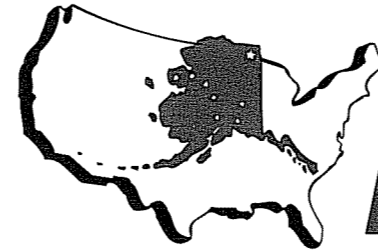


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RDC gears up to lead Alaska wetlands effort

The Resource Development Council has formed an Alaska Wetlands Action Coalition to spearhead a statewide effort to convince decisionmakers in Washington, D.C., to accommodate Alaska's unique position in the shaping of a national wetlands policy.

The Resource Development Council supports a national strategy to protect American wetlands, but stresses that any federal policy on wetlands must recognize Alaska's unique situation.

While the majority of Lower 48 wetlands have been altered by agriculture, urban and industrial uses, over 99.95% of Alaska's wetlands remain intact, even with world-class energy and minerals development. According to a recent estimate, Alaska wetlands cover over two-thirds of its non-mountainous land area. The result is that wetlands form the bulk of the developable land in the state.

The Council is concerned that strict implementation of a federal "no net loss" policy would require that wetlands acreage used for development would have to be compensated for by purchase, restoration or preservation of equivalent wetlands acreage. Such a requirement would jeopardize many proj-

(continued on page 5)

Alaskans attack new wetlands agreement

Memorandum of Agreement should be revoked

The Resource Development Council is asking the Environmental Protection Agency and the U.S. Army Corps of Engineers to rescind a Memorandum of Agreement (MOA) which essentially implements a highly controversial "no net loss" wetlands policy for Alaska.

Application of the MOA was delayed recently when EPA Administrator William Reilly agreed to hold off on the policy until mid-January to consider possible alternatives for Alaska. The MOA has also come under strong attack from Alaska Governor Steve Cowper, the state's congressional delegation, various cities and villages and the state's major industries. All agree that to bring Alaska, some two-thirds of which is considered wetlands, under the "no net loss" policy would bring even modest development to a halt.

In letters to Reilly and Robert Page, Assistant Secretary of the Army, RDC Executive Director Becky Gay said the MOA has been promulgated without opportunity for public comment or interagency review, in violation of the Administrative Procedures Act.

"While the agencies maintain that this MOA is merely a clarification of existing policy, it represents a significant change from the current mitigation requirements

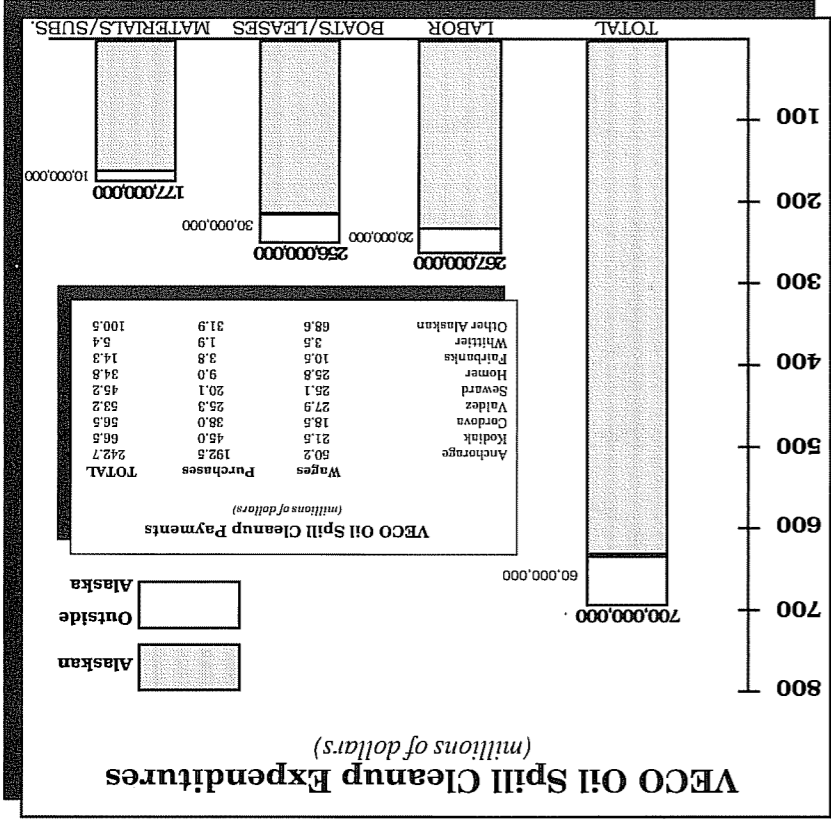
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Many Alaska communities and military installations are built on wetlands. The U.S. Coast Guard base at Sitka is built on filled coastal wetlands.

