 years after the first drilling at Corsicana.

In the Gulf of Mexico, we discovered and developed four fields to date, despite daunting technological challenges.

Many thought we were nuts for going into Algeria. The desert, the politics, the failed exploration by others. Twelve discoveries and more than 2 billion barrels of oil later, they're not laughing anymore.

Some said the same things about Alaska. Well, I think we've proved them wrong again.

Granted, in today's world, it's not easy to be the first to explore in a new or challenging area. But, we believe in the future of Alaska, being a leader in politics and policies, of creating new opportunities.

Anadarko's strategy is to电阻 our temptation to think like everybody else, you'll stay ready to take advantage of those opportunities.

Anadarko announced record production volumes and reserve growth for 1998. We achieved a reserve replacement of 581% -- the 15th in a row for Anadarko, and the company has more than replaced annual production with new reserves.

By continuing to make significant exploration discoveries in the U.S. and overseas, we have achieved a reserve replacement ratio, a strong production base and the access they need to explore areas with high potential.

Cook Inlet got underway for us in 1996 by signing with ARCO, an alliance covering 107,000 acres. Partnering with ARCO, we were successful bidders in State Sale BSA totaling 39,000 acres.

We worked that up in 1997 by shooting seismic and mapping prospects. Anadarko was the operator of the Marquis Leave Creek #1 well that was spud in June of 1998 and where we announced a commercial gas find that fall.

We have also had success in the Gulf of Mexico with ARCO, we announced last summer a discovery called Florid, which could become the first Alpine satellite field.

We are excited about our partnership with Arctic Slope Regional Corporation, where we are exploring more than 3 million acres in the Foofills on the North Slope. Anadarko we like to apply new exploration technology to areas that have been ignored for years and we're optimistic about the potential on ASRC's lands.

Speaking of opportunity, who would have thought a few years ago that we would be on the brink of drilling exploratory wells in NPSA this winter? We see a lot of potential in NPSA, which is why we bid extensively with ARCO and on our own, and were successful in acquiring 99 tracts.

How is the deal between the State and BP-AMOCO regarding the merger with Arco is very much on everybody's mind. We've studied it carefully and believe it is a sound proposition that will create new competition on the North Slope.

There's also good news in the mining industry. Although exploration expenditures were down due to a sharp decline in base and precious metal prices, the total value of the industry in 1998 is projected at $1 billion for the fourth consecutive year. Exact figures will not be known for some time, but the industry had another solid year in terms of production and employment.

Alaska's mineral industry now provides almost 3,000 good playing, full-time jobs for Alaskans and interest in state's mineral wealth remains strong, as demonstrated by Teck Resources, which is moving forward with its advanced exploration program at the Pogo gold prospect near Delta. Preliminary information suggests that a gold resource of 5.2 million ounces exists at Pogo.

Meanwhile, thanks to higher worldwide oil prices, the state's savings account will shrink at a slower rate than projected. Despite this good news, the reserves account is still down in two years if oil prices fall again and state spending holds at current levels, according to the State's 2000 financial forecast. Even with the upward in prices, Alaska still needs $500 million from its reserve to balance the budget.

As we enter the new millennium, the reason to celebrate is thankfulness, but we still have our work cut out for us in finding long-term solutions and overcoming the many challenges facing Alaska's resource industries.

Anadarko's President Jim Seitz believes Alaska has a number of substantial fields yet to be found. Cook Inlet got underway for us in 1996 by signing with ARCO, an alliance covering 107,000 acres. Partnering with ARCO, we were successful bidders in State Sale BSA, totaling 39,000 acres.

We worked that up in 1997 by shoot-}

Good news for Alaska

Sometimes we are so consumed by new regulatory issues, policies, and endless series of public hearings, thoughts of jobs and tax revenues for Ketchikan.

There's also good news in the mining industry. Although exploration expenditures were down due to a sharp decline in base and precious metal prices, the total value of the industry in 1998 is projected at $1 billion for the fourth consecutive year. Exact figures will not be known for some time, but the industry had another solid year in terms of production and employment.

Alaska's mineral industry now provides almost 3,000 good playing, full-time jobs for Alaskans and interest in state's mineral wealth remains strong, as demonstrated by Teck Resources, which is moving forward with its advanced exploration program at the Pogo gold prospect near Delta. Preliminary information suggests that a gold resource of 5.2 million ounces exists at Pogo.

