

To some this would make a great postcard. To us it makes a great home.



We're the Inupiat Eskimos of Alaska's North Slope and our people have lived here in the Arctic for thousands of years. We should not be penalized just because some Americans think the Arctic Coastal Plain is an untouched wilderness. It is not. It is our home.

Today, Congress is debating whether to open the Arctic National Wildlife Refuge for oil and gas development. We believe they should.

We know that the Arctic can provide America the energy it needs and continue to provide a home for the Inupiat people and the wildlife we depend on. So we'll make sure it's developed safely. After all, we want to keep our home picture perfect too.

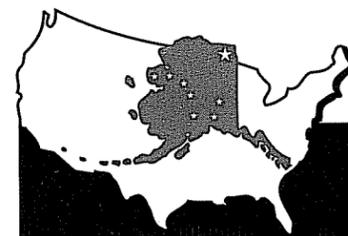
OPEN THE ANWR COASTAL PLAIN FOR DEVELOPMENT

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Resource Review

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Unfunded environmental mandates

U.S. mayors want Congress to stop passing the buck

Over 100 U.S. mayors have launched a campaign to inform Congress of an impending fiscal crisis at the local level in paying for the increasing costs of environmental mandates.

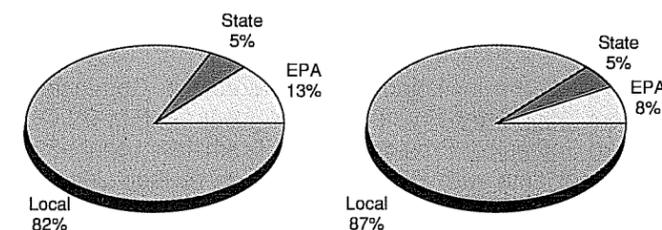
At the center of the mayors' legislative effort is a 50-page report on unfunded environmental mandates produced by RDC board member Paula Easley, Government Relations Director for the Municipality of Anchorage.

The report, "Paying for Federal Environmental Mandates: A Looming Crisis for Cities and Counties," warns that local government cannot afford to implement the myriad of federal mandates without cutting back on other crucial services or raising taxes on residents. It was released at a January 18 press conference during the winter meeting of the U.S. Conference of Mayors in Washington, D.C.

The bipartisan group of 114 mayors from 49 states sent letters and the report to President Clinton and Congress urging that local governments be given flexibility to set priorities among competing concerns.

The mayors maintain the federal rules are frequently too inflexible to take into account local variations in environmental quality and do not allow local governments to focus on the greatest risks first. The mayors argue that cities are com-

Percentage of public expenditures by level of government to maintain current level of environmental quality



1987 Total Spending = \$40 Billion

2000 Total Estimated Spending = \$55 Billion

Source: A Preliminary Analysis of the Public Costs of Environmental Protection 1981-2000: U.S. EPA May 1990

monly required to spend millions of dollars to control negligible risks.

"Something must be done to assure that environmental protection investments are made where they accomplish the greatest good," said Easley, the report's author. "Although many members of Congress are aware of our concerns, the prevailing view still seems to be that 'we just can't spend too much on the environment.'"

Easley said there is urgent need for intelligent discourse about what will work and what won't. "Not only do we sometimes pay too much to solve environmental problems, we've been known to confront the wrong problems for the wrong reasons with the wrong technology."

Easley's analysis highlighted concerns regarding the costs of complying with a full range of mandates, including those dealing with clean air and water, hazardous waste handling and wetlands. Her report struck a nerve with many mayors.

"It's time that the governments above us stop writing checks out of our checkbook," said Mayor Mara Giuliani of Hollywood, California.

Mayor Edward Rendell of Philadelphia noted "it is becoming increasingly difficult for local jurisdictions to comply

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RDC defends RS - 2477 rights-of-way

off-limits to development and how critical RS-2477 rights-of-way are to securing future access within or across Alaska.

ANWR is question of self-determination for Inupiat people

(Continued from page 5)

Oil development has allowed the Inupiat to move into the 20th century and achieve a standard of living that most Americans had enjoyed for decades. Property tax revenue from oil and gas development has enabled the North Slope Borough to build schools, roads, housing, and utilities, and to provide basic services in our villages. No longer do our people have to leave home to find jobs.