Oil spill cleanup provides economic boost

By Jeff Day



son team at the Port of Anchorage. Within days of the oil spill, all available Alaska supplies of gloves, hardhats, rubber boots and goggles were exhausted. Orders were immediately placed through Alaska vendors. Among the purchases were 20,000 duffie bags, 100,000 pairs of safety glasses, 160,000 sets of rain gear and 65,000 pairs of rubber boots.

Millions of trash bags were also on the supply list. "We figure a million bags lasted about two weeks," said Veco purchasing manager Alan Hardison.

In May alone, more than 600 truck loads of equipment were dispatched from Anchorage to Valdez, some 380 miles away. The trucks carried heavy equipment, 175 pickups and vehicles, 500 zodiacs and skiffs and 1,000 outboard motors and generators. Twelve million pounds of food were dispatched to workers during the cleanup.

"In all, 33 states supplied equipment to meet the demand along with a half dozen foreign countries, including China, Finland and Norway," Leathard said.

When the cleanup concluded on September 15, more than 15,000 people had been employed for some period of time by Veco or its subcontractors. Alaska supplies were getting the people and equipment to the remote sites to do the job."

Looking back at the summer's effort, Leathard notes that cleanup techniques have changed little in years. "There was no one magic item that worked," Leathard said. "We threw everything we could at the oil depending on the condition of the oil and characteristics of the shoreline. The magic of this effort was getting the people and equipment to the remote sites to do the job."

But the massive effort had achieved results. More than 1,000 miles of shoreline had been treated, about 50% more than anticipated by Exxon's original plan. The task which remained was demobilization of the mammoth effort.

All equipment is being winterized and categorized into a computer data base for deployment in an emergency. A large shipment of medical supplies was dispatched to aid the victims of the San Francisco earthquake through the cooperation of the AGC, Veco and Exxon.

When the human cleanup effort of the Exxon Valdez oil spill was completed in September, more than 17 million man hours had been expended. Normally a project of that magnitude requires up to five years to plan. But for Veco, incorporated, the prime contractor hired by Exxon to implement the cleanup, the luxury of planning time didn't exist.

Within 48 hours after the spill, the responsibility for the cleanup was transferred from Alyeska Pipeline Service Company to Exxon, and Veco was formally retained as the prime contractor to turn Exxon's paper cleanup plan into action.

In choosing Veco, Exxon ensured that the people most impacted by the spill would receive the greatest economic benefits from the cleanup effort. "Our policy, which we also expected our subcontractors to follow, was that, whenever possible, local people, local vendors and local boats would be used," said Veco President Pete Leathard.

Veco, a non-union company, subcontracted with Norcon, a union construction company to ensure both union and non-union workers would be employed. Hiring centers were established in 14 communities to recruit workers. Agreements were signed with native corporations to train and employ Alaska Native shareholders many of whom lived in villages impacted by the spill.

The prevailing wage rate of \$16.69 an hour was paid to both union and non-union workers.

"We believe the wages were a major factor in the good morale and harmony on the project which played a major role in the project's excellent safety record," Leathard said.

About 3,000 people directly cleaned the beaches and another 9,000 worked in support roles. The broad work force approached 12,000 at one time including both Veco and Exxon personnel.

To alleviate pressure on the local community of Valdez, workers were housed offshore near the cleanup sites on ships and barges. At the peak, more than 2,000 vessels were leased to either Veco or Exxon.

The logistics of the cleanup effort were enormous. More than 60 aircraft were employed to transport supplies and personnel daily.