Meanwhile, thanks to higher worldwide oil prices, the state's savings account will shrink at a slower rate than projected. Despite this good news, the reserves account is still down in two years if oil prices fall again and state spending holds at current levels, according to the State's 2000 financial forecast. Even with the upward in prices, Alaska still needs $500 million from its reserve to balance the budget.

As we enter the new millennium, the reason to celebrate is thankfulness, but we still have our work cut out for us in finding long-term solutions and overcoming the many challenges facing Alaska's resource industries.

Dan Alex of the Cook Inlet Marine Mammal Council noted that his organization is committed to reaching a co-management agreement. He and others warned that such groups are likely to file lawsuits to stop any project or activity they don’t like.

Kodiak Island Borough Mayor Gary Stevens urged NMFs to let science drive the beluga and Steller sea lion issues, warning regulators to not jump to conclusions and to not punish the innocent. Stevens said there has been only limited investigation and no proof as to what has caused a steep decline in the sea lion population. The Kodiak mayor stressed there isn't enough data to support more restrictions.

Unialaska/Alaska's Mayor Frank Kelly supported more research for the Steller sea lion issue, noting "there is so much we don't know."
Alaska says “no” to forest policy

(Continued from page 1)

crosses,” Knowles said. “Such action would negate the years of work and millions of dollars that were spent in crafting the Tongass Land Management Plan and the planning now underway in the Chugach. I join other western governors in challenging the administration to honor its commitment to the public planning process.”

In addition to Knowles, Alaska’s congres sional delegation, many members of the state legislature and community leaders have all blasted the proposed policy.

The Tongass and the Chugach are among those national forests being considered under the new policy. While the policy is inappropriate on all national forests, it is particularly unacceptable in the Tongass and the Chugach.

The Tongass has just gone through an extensive 11-year, $13 million land management plan revision which will do more than half of the land previously available for development. Even more recent revisions have left only ten percent of the commercial forest land in the Tongass open for timber production.

In the Chugach, which is 98 percent roadless, the policy would shut down access to roadless areas for a variety of uses, including forest management activities to restore forest health.

Most of the non-roaded areas of the Tongass and the Chugach are already under some form of protection. These include Wilderness, Wilderness Study Areas, administrative land use designations for non-development such as “remote recreation,” and Wild and Scenic River designations. The only roadless areas under consideration for protection in the proposed policy are those few areas currently open for resource extraction.

Opponents of the policy point out there is no issue of science driving the proposal, noting that the needs of wildlife, fish and the non-development sector of the public are fully met by the planning process mandated by governing federal laws. They also contend that the proposal is unlawful, in direct conflict with a provision in the Alaska National Interest Lands Conservation Act that stipulates congressional approval of any further land withdrawals in Alaska.

At the Anchorage hearing, Ray Kreig estimated that national forests are different than national parks. “By law, national forests are supposed to be managed for multiple uses, including timber harvesting and mining, whereas parks have a much heavier emphasis on preservation and other single uses,” Kreig noted.

Frank Baker, an Eagle River skier and mountain climber, said he doesn’t support all roads, but believes they should be considered on a case-by-case basis by Alaskans who live and work here.

“I’ve lived in Alaska 54 years, and I hike, ski, climb, fish, hunt and generally get into the outdoors as much or more than anyone I know,” Baker said. “I see no conflicts in multiple-use land policies that include roads, which provide access for important industries like logging and mining, and even tourism. All my life I have witnessed decisions that have had tremendous impact on Alaska made by Beltway bureaucrats thousands of miles away who have as much understanding of the state and its economy as I do nuclear particle physics,” Ketchikan Gateway Borough Mayor J.C. Conley said the proposal “is ludicrous, given the history of compromises and promises that led to the decline of the timber industry.” Conley added, “This is the ultimate door-slamming Wilderness.”

Ketchikan Gateway Borough Assembly member George L. Brand said his message to Washington is to “leave us the hell alone and the Tongass out of the policy.”

Many businesses in Southeast Alaska cannot survive another hit. Richard Leary, Vice President of Gateway Forest Products, said his new company deserves a chance to survive. The company presented a letter containing the signatures of 68 employees opposing the initiative.