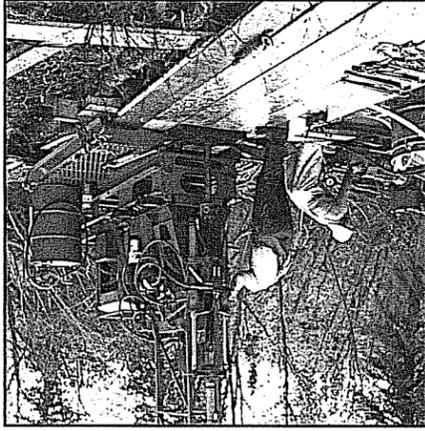
All of the Borough's revenues come from taxes on the industrial development taking place on our lands. Now that production at Prudhoe Bay is declining, we must have new revenues to replace those being lost. Exploration and development within the ANWR Coastal Plain could provide those revenues.

By working to ensure a strong, secure tax base for the future, we are not looking to provide our people with trills or luxuries. We are working to ensure the basic necessities—to hold onto what we have and continue to move forward. As far as we come, we still have a long way to go. The alternative is to be shoved back to the old days of hardship, neglect and life without opportunity.

Our two decades of experience with the oil industry have taught us that we don't have to sacrifice our precious environment to achieve a decent standard of living. We ask that other Alaskans, and all Americans, allow us to maintain the progress that we have achieved.

any pre-existing rights of access and action by a federal agency or by Congress that adversely impacts these rights will result in a breach of promise and a taking of property rights under the 5th amendment of the Constitution.

RDC joined the Alaska Miners Association, the Pacific Legal Foundation and the Citizens Advisory Commission on Federal Areas in asking that nothing be done to adversely affect Alaska's ability to utilize access under RS 2477. RDC said the BLM report should emphasize how much of Alaska is already



RS-2477 has historically been used to access mining claims in Alaska.

Toxicity Rule hits bush hard

The State of Alaska cleans up many petroleum sites annually, funded by the State budget when responsible parties cannot be identified. The TC rule results in restrictions for in-site cleanup in some areas and increases costs of cleanup significantly. These additional costs are passed to taxpayers and result in fewer sites being cleaned up for remediation using on-site Proper management using on-site remediation can be a fraction of the cost and provide the same or a greater level of protection to human health and the environment than transporting and disposing of the contaminated material as hazardous waste, RDC noted.

In comments filed to the U.S. Bureau of Land Management earlier this month, the Resource Development Council strongly defended Alaska's right to secure future access across federal lands through the utilization of the RS 2477 rights-of-way law.

The BLM is conducting a report for Congress on RS 2477, a law passed by Congress in 1886 that gives statutory force to priority rights and local custom. The RS 2477 rights-of-way have historically been used throughout Alaska for travel between villages and to access mining operations, recreation areas, private property, and hunting and fishing grounds. Although representing only one component of the access equation, RS-2477 is considered the most secure and feasible form of access across federal areas. RDC maintains that it must be preserved, along with every available mechanism for providing rights-of-way, transportation and utility system corridors across this state. RDC is concerned that the RS 2477 report will be used to compromise rights that have been granted to both individuals and the State of Alaska by Congress and clarified by the Courts. RDC argued that RS 2477 rights-of-way are

material via air or sea. The cost of transportation and disposal of this material at an approved facility in the Pacific Northwest can be as high as \$1,000 per cubic yard and much higher if road access is not available. These technical and economic considerations present tremendous obstacles to hazardous waste clean-up in these areas.

RDC believes petroleum contaminated sites can be most effectively managed by in-place clean-up, using a variety of proven techniques. Managing these sites in a prudent way protects the environment, prevents contamination being shipped from one lo-

(Continued from page 6)

of the Commission. Support continuation

• **Alaska Minerals Commission.** Support continuation of the Commission.

• **Regulatory reform:** Resolve conflicting regulatory requirements for review of contingency plans between Alaska Coastal Policy Council, Alaska Department of Environmental Conservation and the Governor's Task Force on regulatory reform to streamline permitting, create realistic regulations and improve the regulatory climate for resource industries.

• **Citizen's oversight councils/non-development groups:** Monitor and review funding sources, scope of activities as applied to resource developments, contracts awarded and political actions which are counter to legislative intent and/or official state policy. Take appropriate actions.

• **Land designations/exchanges/buy-outs:** Closely analyze for direct or cumulative effect on resource industries, communities and Alaska's economic development future. RDC will also be working on issues which crop up during the session which affect its membership and the utilization of Alaska's resources.

Along with its legislative activity, RDC will also be participating in technical work groups on issues such as water quality and wetlands.