The procurement and shipment of supplies was coordinated by a 60-person team.

will elevate the global perspective on resource development, convince policy-makers that Alaska's economic health is key to the nation's, and hopefully, entice intelligent people to work on intelligent solutions to our many problems. RDC will unfailingly stand by private property rights in a state where private property pales in the face of government-owned property. RDC looks forward to making the case for a healthy and prosperous economy. Of wilderness, we have given. Of energy, we have given. Of fisheries, we have given. Some-where out there are citizens who believe in and appreciate the challenges Alaska faces. The choices we have made to bring Alaska's standard of living somewhat close to the American dream are valid, which means the basic needs are taken care of and we can get on with making this a better world in which to live.

Consumers will learn to conserve more and producers will learn to produce better. America is still the greatest country on earth for being able to set that agenda and pursue it. Our place, as citizens, is to help the rest of the world to follow our lead and make their countries a better place to live.

much of the world's resources is unwilling to utilize its own resources to help what its appetite. Exporting pollution in order to avoid the appearance of exploiting finite resources is one of the most self-centered attempts at obscuring the plight of the planet. Do what you can to stop this NIMBY syndrome from becoming the next "Ugly American" attitude which makes the world disdain our people.

Face it, everything comes from somewhere. Alaskans, for the most part, seem to understand and rise to the challenges and constraints we encounter, real, geologic, meteorologic, geographic, climatic, political, economic, or man-made. With your help and guidance, RDC will help lead the way to a better economy, which in turn, will lead to a better world where producers and consumers recognize their vital relationship vis a vis the health of this great planet Earth.

Alaska coal is "heart of future"

Alaska is "the heart of our long-term future for coal," according to Richard L. Lawson, president of the National Coal Association. Speaking at RDC's 10th annual conference, Lawson said Alaska coal is particularly important because of the emerging Pacific Rim markets. "The contribution that Alaska coal can make is very significant from an economic standpoint," Lawson said, referring to huge reserves that are practically untapped at this time. Alaska has 50 times the amount of coal as it does oil and gas reserves in terms of equivalent energy.

Message from
the Executive
Director
by
Becky L. Gay



At the beginning of the 1990s, hindsight can demonstrate many things but one thing especially—Alaskans are a resilient and hardy lot. Phenomena of all kinds ran wildly across our citizenry last year. After a year which started with the coldest January on record, the highest barometric pressure reading ever, the oil spill, the most rainfall ever recorded (surpassing the 3-day, 7-day, 21-day and 30-day records all in the same month), and ended with a big bang, the eruption of the volcano Mt. Redoubt, it is no wonder that Alaskans look forward to the new year!

The media focus on Alaska has not been of the sort which draws the average tourist to our great state, but who says the average tourist is worthy of the experience anyway? The truth is, Alaska is a land of great contrasts, great hurdles to overcome, great potential, great (or at least big) weather, and great people. We live, work and recreate here and our love for the land and what it provides is unmatched by those who would rule and speculate from afar. Furthermore, the majority of Alaskans are employed directly as producers, or get their revenues from the resource sector, and we know it can and is being done right.

In the upcoming decade, RDC plans to pierce the void of understanding about Alaska in a variety of ways, across an array of individual perceptions and will bridge the age gap which has separated the producers from the consumers. RDC

- The Resource Development Council (RDC) is Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in an orderly manner and to create a broad-based, diversified economy while protecting and enhancing the environment.
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Writer & Editor

- Carl Portman

Alternatives to the MOA on "no net loss"

range of alternatives is a banking system which would take into consideration the millions of acres of federal Wilderness in Alaska in establishing wetland development formulas. Under the banking system or development credit formula, Alaska would be given credit for land that has been set aside in conservation system units (158 million acres) and in other restricted land classifications. Alaska has warehoused a large percentage of its public lands, and that should be factored into any further restrictive development policies such as the "no net loss" concept. A system should be outlined that would allow Alaska to draw on its "credit" or "banked" land -- land that has been set aside and essentially restricts development.

The adoption of a threshold approach is another possible means to respond to Alaska's unique position. This approach would allow states in which cumulative wetland losses are less than 5% - 20% to be excluded from provisions of the "no net loss" policy until the threshold has been met or exceeded. Another approach would be to more carefully define wetlands, distinguishing between "high value" and "low value" wetlands, and actually provide vital fish and wildlife and water wetlands that actually provide vital fish and wildlife and water quality benefits. This approach recognizes the fundamental differences which set Alaska wetlands apart from those in other states.

