Let’s Keep Energizing Alaska in 1988

The folks at Tesoro wish everybody a prosperous 1988. Alaska’s future will depend on the goals we set, and the objectives we accomplish this year. We’ve got to forge ahead with optimistic attitudes. And find ideas that will catapult Alaska into the next century as a strong leader. Together, we can do this. From everyone at Tesoro, have a healthy and safe 1988.

Resource Review

Resource Development Council for Alaska, Inc. Box 100516, Anchorage, AK 99510
January 1988

The 49th star of America is a challenging land, for contained in all its vast climatic and geologic diversity lies much of the future wealth and security of the United States.

Alaska is indisputably a land of tremendous resource potential, abounding in rich opportunity. With its endowment of resources, Alaska has the means — and the raw materials — to keep open the door to a prosperous and secure future for America.

Trillions of cubic feet of natural gas lie under Alaska’s arctic coast. The only stretch of American arctic is in Alaska. With over 30 percent of the proven reserves in the U.S., the surface of Alaska’s tremendous petroleum potential has only been scratched. The state already contributes nearly 25 percent of domestic oil production.

Alaska’s coal resources, topping six trillion tons, equal the total coal reserves of all other states combined. World-class mineral deposits — yet to be developed — have been discovered throughout Alaska. Of the 30 minerals that the U.S. must now purchase abroad, 22 are found in Alaska. Many occur in commercial concentrations.

Alaskan forests contain more than 26 million acres of commercial timberland while the 49th state’s commercial fishery accounts for over half of the total annual U.S. fish production. With 33,000 miles of coastline, more than all of the continental U.S., Alaska’s fishery is ranked sixth in world production. In 1986, 1,162 domestic fishing vessels and 527 foreign vessels operated in Alaska waters.

(continued on page 7)
The Resource Development Council's Eighth Annual International Conference on Alaska's Resources, "What Alaska Can Do For America," will explore solutions, new concepts and different avenues to secure the public policy decisions necessary to transform Alaska's vast potential into great wealth for the nation.

Set for February 26-27, at the Sheraton Anchorage Hotel, the conference will focus on what Alaska can do for America with its strategic location, its people, natural resources, basic industries and sound resource management. The Friday and Saturday event will put in motion techniques to elevate Alaska's national standing and convince decisionmakers in Washington that Alaska has great potential for making a contributing difference to the nation's future.

With extremely professional and high-level speakers to help us expand horizons, the conference is designed to serve as a platform for the vital interaction necessary to build a national consensus favorable to Alaska development. Conference proceedings will be circulated across the country, including Congress.

The Council is now in the process of confirming political leaders, senior executives, of Alaska's industries and national authorities for the conference. A special conference brochure listing speakers and other details will be released shortly.

In association with the conference, the All-Alaska Exposition, highlighting tourism, transportation and local economic development projects, will also be held at the Sheraton. The 1988 Expo will feature exhibits of Alaska communities, manufacturing and service companies.

The All-Alaska Exposition and the What Alaska Can Do For America conference is your great opportunity to learn and share important ideas, meet with other influential decisionmakers and embrace a new public/private sector spirit of cooperation. RDC urges its members to share in the excitement.

Registration for the conference is $195. For additional information on the conference and expo, call RDC at 276-0700.

Alaska's resources ... (continued from cover)

Canadian ANWR stance angers Young

Incredibly, the Canadian government is continuing its efforts to persuade Congress to designate the Coastal Plain of the Arctic National Wildlife Refuge wilderness, thus banning all development. The government of the Northwest Territories, which has been unequivocally permitted to be America's premier wilderness prospect for the discovery of world-class oil deposits.

Alaska's strong stance on the proposal can be ascribed to the position "an effort to the sovereign right of the United States to determine our own energy and national security interests." According to Young, the Canadians are sustaining a "breakthrough of the development in their own Arctic onshore and offshore," and appear to be developing a "breakthrough of the development in their own Arctic onshore and offshore." It is through the federal government that Alaska had the opportunity to develop its resources. In the words of the petition, "the federal government has a special interest in the resources of the Yukon region."

