Alaska Power Systems

Since 1981, Alaska Power Systems has been the leader in serving community-owned electric utilities throughout Alaska from the Aleutian Chain to the Interior.

We have one goal -- to bring affordable and cost-effective state-of-the-art power to communities in remote locations throughout Alaska.

Alaska Power Systems has proven capability and experience in all aspects of building and operating powerplants -- design, equipment, installation, technical and management support and financing.

State-of-the-Art Powerplants:

Powerplants are designed and built for the specific climate, long life, maximum fuel efficiency, operation simplicity and ease of maintenance. Wherever possible, alternative energy sources, such as hydro, are incorporated into the power system.

An example is the recently completed project on the Aleutian Chain that is owned jointly by the City of Akutan and Alaska Power Systems. It includes a special switching system that mates hydropower with diesel generators and alternative power generation. The result: significantly lower power costs and increased reliability.

Remote Site Monitoring Package:

Sensors attached to all critical functions of the powerplant combined with computerized 24-hour remote monitoring and analysis simplifies troubleshooting and eliminates unnecessary expensive travel. Costly system load imbalances are immediately identified, diagnosed and corrected. Using data generated by the monitoring system, Alaska Power Systems sizes powerplants to meet specific community load requirements, optimize efficiency and simplify operation and maintenance.

Operation and Maintenance Support:

Recognizing that equipment and systems performance and longevity is directly tied to the quality of maintenance and support it receives, Alaska Power Systems services also include complete maintenance services, training programs and electric utility management services performed by our knowledgeable and dedicated staff with many years Alaskan experience. This year we are providing Circuit Rider Preventative Maintenance, Training and Emergency Response services for the Division of Energy in 58 communities.

One important reason for this success has been the company's close and ongoing relationship with many communities and the local utility personnel with whom we've been working with all these years.

Their encouragement and support has given us the incentive to develop positive and innovative approaches toward solving their problems. This includes successfully combining new technologies with diesel and alternative power generation. The result: significantly lower power costs and increased reliability.

Resource Development Council
121 W. Fireweed, Suite 250
Anchorage, AK 99503

Resource Review

How much are loggers cutting in Alaska's national forests?

by James L. Cloud
President

Editor's Note: Jim Cloud's monthly offering in the Resource Review, Thoughts of the President, has been expanded to include an analysis of the continuing debate on timber harvesting on public lands in Southeast and Southcentral Alaska.

Webster's New World Dictionary defines rain forest as "a dense, evergreen forest occupying a tropical region having abundant rainfall throughout the year." According to an article in the Anchorage Daily News Science/Environment section January 2, 1994, rain forests receive at least 100 inches of rain a year and temperatures rarely rise above 93 degrees or below 68 degrees.

Like these two sources, most people's definition means Alaska has no rain forest -- we have wet, cold forests. For some, however, the truth takes a back seat to fund raising since "rain forests" are good fund raisers and preservationists know what it takes to raise money from well-meaning, but misinformed Americans.

Eight national and state environmental lobbies have joined together to raise funds to finance the "Alaska Coastal Rainforest Campaign," an effort to block development, especially logging, from the coastal area stretching from Kodiak to Ketchikan. Members of the cooperative effort are the Southeast Alaska Conservation Council, the Alaska Center for the Environment, Sierra Club Legal Defense Fund, Sierra Club, The Wilderness Society, Trustees for Alaska, American Rivers and the Natural Resources Defense Council.

First go will be people who prac-...
Alaska oil power: Problems of opportunity?

OFA 90-266 U.S. 415 to Sand Creek for 1981

Our 1981 Report on the Alaska Oil Industry

Introduction

This report is intended to provide a comprehensive overview of the Alaska oil industry, including its current state, challenges, and opportunities. It is based on a review of the available data and analysis of the industry's performance in recent years.

The Alaska Oil Industry

The Alaska oil industry is a significant contributor to the state's economy, providing employment and economic benefits to communities and the state as a whole. However, the industry has faced numerous challenges in recent years, including declining oil reserves, increased operational costs, and competition from other energy sources.