It is critical that the MOA be rescinded and that any future actions regarding wetlands in our state be carefully considered. The wetlands issue in Alaska is not the same as for the rest of the country and this must be recognized. Alaska deserves a flexible wetlands policy that recognizes its unique position. The MOA does not advance the cause of shaping a fair and flexible wetlands policy for Alaska.

Thoughts from the President

by
Pete Nelson



The Resource Development Council strongly believes that Alaska and its wetlands represent a unique situation and should be viewed as such during discussion of a national "no net loss" policy.

While two-thirds of Alaska's non-mountainous area is considered wetlands, less than one half of one percent of the state's wetlands have been lost to development over the course of history. As good stewards of the land, RDC believes Alaskans should be rewarded for keeping their wetlands intact, and not punished for the problems that have resulted in other parts of the country. Ironically, the greatest impact of a national "no net loss" policy will be in the one state that does not have a wetlands loss problem. And thwarting development in Alaska wetlands will do nothing toward solving the wetlands problem where it exists -- in the Lower 48 states.

RDC has been very active on the wetlands issue and has advanced several alternatives to Washington, D.C., regarding the Memorandum of Agreement between the U.S. Army Corps of Engineers and the Environmental Protection Agency. The alternatives range from a complete Alaska exemption from the "no net loss" policy to a threshold approach. Included in the

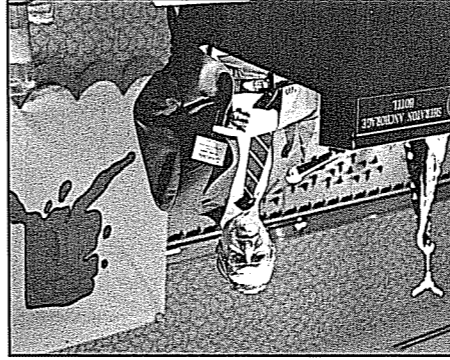
There is a need for a balanced commitment to both sustained economic development as well as responsible environmental protection, according to Gomer Jones, President of the National Institute for Urban Wildlife.

"While it is clear that we will continue to manipulate, urbanize and utilize more and more of our natural resources, the challenge before us is to do this in ways that minimize adverse effects on wildlife and our environment," said Jones. "The good news is that development and environmental protection can and do coexist well, that some of the best wildlife enhancements have been done by industry environmentalists."

Addressing the 10th annual conference of the Resource Development Council in Anchorage last November, Jones said that "in our zeal to protect the environment, we in the environmental community may be, in fact, killing progress over the past twenty years. The chances for our biologists and environmental scientists to work together in an effective capacity. It seems to me that too many environmentalists have a perception that everyone on our side is too 'good' to work for industry. Some of the nation's best environmentalists wear a 'black hat' -- both in the environmental community because they work for industry, and within the company because they tend to affect the bottom line."

Jones, a former vice president of the National Wildlife Federation and the National Audubon Society, noted that as the economy tightens, the wall dividing the environmental and industrial communities grows higher. "We witness unnecessary, unproductive confronta-

Developers and environmentalists Why the constant confrontation?



Gomer Jones, "Why the constant confrontation?"

environment, and that development must generate the wealth needed to afford this same research, management and controls.

"We need good wildlife research and good environmental research," Jones added. "We need more practical hands-on scientists. And, whether or not the majority of environmental groups like or acknowledge the fact, most of the funding for vital research is going to come from a healthy industrial community which is able to sustain national economic growth."

Jones suggested that the United States move to carefully explore and develop promising oil prospects in Alaska and the Outer Continental Shelf while it has time to employ environmental and wildlife safeguards. He warned that an international emergency brought on by a major conflict could preclude lengthy environmental planning if the nation is forced to move quickly to produce enough oil to sustain itself and its allies. "Our ultimate goal has to be to get the environmental community and business community to recognize some common objectives," Jones concluded. "But for that to happen, we need to begin now to work together."

state government. The state's permanent office in the nation's capital to monitor and lobby issues of concern to Alaska has been effective, but it has not been enough Wickwire said.