Young also expressed concern about the federal government's efforts to ship the resources to a sea of oil and gas which has been "dangered bowhead whales could be disturbed." The Resource Development Council (RDC) in Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's resources in an orderly manner to create a broad, diversified, developing economy while protecting the environment.

The RDC's business office is located at 801 G Street, Suite 160, Anchorage.

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RDC conference: "What Alaska Can Do For America"

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Alaska's resources ... (continued from cover)
A proposed timber sale in the Susitna Valley that would allow the harvesting of 5 million cubic feet of wood annually over the next 20 years could attract hundreds of millions of dollars in capital investments, dramatically improve the local tax base and put tens of millions of dollars into the state and local economy each year. However, a well-orchestrated campaign designed to stop this and any other large-scale logging effort in the region has gained momentum and could become a model of how new policies could create hundreds of new jobs in the region and local economy each year.

The requirements of the Forest Practices Act to insure no adverse impact to either sensitive biological habitat or the water resources. Meanwhile, the forest products industry itself has expressed concern with the sale layout, buffer zones and road enhancement projects - which are presently too expensive and would not improve the competitive position of the state's forest management. She said "on state land, the best and the brightest, Alaska's fledgling wood products industry ports the state's intent to place large areas of coastal waters, not as prevalent in currently mature forest areas. The Porcupine Caribou Herd knows no political boundaries, roaming across millions of acres along Canada's Coastal Plain. The Porcupine Caribou Herd knows no political boundaries, roaming across millions of acres along Canada's Coastal Plain. Another 47% of ANWR, managed as wildlife refuge, is essential wilderness, although not given that classification. Another 450,000 acres of similar and adjacent coastal plain is already designated wilderness, and would remain off-limits to development. Less than 1% of the 1.5 million acre tract being considered for leasing would feel any development impact even if "full development" were to occur from the discovery of a supergiant oil field.

In ANWR, concern for loss of wilderness is an aesthetic problem, not a wildlife or biological problem. The Central Arctic Front at Prudhoe Bay has increased five-fold since oil activity began 15 years ago. The hard soil roams freely amid the infrastructure, safe from hunting. The notion that oil development harms caribou is based on the idea that oilfields displace caribou, denying them access to habitat. If full development would consume less than 10,000 of ANWR's 2 million acres of coastal plains land, habitat would not be a limiting factor. The Porcupine Caribou Herd knows no political boundaries, roaming across millions of acres along Canada's Coastal Plain. Alaska's fledgling wood products industry ports the state's intent to place large areas of coastal waters, not as prevalent in currently mature forest areas. The Porcupine Caribou Herd knows no political boundaries, roaming across millions of acres along Canada's Coastal Plain. Another 47% of ANWR, managed as wildlife refuge, is essential wilderness, although not given that classification. Another 450,000 acres of similar and adjacent coastal plain is already designated wilderness, and would remain off-limits to development. Less than 1% of the 1.5 million acre tract being considered for leasing would feel any development impact even if "full development" were to occur from the discovery of a supergiant oil field.

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Alaska seeks answers to boreal forest management

Editor’s Note: This article is the final segment of a two-part series focusing on the management of the Alaska boreal forest. The series is based on the RDC Education Foundation’s symposium, Management of the Boreal Forest, held December 3-4 in Anchorage.

As it is realistic for Alaska to manage a forest that survives at far northern latitudes? From an economic standpoint, can Alaska’s interior forest be managed, updated if so, what are the cost and benefits? Most importantly, for what should the northern forests be managed?