Twenty years after the passage of the most sweeping land conservation act in history, the Institute of the North will inaugurate an in-depth course on the Alaska National Interest Land Conservation Act (ANILCA).

The Institute of the North is a division of Alaska Pacific University and is dedicated to studying issues facing Alaska and other Arctic regions.

Mead Treadwell, Managing Director of the Institute and Malcolm Roberts, a senior fellow, will lead the course, “The Alaska Lands Act: Visionary Victory or a New Colonialism?” It will be held every second Monday evening from 5:30 to 9:30 PM at APU from February 19 to May 3

Stakeholders in ANILCA, from federal conservation unit managers to conserva-

Photo album on RDC’s 20th Annual Conference

Dawn of a New Century

Many logging roads in the Tongass have now been converted to public uses, including access to second-growth areas for recreational activities.

Industries like logging and mining, and even tourism. All my life I have witnessed decisions that have had tremendous impact on Alaska made by Beltway bureaucrats thousands of miles away who have as much understanding of the state and its economy as I do nuclear particle physics.” Ketchikan Gateway Borough Mayor J.C. Conley said the proposal “is ludicrous, given the history of compromises and promises that led to the decline of the timber industry.” Conley added, “This is the ultimate door-slamming Wilderness.”

Ketchikan Gateway Borough Assembly member George L. Brand said his message to Washington is to “leave us the hell alone and the Tongass out of the policy.”

Many businesses in Southeast Alaska cannot survive another hit. Richard Leary, Vice President of Gateway Forest Products, said his new company deserves a chance to survive. The company presented a letter containing the signatures of 68 employees opposing the initiative.

Twenty years after the passage of the most sweeping land conservation act in history, the Institute of the North will inaugu-rate an in-depth course on the Alaska Na-
tional Interest Land Conservation Act (ANILCA).

The Institute of the North is a division of Alaska Pacific University and is dedicated to studying issues facing Alaska and other Arctic regions.

Mead Treadwell, Managing Director of the Institute and Malcolm Roberts, a senior fellow, will lead the course, “The Alaska Lands Act: Visionary Victory or a New Colonialism?” It will be held every second Monday evening from 5:30 to 9:30 PM at APU from February 19 to May 3

Stakeholders in ANILCA, from federal conservation unit managers to conserva-
tionists and resource developers, will be invited to assist with the presentations and discussions. Full-time, degree-seeking students will participate, as well as interested individuals who wish to audit the class.

In 1980, the Alaska National Interest Lands Conservation Act (ANILCA) designated 150 million acres of Alaska’s public lands as conservation system units (CSUs). Classified as national parks, forests, wildlife refuges, and wild and scenic rivers. The intent of the Act was to set aside the natural wonders of Alaska while respecting the lifestyle and culture of its rural and Native people and encouraging a healthy, sustain-
able economy for all its citizens. To that end, ANILCA made Alaska’s specific provi-sions for inholders, subsistence, hunting and fishing, traditional use, and access that are not normally addressed in federal con-
servation units.

Many logging roads in the Tongass have now been converted to public uses, including access to second-growth areas for recreational activities.

Industries like logging and mining, and even tourism. All my life I have witnessed decisions that have had tremendous impact on Alaska made by Beltway bureaucrats thousands of miles away who have as much understanding of the state and its economy as I do nuclear particle physics.” Ketchikan Gateway Borough Mayor J.C. Conley said the proposal “is ludicrous, given the history of compromises and promises that led to the decline of the timber industry.” Conley added, “This is the ultimate door-slamming Wilderness.”

Ketchikan Gateway Borough Assembly member George L. Brand said his message to Washington is to “leave us the hell alone and the Tongass out of the policy.”

Many businesses in Southeast Alaska cannot survive another hit. Richard Leary, Vice President of Gateway Forest Products, said his new company deserves a chance to survive. The company presented a letter containing the signatures of 68 employees opposing the initiative.

Twenty years after the passage of the most sweeping land conservation act in history, the Institute of the North will inaugu-rate an in-depth course on the Alaska Na-
tional Interest Land Conservation Act (ANILCA).

The Institute of the North is a division of Alaska Pacific University and is dedicated to studying issues facing Alaska and other Arctic regions.