The Seattle attorney said these people are "far more effective than the occasional alpine full of prominent citizens who travel to Washington, D.C. at critical junctures of the legislative and political process."

Another suggestion Wickwire had for getting Alaska's point of view across the nation's growing energy needs would be a good message to build and enhance the credibility of

Changing America's perception of Alaska

Many of the perceptions that Americans have about Alaska and its people are frequently marked by gross misinformation and factual inaccuracies. Alaska is an extremely difficult task, says James Wickwire, a Seattle attorney with extensive experience in Alaska native, land and resource issues.

Addressing RDC's conference last November in Anchorage, Wickwire said that the only effective and quick way to convince people that the North Slope Eskimos do not live in igloos is to take them there to see for themselves.

"Preconceived notions and inaccurate perceptions are best changed by exposure to reality," Wickwire noted. "Bring people to Alaska. Let them decide the major issues on the basis of personal observation and direct discussions with Alaskans."

This approach has worked well with people who are "open minded." It has been used extensively with poli-

"Alaska's story is impressive, its contribution to the nation's well-being is very important," Wickwire said. "I have found that once you can get people to deal with the facts you get a good result."

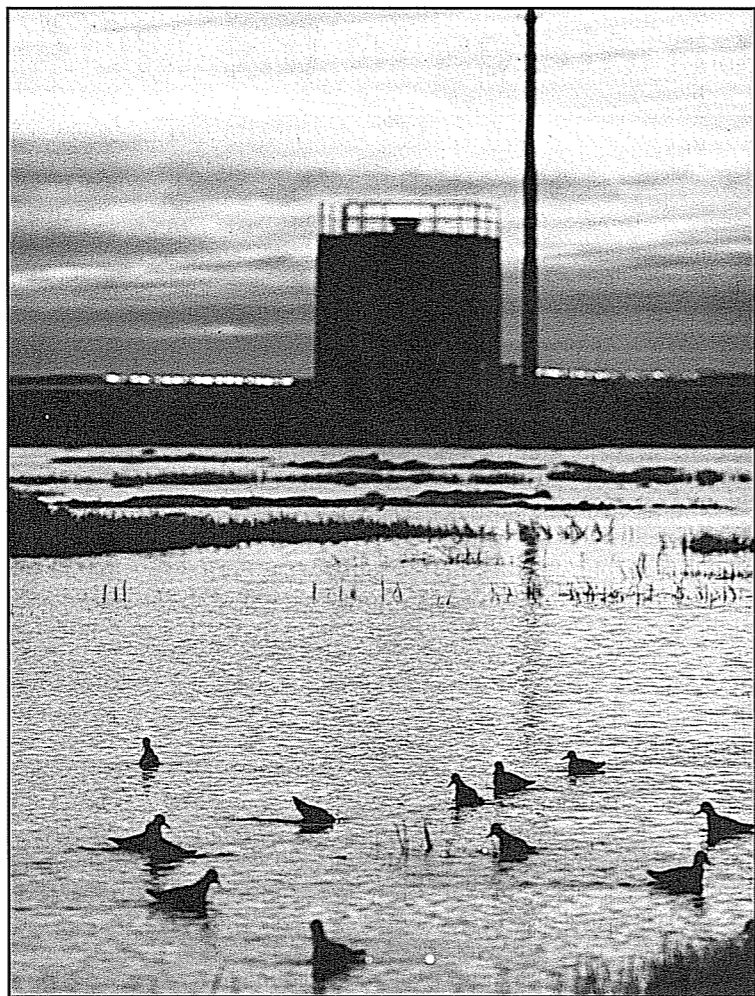
Wickwire said that Alaska has always done well when it sends its best ambassadors to Washington, D.C., to deal with its problems. "Alaska's best ambassadors, more often than not, are 'real people,'" according to Wickwire, include Alaska natives, fishermen, hunting and fishing guides, small business entrepreneurs and oil crew roustabouts to name a few.