Current State

The current state of the Alaska oil industry is characterized by declining production levels, increased costs, and a decrease in new investments. The industry has also faced challenges related to transportation and infrastructure, as well as environmental regulations.

Challenges

The Alaska oil industry has faced numerous challenges in recent years, including:

- Declining oil reserves
- Increased production costs
- Competition from other energy sources
- Transportation and infrastructure challenges
- Environmental regulations

Opportunities

Despite the challenges faced by the Alaska oil industry, there are also opportunities for growth and development.

- Exploration of new oil fields
- Development of new technologies to reduce production costs
- Increased emphasis on environmental sustainability
- Development of new markets for Alaskan oil

Conclusion

The Alaska oil industry is an important part of the state's economy, but it faces numerous challenges. However, through careful planning and strategic investment, the industry can continue to play a significant role in the state's future.

References

- Alaska Oil and Gas Conservation Commission
- U.S. Department of Energy
- Alaska Railroad Corporation
- Alaska Department of Natural Resources

Appendix

- Oil and Gas Production Report
- Economic Impact Assessment
- Environmental Impact Assessment
Helping prepare Alaska Students to make informed decisions about Alaska's mineral and energy resources

ARK, a Junior Achievement company, is working to foster a partnership between resource industries and public education in Alaska. As a JA company, the students who comprise ARK elect officers and create by-laws, in addition to producing and marketing a product. This gives the students an opportunity to experience business. It also gives them the chance to meet with key members of the business community in a professional atmosphere. Overall, JA gives its students the chance to begin preparing for their future.

ARK has joined the Alaska Mineral and Energy Resource Education Fund (AMEREF) in a partnership between resource industries and public education to produce the Alaska Resources Kit. The kit is a multimedia educational program directed at informing students of the role mineral and energy resources play in society and the significance of these resources to Alaska's economy. The kit, considered the heart of resource education in Alaska, is Alaska-specific, consisting of hands-on geology specimens, videos, maps, posters, and dozens of lesson plans and student activities. A major element of the kit is a 432-page teachers manual which guides the instructional activities and use of the kit's various components and reference books.

The Alaska Resources Kit is designed for use in grades K-12 and is an interdisciplinary curriculum, incorporating math, history, geology, chemistry and even English. The kit has been accepted for use in all of Alaska's 54 school districts, but not every school has a kit. The waiting list is long and constantly growing.

The cost of the kit is $135. ARK is now seeking underwriters for kit production. Once produced, the kits will be turned over to AMEREF for distribution in the schools. Because both ARK and AMEREF are non-profit organizations, underwriting the Alaska Resources Kit is tax deductible.

If you have any questions or would like to set a time for ARK to show you the kit, please call Carl Portman or Ken Freeman at the RDC office, 276-0700 or fax the information below to 276-3887 and we'll get back to you.

NAME
COMPANY
ADDRESS
CITY STATE ZIP
PHONE FAX

Please see other side
List of Alaska Resources Kit Sponsors
through ARK, a JA company

November 1993 to January 25, 1994

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Please join these committed businesses and individuals in sponsoring Alaska Resource Kits

Partners in resource education
Building public awareness of minerals & energy resources and their essential role in society
Petroleum Club of Anchorage
4101 Credit Union Drive (South side of Sea Galley Restaurant)

February 1994

Reservations are required for each meeting. Please call 276-0700 by noon Wednesday.
Doors open at 7 a.m., presentations begin at 7:30 a.m.

- **Members:** Breakfast: $10.50, Coffee & Pastry: $5.50
- **Non-Members:** Breakfast: $12.00, Coffee & Pastry: $6.00

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Feb. 3: **Winter Cities Conference 1994**  
Jim Kubitz, Chair, Winter Cities 1994

Feb. 10: **Alaska Wetlands Policy:**  
*Where Do We Go From Here?*  
Robert Oja, Chief, Regulatory Branch, U.S. Corps of Engineers

U.S. Minerals Management Service: speaker to be announced later

Feb. 24: **Update on AIDEA Development Projects**  
John Olson, Deputy Director, Alaska Industrial Development & Export Authority

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RDC needs your fax number!!
Please fax this back to (907)276-3887 and you will be on our fax alert list. THANK YOU!