Attending public hearings on land plans, legislative briefings and giving testimony on all of the above are tasks in which RDC board members and individual members actively participate. RDC's membership response is important, so included in this issue is a handy list of legislators and phone numbers to make it as easy as possible for you to be an active voice in resource policy decisions.

Dorothy Jones

1930-1993

On a sad note, a moment of silence was held at the February 4 RDC Thursday breakfast forum in memory of long-time RDC board member Dorothy Jones of Talkeetna. Many of you will remember Dorothy Jones as Mayor of the Matanuska-Susitna Borough and an Assembly member. She was also a very active member of RDC, a great friend to many and her loss will be felt keenly.

Those who wish to remember and celebrate Dorothy's life and work may contribute to her legacy by directing donations in her name to the R. J. Jones Scholarship Fund, c/o Susitna Valley High School, P.O. Box 807, Talkeetna, AK 99676.

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Writer & Editor

Carl Portman

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Message from the Executive Director

by
Becky L. Gay



RDC's 1993 legislative and administrative priorities

Having just returned from Juneau, attending and speaking at the A.F.L.-C.I.O.'s Legislative Conference, I met with a broad spectrum of the legislature and its staff, and of course, dropped by the Governor's office to renew acquaintances and to discuss RDC priorities in my "new/old" role as RDC's lobbyist.

It was at the invitation of RDC Executive Committee members Mano Frey, President of the Alaska A.F.L.-C.I.O., and John Forgeskie, President of the Teamsters Local 959, that I spent time with RDC's labor allies at their Juneau meeting. RDC appreciated the opportunity to listen to labor's concerns, brief the membership on issues of mutual interest and re-establish the active support and communication which works both ways.

Following is an executive summary of the priorities which RDC's Executive Committee has adopted for this session:

- **Mental Health lands settlement:** Support a legislative settlement which includes original trust land, a long-term funding mechanism for mental health programs and removes the cloud of title from other lands, including hypothesized lands, proposed substitute lands (PSLs) and the so-called "moms and pops."
- **Exploration licensing:** Support in concept and application to augment, not supplant, present oil and gas competitive leasing program.
- **ANWR education & advocacy:** Support legislative action on the ANWR issue for opening the 1002 study area lands for oil and gas exploration and development. Work to stop Wilderness designation. Support funding for activities to educate and lobby at the national, state and local level.
- **Exploration incentives:** Support tax credits for eligible wells and geophysical work in under-explored areas.

Other areas of interest and action include:

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.

Executive Committee Officers

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President.....Paul S. Glavinovich
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Glacier pilot: Healy plume would pale in comparison to wildfires

RDC urges DEC to issue permit to GVEA

At a public hearing in Anchorage last month, the Resource Development Council urged the Alaska Department of Environmental Conservation to issue Golden Valley Electric Association an air quality permit to authorize the construction and operation of the proposed 50-megawatt coal-fired power plant at Healy.

The Healy project will demonstrate that new emerging control technologies are cost effective and environmentally acceptable. The innovative nature of the new facility will curb the emissions of particulate matter, oxides of nitrogen, and sulfur dioxides. In addition, it will help meet the growing power demands of the Interior.

Because the project is close to Denali National Park, there has been some concern expressed on the effect of the project on the park's Class I air zone. However, air quality studies and computer modeling have shown that the proposed facility would comply with all state and federal ambient air quality standards. DEC's draft findings report that the project will not cause or contribute to a violation of any air quality standard.

"The bottom line is that the new plant will not have a negative impact on the environment."

- RDC Board Member Jim Dore

Conservative, worst case computer modeling does predict visibility impacts occurring during some winter hours, but such impacts *would not* be adverse. The results of the modeling indicate that the northeastern boundary of the park could experience between 4 and 30 hours of visibility impairment a year, during the winter months when daylight hours are limited and strong inversions are experienced. This visibility impairment would be in the form of a plume.

In reality, however, there has been no reported sightings from or within the park by observers or operating cameras of a plume from the existing Healy coal-fired power plant, despite modeling that predicts a plume from that facility up to 27 hours a year.

"The bottom line is that the new plant will not have a negative impact on the environment," said Jim Dore, an RDC board member. "A distant plume that might be visible up to several hours a year from within the park should not be allowed to jeopardize the project. Such an impairment pales to the huge plumes and massive clouds of smoke generated by Interior wildfires every summer."

Dore has operated a ski-plane out of Talkeetna, flying into the Kahiltna and Ruth Glaciers and over the Alaska Range to Kantishna. He encountered visibility as low as 4 miles in heavy smoke from forest fires.