These are a few questions being asked as Alaska takes an initiative that cries for change and cooperation in arriving at answers that would result in some form of management of the boreal forest. Forest surveys have identified over 22 million acres of commercially productive woodlands in interior Alaska. In the past, much of the Alaska boreal forest timber was considered unusable due to defects and size, but new advanced manufacturing technology now allows for the production of veneer from stock as small as 9 inches in diameter.

These new products are better suited to the needs of the forest, says state forester John Galea. “In combination with new technology, we can utilize more of the less expensive forest resources.” Those would include small tree species such as Alaska black spruce which is presently either not being utilized or is resulting in a low profit margin to the manufacturer.

Most of the boreal forest, dominated by white spruce, birch, aspen and poplar, is located on the Kuskokwim and flood plains and river terraces of the Kuskokwim, Yukon and Tanana rivers. The Susitna Basin is heavily forested and with scientific management, can presently support an annual allowable harvest of 1,000 million board feet.

Galea stressed that similar programs have been put in effect, allowing substantial increases in forest growth, wildlife habitat and recreation areas, as well as basing management on the natural processes. Significant increases in the local job markets have added dollars to the overall economy also.

While the Department of Natural Resources Commissioner Judy Brady says Alaska has a new window of opportunity in boreal forest management because of new processes available, "We can take care of the resource management part," Brady says, "but (conference attendees) are going to have to take care of the political part.

Galea noted that access to large tracts of timberland is lacking. Commercial utilization in most areas is limited until access problems can be overcome.

"There is a strong feeling we are close to the time, if not to the point of having to begin investing in our state’s forestland," Galea said. He noted that in Idaho, the key to determining what interest there may be by both the domestic and foreign timber industry in bringing into reality a stable wood processing facility that would be the first step in managing forest resources.

Galea proposes to build a viable forest industry product through major changes in the way Alaska manages, changes for and now renews its forests. Changes include the introduction of a fair and equitable pricing system for timber which is sensitive to market fluctuations, production costs and the value of the products produced.

In addition, the new management would replace the forest with second stands selected for genetic quality as in Finland. Reforestation responsibility would shift from the state to companies harvesting timber with the state retaining oversight supervision. Access roads to harvest areas would be the responsibility of the timber purchaser, except for access roads needed for legal valuation purposes.

To balance these responsibilities, timber purchasers would be given greater security of tenure and other incentives. Galea noted that 10,000 acres of mixed forest containing 600 acres of high quality timber, are usually written for a period of 20 years, with an "ever-green" clause permitting five-year extensions, providing all contract stipulations are met.

"If the bill is loose because we have an area 1/5 the size of the Lower 48 and there needs to be case-by-case flexibility to make it happen," said Coghill. "We need to go forward with it and do a trial-and-error and get away from the philosophy of having to answer every question before we make a move."

SB 112 passed the Senate 20-0 last session, but remained in the House Resources Committee. Representative Sam Cotten, Chairman of the House Resources Committee, said the reason the bill is still in House Resources is because "we think it will take more than a zero fiscal note and we are counting on you (RDC) to help arrange the priority of the dollars in the legislative process."

Cotten, who represents Eagle River, said he will be taking a closer look at the budgets of the three resource agencies and promised to release a report with results and recommendations.

"Any who think it’s going to take some dollars... will take some confidence in our state’s forest," the Kittichan representative added.

"An FAA with a zero fiscal note isn’t going to work," Sund said. "We all know it’s going to take some dollars... it will take some confidence in our state’s forest.

Senator Lloyd Jones, a member of the Senate Resources Committee, said the zero fiscal note is not set up properly, large multi-year contracts, "If you ask for proposals from the private sector and provide all the bidding of the land under state supervision, you think I can just about get a zero note," Jones said. "That was the time, but now you have more responsibility in state government, you’re going to bring that up, which is fine. It’s the will of the public and the legislature.

Representative Nitko Koppen of Fairbanks questioned the need for the FMA and complained the current bill as written by the Senate, "I said if the FMA concept is not set up properly, large national logging全省 could squeeze out small producers.

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