"These kinds of representatives are effective because they are real people who have experienced hardship and who have strong aspirations. They break through the stereotypes. They want and need jobs and development, but they

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MOA poses grave threat to Alaska

(continued from cover)



Since virtually all of the energy-rich Alaska North Slope is considered wetlands, the "no net loss" policy would preclude further development of promising oil and gas prospects vital to Alaska's economic well-being and the nation's energy security. North Slope oil fields provide 25% of U.S. domestic oil production, yet less than 0.02% of Alaska's wetlands have been disturbed by energy development.

under Section 404 of the Clean Water Act," Gay noted. She explained that Section 404 does not call for compensation in its mitigation requirements and has not previously been interpreted to do so. Yet the MOA sets up a mitigation decisionmaking process that includes compensatory mitigation, resulting in a very significant change in the way projects are permitted.

"The MOA is not a clarification of existing policy, but is, in fact, a new policy directing agencies to achieve no net loss of wetlands," Gay said. "It is inappropriate to adopt the goal of no overall net loss of wetlands through the MOA process prior to any resolution of the issue by the Administration or Congress."

"This is an extremely serious issue for nearly all Alaska communities and industries," Gay stressed. "The MOA, which does not advance the cause of shaping a flexible wetlands policy for Alaska, should immediately be revoked."

In a letter to President Bush, Governor Cowper asserted that the guidelines set forth in the MOA "provide only unrestrained discretion at the local-agency level." Cowper said "this is not an expression of national wetlands policy, it is an example of ad hoc decision making. As such, it will have a chilling effect on community expansion and economic development."

According to Vicki Masterman, an environmental attorney from Chicago, "the most blatant departure for the existing laws and regulations in the MOA is the statement that 'compensatory mitigation will be required for unavoidable adverse impacts remaining after avoidance and after minimization.'"

Speaking before RDC's recent 10th annual conference, Masterman took exception to the Corps position that the MOA doesn't change the current laws and regulations. "That's baloney, it's a change, and they have to say that if they attempt to defend it legally," Masterman asserted.

Speaking to the overall "no net loss" controversy, Masterman said "it is naive to think that EPA and the environmental

community will let any definition of no net loss work. Delay is a victory for them. The ultimate victory for them is to inject enough hurdles into a permit process to make projects die before they get to the end of the process."

Alaska does not have a wetlands problem, Masterman insists. "If the Lower 48 states had Alaska's wetlands management record, there would have been no National Wetlands Policy Forum, there would probably be no Section 404 (of the Clean Water Act), and we certainly wouldn't have a no net loss proposal."

Development has disturbed or altered about 80,000 acres of wetlands in Alaska, leaving 99.95% of the state's wetland base intact. In fact, Alaska's total wetland loss over the course of its history is less than one-third of the amount that is lost every year in the Lower 48.

Eighty-seven percent of the losses in the southern states are attributed to

agricultural development which is exempt from Section 404 of the Clean Water Act. Only eight percent of wetland losses were from urban development, but most surface development in the Lower 48 occurred before the Section 404 program.

While many local, state and private officials view the emerging "no net loss" policy as the "last straw," a small non-profit organization in Juneau working on behalf of the homeless is also feeling the squeeze.

The St. Vincent de Paul Society in Juneau is building a \$350,000 shelter for homeless families, but to get an occupancy permit the Society must pave a 40-foot by 190-foot vacant lot next door that it bought for parking. Surrounded by paved streets, that lot has a tendency to collect water during heavy rain. As a result, the Corps considers the lot a wetland, requiring a permit before any filling and paving can occur.

(continued on page 4)

RDC coalition targets "no net loss"

(continued for cover)

ects because of enormous offsite mitigation costs.

RDC is organizing community, native and industry leaders under its wetlands coalition to confront the great threat posed by "no net loss." The Council has written directly to President George Bush and William Reilly, Administrator of the Environmental Protection Agency (EPA). It has also assisted local communities in developing and advancing resolutions urging President Bush to not subject Alaska to a blanket policy that fails to consider the state's unique position in the wetlands issue.

The Alaska Council of Mayors, Alaska Municipal League, the Southeast Conference, the Kenai Peninsula Borough, the Municipality of Anchorage, the Northwest Arctic Borough, the Bristol Bay Borough and other communities, including Seward, Cordova and Nome, have passed resolutions. Resolutions expressing concern over the impacts of the proposed federal policy to Alaska are pending in a number of other communities.