"By comparison, visibility impairment from smoke during the busy summer season makes a possible winter plume from Healy seem utterly negligible," Dore noted. "I regularly flew out of the park airstrip near the visitors center and in all my flights over the park and the Healy area, I never saw a plume from the existing Healy plant."

The new plant will be built directly adjacent to the existing coal-fired power plant and an operating coal mine, which has provided year-round jobs to the area for generations.

RDC supports suspension of toxicity rule

The Resource Development Council is supporting an Environmental Protection Agency proposal to suspend the Toxicity Characteristic (TC) Rule for petroleum contaminated material. In a letter to the EPA, RDC encouraged the agency to work with the State of Alaska to assure that the suspension becomes permanent.

The TC Rule, finalized by the EPA in September 1990, is used to determine if a waste is hazardous under Subtitle C of the Resource Conservation and Recovery Act (RCRA). Benzene, a component of most petroleum products, has a new toxicity limit under the TC Rule, set at a low threshold of 0.5 ppm. This means, for example, that soil containing over 0.5 ppm of benzene must be managed in accordance with RCRA's strict hazardous waste management provisions.

Under RCRA, petroleum-contaminated material must be stored in accordance with strict containment standards while the waste is analyzed for hazardous characteristics. If the material is deemed "hazardous," special storage, transportation, and disposal requirements must be met and owners or businesses must "declare" to EPA their new status as a hazardous waste generator. Significant costs associated with the special handling and disposal methods required by RCRA are incurred by the generator of the hazardous waste.

In a letter to the EPA, RDC pointed out that due to technical and economic considerations, the TC Rule is impossible to comply with in a state so broad and remote as Alaska. Since there are no hazardous waste storage facilities in Alaska, the handling, treatment or disposal options for contaminated materials are very limited. Moreover, 90 percent of Alaska's communities are not accessible by road. As a result, a spill from an above or below ground storage tank in a bush community would most likely require removal of contaminated

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Dissension in the Tongass

Recent articles in the Anchorage Daily News could lead one to conclude that the yet-to-be released U.S. Forest Service Tongass Land Use Management Plan is seriously flawed with regard to providing ad-



Thoughts from the President

by Paul S. Glavinovich

equitate protection to certain wildlife species. It appears that a certain group of biologists were charged with the responsibility of developing a plan that would ensure the protection of species that allegedly require old growth habitat to survive. The biologists completed their work, but when their conclusions were not accepted by the management team, they enlisted the support of the media which then accused the Forest Service of suppressing their report. The biologists' team leader went to far as to resign, but not from the Forest Service. He will just move from the Tongass to the Chugach National Forest.

In its coverage, the Anchorage Daily News provides a series of accusations and denials to the point that it is impossible for the reader to separate fact from fiction. For example, the News quoted an independent reviewer of the biologists' report as stating that the report was based on "sound science." What the News did not report was that the reviewer actually concluded that the report was based upon sound science as far as it went; however, the Forest Service biologists had not considered other alternatives.

Comes now Alaska's own Fish and Game biologists with their public recommendation that the pace of logging in the Tongass be reduced. This is difficult to rationalize because just a year ago the State threatened to sue the Forest Service if that agency did not abide by contractual harvest schedules.

The current revisions to the Tongass Land Use Management Plan have been in the development stage for at least three years. The plan has been through the entire NEPA EIS process and subjected to intense scrutiny by a concerned public of all persuasions. Why now all this dissension? Are we politicizing science?

The final management decisions for the Tongass will have a profound affect upon the economy of Southeast Alaska and the lifestyle of the people that live and work there. The public deserves to feel confident that Forest Service decisions will be based upon properly vatted management doctrine and credible scientific studies that include man in the environmental equation.

Excessive logging in the Tongass?

Critics of the timber industry believe logging is occurring at an excessive pace in the Tongass, threatening the fishing and tourism industries and the forest's wildlife. Consider these facts:

- Two-thirds of the commercial old-growth forest in the Tongass is closed to logging. Harvesting takes place on one-third of the commercial forest land over a 100-year rotating cycle.
- In the one-third of the forest open to logging, thousands of acres bordering salmon streams, beaches, scenic passages, critical wildlife habitat areas and muskegs have been put into buffer strips which ban logging.
- There are no endangered or threatened species in the Tongass.
- Logging didn't begin yesterday in the Tongass. Since 1950, 376,000 acres or 2.2% of the Tongass has been logged. The fishing and tourism industries are doing just fine. Fishermen have enjoyed record harvests and wildlife populations are strong.
- Under the current management plan, logging will have affected only 9% of the Tongass or 38% of its old growth after 100 years. Since trees are a renewable resource, loggers will go back in 100 years and harvest the second growth timber, meaning that 91% of the Tongass or 62% of the old growth will never see a tree cut.