Name: 
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Logs harvested from Interior Alaska are shipped out of the Port of Anchorage.

The Matanuska-Susitna Borough Assembly has awarded a 20-year contract to a private corporation to manage 35,000 acres of borough lands classified for forest management. The concept would allow the private firm to manage lands in the Chijuk Creek and North Sheep Creek forest management units for timber harvest and the time has now come for implementation of the various plans proposed for multiple uses.

Proponents of the agreement point out that it will enhance public recreation opportunities through improved access for the general public back into country areas. Better access to salmon streams would attract more visitors to the borough and stimulate tourism. By improving access to key areas, recreationists would be more dispersed, reducing impacts on popular destinations like the Kenai River. As a result, outdoor experiences would actually be enhanced in both the Valley and the Kenai Peninsulas.

In addition to boosting tourism and enhancing public recreation, the Multiple Use Management Agreement would provide new employment opportunities, help diversify the economy and add to the tax base. In supporting the agreement, Arvid Hall, Vice President of Taiga Resource Consultants, said “everyone can benefit if we work together and cooperate rather than taking divisive stands and turning it into a ‘wilderness vs. development’ issue.”

RDC was instrumental in generating positive support for the agreement. Comments received by the borough favored the proposal.

APC says it's not in breach of contract

"The objective has been to find an alternative to the manufacture of dissolving pulp which under current Forest Service administration of our contract, is not financially viable," said Frank Roppel, APC executive vice president. "Our preliminary studies indicate that it is possible to convert the Sitka facility to make the type of pulp essential in the manufacture of medium density fiberboard (MDF). This appears to be a technically feasible, economically feasible," Roppel said.

In a letter to Forest Service Chief Jack Ward Thomas, APC Chairman George Ishiyama said “if studies prove the economic feasibility of the conversion to be favorable, and we think they will, we would go into production to promptly proceed to take the necessary steps to convert the mill to MDF production, either by ourselves, or in partnership with other interested parties.”

The conversion could take as long as two years, depending on economic, environmental, technical and regulatory requirements, Roppel said.

The conversion to MDF would have many important benefits, including the elimination of air and water discharge challenges associated with the existing mill. It would also preserve the jobs at the Wrangell sawmill and those associated with the other operations.

Regional forest service Mike Barton, however, is showing little willingness to allow the pulp mill to remain closed while Alaska Pulp studies conversion. In a January 13 letter, Barton said conversion of the mill into a fiberboard operation is dependent on modification of the contract, which would require congressional action.

Environment groups have long fought for cancellation of the APC contract and a similar one held by Ketchikan Pulp Company. Environmentalists also oppose conversion of the Sitka plant. The Clinton administration has shown little willingness to find a solution.

The U.S. Minerals Management Service (MMS) has extended the public comment period on its Advanced Notice of Proposed Rulemaking on the Oil Pollution Act of 1990 until February 28.

MMS officials also set Wednesday, February 16, as the date of a public hearing in Anchorage to give Alaskans an opportunity to express their opinions on the OPA rulemaking to agency officials face-to-face.

Comments are being sought on several topics, including the effects of OPA financial responsibility requirements on local communities, the interaction of state and federal government in enforcing OPA financial responsibility, methods available to prove financial bonding and types and locations of “offshore facilities” subject to OPA financial responsibility requirements.

Through the rulemaking process, MMS will write regulations implementing the law. If fully implemented and enforced, the law will require $150 million in liability insurance for any company or individual involved in the transport or handling of any quantity of oil or products over land which is “wet.”

State, federal and municipal facilities, as well as schools, remote pipelines and logging camps, scientific research stations, electrical cooperatives, bulk fuel tank owners, wilderness lodges and many businesses and individuals would be required to obtain “certificates of financial responsibility.” The $150 million in bonding is cost prohibitive, if available at all.

In comments to MMS, Mike Conway, Director of the Division of Spill Prevention and Response of the Alaska Department of Environmental Conservation (DEC), said the proposed financial responsibility requirement rules “far exceed the intent of OPA ‘90 and the traditional jurisdiction and mission of MMS.” DEC recommended MMS redirect the scope of its rulemaking effort.