RDC has published a detailed brochure focusing on Alaska wetlands and what the "no net loss" concept means to the state's economy. The brochure has been widely circulated throughout the state and has been distributed to key public officials in the Lower 48. In addition, the Council has featured indepth reports of the wetlands issue in its monthly publication, the *Resource Review*, as well as distributing editorials to newspapers across the state.

RDC is working closely with the state and the legislature to adopt a strong unified position on wetlands. A major priority of its 1990 legislative agenda is to secure a definitive and strong position from the Legislature that

articulates special consideration for Alaska in any federal "no net loss" wetlands policy. In the new year, RDC also plans to travel throughout the state to give wetlands presentations to affected communities.

In December, RDC sent out a "Red Alert" to its priority list of members asking them to send telegrams and letters to President Bush requesting that a Memorandum of Agreement (MOA) between the Environmental Protection Agency and the Corps of Engineers on permits under Section 404 of the Clean Water Act be withdrawn. The MOA represents a significant change from the current mitigation requirements of the Clean Water Act and sets up a new decisionmaking process that includes "no net loss" mitigation.

RDC has also published a five-page briefing paper on the issue. The report was mailed to the membership in early December.

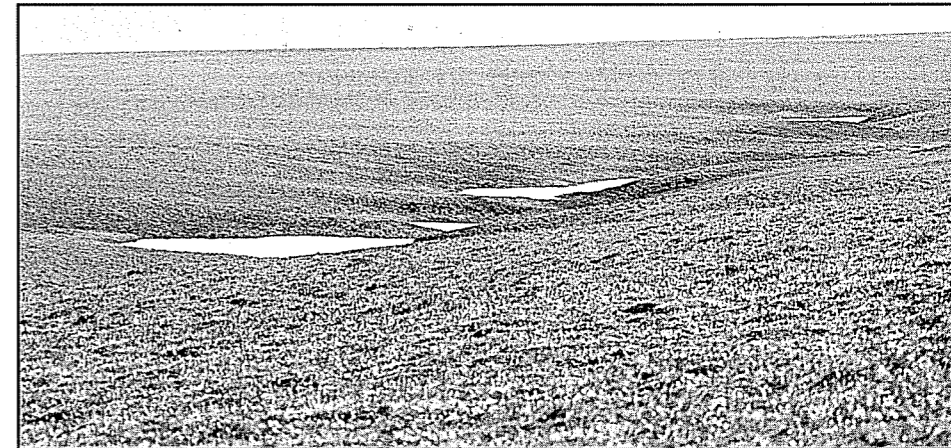
Editor's Note: Readers of the Resource Review are urged to write a brief letter requesting that the EPA/Corps MOA be rescinded and that any future actions regarding wetlands in Alaska be carefully considered. The letters should be addressed to: Robert Page, Assistant Secretary for Civil Works, Department of the Army, The Pentagon, 2E570, Washington, D.C. 20310; Nancy Maloley, Office of Policy Development, Old Executive Office Building, 17th Street & Pennsylvania Ave., N.W., Room 227, Washington, D.C. 20500; Bob Grady, Office of Management and Budget, Old Executive Building, 17th Street & Pennsylvania Ave., N.W., Room 260, Washington, D.C. 20500; Michael Deland, Council on Environmental Quality, Executive Office of the President, 722 Jackson Place, N.W., Washington, D.C., 20503.

Wetlands...

(continued from page 4)

The Society is fearful that the Corps will invoke "no net loss" and require it to find land elsewhere to restore in compensation. Essentially, the non-profit organization would be paying twice for the parking lot. The Society paid \$35,000 for the lot and paving costs will add substantially to that tally.

"I am afraid that with the Corps of Engineers we won't be able to get a certificate for occupancy simply because we don't have a paved parking lot," said Society Executive Director Paul Paradis.



Alaska's North Slope is considered to be 99% wetlands, despite an annual precipitation level of only 5 to 7 inches. Permafrost conditions in the arctic trap spring snowmelt and summer rain on the surface.