Alaska's royal family invited to President's first meal

Members of Alaska's royal family were invited to share a table with Bill Clinton at his first meal as President of the United States. But, in the "eat or be eaten" environment of the nation's capital, Alaska king salmon were on the menu and not on the guest list.

When noted Chef Juan Sanchez needed salmon fit for a President, he looked for a king. In order to get just the right fish for the occasion, Sanchez asked the Alaska Seafood Marketing Institute for help.

ASMI, working in conjunction with the Alaska Trollers' Association, contacted several Sitka processors, where a

winter king salmon opening was underway, and placed a special order for 17 Alaska king salmon to be served at President Clinton's official inaugural luncheon.

"We think this was a great way for the President to begin his term and a terrific way for the Alaska fishing industry to kick off the new year," said ASMI Executive Director Kim Elton.

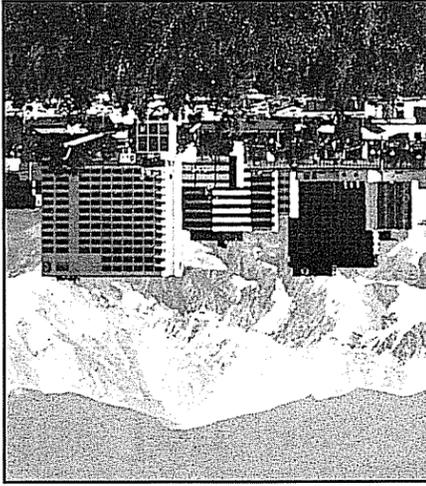
Chef Sanchez was impressed with the "exceptional quality" of the Alaska salmon, and added he had never seen such magnificent fish.

(Continued from page 1)

with the often praiseworthy policy goals or no apparent recognition that real people must pay real dollars for their implementation."

Given the number of existing and proposed mandates, and the corresponding loss of federal tax dollars to local communities, cities across America are now undertaking studies to determine how much unfunded mandates are costing local taxpayers.

An interdepartmental study in Columbus, Ohio revealed that community will have to spend \$1.08 billion between 1991 and 2000 to pay for existing mandates. This amounts to an increase per household of \$856 per year by the year 2000. Anchorage projects compliance costs during the same period to be over \$429 million, amounting to \$4,659 per household over the ten year period. By the year 2000, each Anchorage household could expect to pay \$631 annually

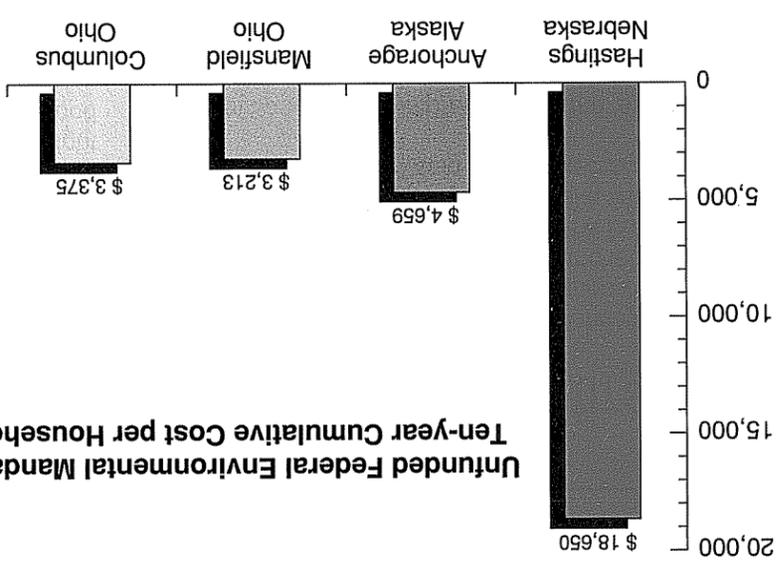


Anchorage residents can expect to pay more to implement new environmental measures as the federal government's share shrinks.

to fund environmental mandates. Other studies have shown that local costs for environmental mandates are significant, and in some cases, staggering. In Hastings, Nebraska, the costs were pegged at \$1,865 each year per

Locals pay bigger share of federal mandates

Untunded Federal Environmental Mandates Ten-year Cumulative Cost per Household



household. Some utilities are considering separating the cost of unfunded mandates on local tax, water and electric bills to show residents how much they are paying.