Mead Treadwell, Managing Director of the Institute and Malcolm Roberts, a senior fellow, will lead the course, “The Alaska Lands Act: Visionary Victory or a New Colonialism?” It will be held every second Monday evening from 5:30 to 9:30 PM at APU from February 19 to May 3

Stakeholders in ANILCA, from federal conservation unit managers to conserva-
tionists and resource developers, will be invited to assist with the presentations and discussions. Full-time, degree-seeking students will participate, as well as interested individuals who wish to audit the class.

In 1980, the Alaska National Interest Lands Conservation Act (ANILCA) designated 150 million acres of Alaska’s public lands as conservation system units (CSUs). Classified as national parks, forests, wildlife refuges, and wild and scenic rivers. The intent of the Act was to set aside the natural wonders of Alaska while respecting the lifestyle and culture of its rural and Native people and encouraging a healthy, sustain-
able economy for all its citizens. To that end, ANILCA made Alaska’s specific provi-sions for inholders, subsistence, hunting and fishing, traditional use, and access that are not normally addressed in federal con-
servation units.

Many logging roads in the Tongass have now been converted to public uses, including access to second-growth areas for recreational activities.

Industries like logging and mining, and even tourism. All my life I have witnessed decisions that have had tremendous impact on Alaska made by Beltway bureaucrats thousands of miles away who have as much understanding of the state and its economy as I do nuclear particle physics.” Ketchikan Gateway Borough Mayor J.C. Conley said the proposal “is ludicrous, given the history of compromises and promises that led to the decline of the timber industry.” Conley added, “This is the ultimate door-slamming Wilderness.”

Ketchikan Gateway Borough Assembly member George L. Brand said his message to Washington is to “leave us the hell alone and the Tongass out of the policy.”

Many businesses in Southeast Alaska cannot survive another hit. Richard Leary, Vice President of Gateway Forest Products, said his new company deserves a chance to survive. The company presented a letter containing the signatures of 68 employees opposing the initiative.

Twenty years after the passage of the most sweeping land conservation act in history, the Institute of the North will inaugu-rate an in-depth course on the Alaska Na-
tional Interest Land Conservation Act (ANILCA).

The Institute of the North is a division of Alaska Pacific University and is dedicated to studying issues facing Alaska and other Arctic regions.

Mead Treadwell, Managing Director of the Institute and Malcolm Roberts, a senior fellow, will lead the course, “The Alaska Lands Act: Visionary Victory or a New Colonialism?” It will be held every second Monday evening from 5:30 to 9:30 PM at APU from February 19 to May 3

Stakeholders in ANILCA, from federal conservation unit managers to conserva-
tionists and resource developers, will be invited to assist with the presentations and discussions. Full-time, degree-seeking students will participate, as well as interested individuals who wish to audit the class.

In 1980, the Alaska National Interest Lands Conservation Act (ANILCA) designated 150 million acres of Alaska’s public lands as conservation system units (CSUs). Classified as national parks, forests, wildlife refuges, and wild and scenic rivers. The intent of the Act was to set aside the natural wonders of Alaska while respecting the lifestyle and culture of its rural and Native people and encouraging a healthy, sustain-
able economy for all its citizens. To that end, ANILCA made Alaska’s specific provi-sions for inholders, subsistence, hunting and fishing, traditional use, and access that are not normally addressed in federal con-
servation units.

Many logging roads in the Tongass have now been converted to public uses, including access to second-growth areas for recreational activities.

Industries like logging and mining, and even tourism. All my life I have witnessed decisions that have had tremendous impact on Alaska made by Beltway bureaucrats thousands of miles away who have as much understanding of the state and its economy as I do nuclear particle physics.” Ketchikan Gateway Borough Mayor J.C. Conley said the proposal “is ludicrous, given the history of compromises and promises that led to the decline of the timber industry.” Conley added, “This is the ultimate door-slamming Wilderness.”

Ketchikan Gateway Borough Assembly member George L. Brand said his message to Washington is to “leave us the hell alone and the Tongass out of the policy.”

Many businesses in Southeast Alaska cannot survive another hit. Richard Leary, Vice President of Gateway Forest Products, said his new company deserves a chance to survive. The company presented a letter containing the signatures of 68 employees opposing the initiative.