The costs cited for Columbus, Anchorage and Hastings are based on laws now on the books. They do not reflect new laws for which regulations are not yet promulgated, nor do they take into account the cost of the proposed laws Congress is waiting to enact in the new Congress. The Environmental Protection Agency now enforces more than 9,000 regulations and Congress is enacting new laws at a pace that required more than 60,000 pages of regulations last year.

A recent survey to determine municipal wastewater management needs of 108 large metropolitan areas showed that municipalities would have to raise \$22.6 billion between 1990-1995 for capital projects, of which only \$1.8 billion was to be financed by federal assistance. The local burden of these costs is therefore over 90 percent of the total wastewater capital costs. This does not even address operation and maintenance which are left to be funded totally by local government.

In some cases, local communities are left holding the bag when congressional or administrative projections of local implementation costs are dramatically understated. In Anchorage, for example, the EPA projected it would cost less than \$50,000 to apply for a necessary permit to implement a program under the National Pollution Discharge Elimination System. As of September, Anchorage had spent \$1.5 million on the permit application. The cost of implementing the program, if a permit is issued, cannot yet be calculated.

Policy considerations

Before a more cost-effective national environmental policy can be crafted, major shortcomings in the way Congress and the Executive Branch make decisions on environmental protection must be addressed. These include:

- Environmental issues are addressed without examining the impacts
- Mandates sometimes are not scientifically justified, and respond to perceived, rather than real risks.
- Standards are lacking for evaluation costs and benefits and there are no

(Continued to page 5)

ANWR:

It's a question of self-determination for the Inupiat people

by Mayor Jessie Kaleak, Sr., North Slope Borough

In the debate over whether to open the ANWR Coastal Plain to oil and gas exploration, very few people are asking what the Inupiat people want. We Inupiat Eskimos are the ones who will be most impacted by decisions made about ANWR. The Coastal Plain is part of our home. Our Native corporations own private land here. Therefore, the wishes of our people should prevail. It is a question of self-determination.

Let me be very clear: the Inupiat want the exploration and development on our lands to continue. This was not a decision we have made lightly. Our people have lived in Alaska's Arctic for thousands of years. We feed our families by fishing and hunting in much the same way our ancestors did. We live by the rhythms of the land and sea, depending on the caribou and whale, the fish and the geese, and the other resources of this harsh land. We would never support any development, on public land or our own corporate land, unless we were certain that it could be done without harm to the environment. Our experience from Prudhoe Bay, the trans-Alaska pipeline

Federal mandates: Policy considerations

(Continued from page 4)

new mandates would have on local government costs, personal incomes, private property rights and the economy. Mandates sometimes are not scientifically justified, and respond to perceived, rather than real risks. Standards are lacking for evaluation costs and benefits and there are no

and other developments has proved to us that exploration and development can be carried out in an environmentally responsible manner.

The North Slope Borough, as a home rule government under Alaska's Constitution, has extensive powers to ensure that development takes place safely. And we are not afraid to use those powers. Land use planning, zoning and permitting authority, including an approved coastal management program and land management regulations, allow us to oversee and control every aspect of development throughout the North Slope.

While others may debate the future of ANWR's Coastal Plain in terms of development versus preservation, we see it as an issue of our very survival. Until oil was discovered at Prudhoe Bay, our people lived in primitive conditions. Most of our homes were one-room shacks. We had no utilities, no health clinics, no decent schools and no jobs. Our culture and family structure were weakened when we had to send our children thousands of miles away for schooling, and to travel that far for jobs to support our families.

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Mayor Jessie Kaleak, Sr.

The report recommended that local governments prioritize their resources to achieve the best utilization of local tax dollars for achieving the greatest environmental risk reduction. It also recommended federal officials allow flexibility in raising tax revenues by limiting or retarding local economic development through those same mandates. Federal mandates are enacted with a "one size fits all" mentality. As a result, mayors are losing control over their ability to budget local resources and set priorities to address social service and infrastructure needs. The mayors stress they are focusing on environmental mandates not because they are anti-environment, but entitically justified, and respond to perceived, rather than real risks. Standards are lacking for evaluation costs and benefits and there are no

peer-reviewed science base. Editor's Note: "Paying for Federal Environmental Mandates: A Looming Crisis for Cities and Counties," is available at HDC for \$10 a copy. Call 907-276-0700 to order or write the Council at 121 W. Fireweed Lane, Suite 250, Anchorage, AK 99503.