Specifically, DEC recommended MMS choose more appropriate interpretation of the term “navigable waters.” For the purpose of implementing OPA ‘90, MMS should limit its proposed rulemaking to include inland pipelines, tanker trucks, neighbor- hood gas stations, marinas and even residential storage tanks.

In Alaska, 70 percent of the state could be affected by that definition. They take into account varying levels of risk in the world. They are some of the most comprehensive in the world. They take into account varying levels of risk associated with each category of oil operator in Alaska and differentiate between crude and noncrude oil. Conway noted that the operation at least 5,000 barrels of crude oil or less than 10,000 barrels of noncrude oil are exempt from financial responsibility requirements. He said financial responsibility amounts of $150 million or greater are not applied to any operation in Alaska other than crude oil tankerships.

Crude oil pipelines and offshore exploration and production facilities are required to show proof of financial responsibility in the amount of $50 million in State waters.

DEC’s final recommendation is to exempt small operators not within MMS’s regulatory expertise and traditional jurisdiction.

“The proposed rules radically expand MMS’s scope of jurisdiction and the type of facilities regulated, and fail to recognize any differences in risk between small and large operators,” Conway said. “Since a $150 million financial responsibility requirement is set in statute, MMS should decide which operations pose a threat of that magnitude and exempt all smaller operators.”

A major problem of the law is centered around the key terms of “offshore facilities,” “navigable waters” and “responsible parties.”

In the law, “offshore facilities” is defined as any facility located in, on or under any navigable waters of the United States. The definition goes well beyond drilling and production rigs to include inland pipelines, tanker trucks, neighbor- hood gas stations, marinas and even residential storage tanks.

“Navigable waters” is defined in OPA ‘90 as “waters of the United States,” including rivers, streams, lakes and wetlands. In Alaska, 70 percent of the state could be affected by that definition. Meanwhile, “responsible party” is no longer used in

(Continued from page 5)

Enforcement of the proposed rulemaking would have a profound negative effect on the economy of Alaska and other states. The proposed rulemaking would force private businesses and local and state government agencies to cease certain essential operations. It could have a chain-reaction which would upset the entire Alaska economy.

(Continued to page 7)

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eroded by an additional 700,000 acres when Congress passed the Tongass Timber Reform Act in 1990. The new law, along with ANILCA set asides and various administrative decrees, has left approximately two-thirds of the forested lands in the Tongass off-limits to logging. Of 5.7 million acres of commercial timber, less than two million acres are scheduled for logging on a 100-year cycle.

With each compromise and concession, the slice of the Tongass available to timber harvesting becomes smaller. Environmentalists, not content with past victories, are pressing for permanent protection of the Tongass, as threatened species under the Endangered Species Act. The move is unusual because there is no evidence the wolf population is declining. The designators of KFH-18, grantees, could include new restrictions on logging. The filing comes as environmentalists are asking the new chief of the U.S. Forest Service, Jack Ward Thomas, to overturn the agency's approval of a 267 million board foot timber sale on Prince of Wales Island in the Tongass. The sale would help the Ketchikan Pulp Company meet terms of a 50-year supply contract (13 years remaining) to Ketchikan Pulp Company, which needs the timber to keep operating.

Other initiatives call for creating new habitat conservation areas, reducing annual timber harvests by one-quarter, and PACFISH, another plan endorsed by environmentalists, would triple the size of no-logging buffer zones along fish streams, lakes and wetlands, reducing annual timber harvests by as much as 60 percent. Of course, environmentalists want PACFISH, a fishery protection plan developed for the Pacific Northwest fisheries problem, to apply to the Tongass, even though fish runs here are strong and stringent forest practices measures are already in place. The Tongass is the only national forest with mandated buffer zones. But before have never the efforts to lock up Alaska's natural resources been so well financed and coordinated. A handful of Outsiders are orchestrating the most recent campaign to use their media and political influence to force the idea of land use on Alaska's hardworking citizens. The new campaign is staffed with dedicated, salaried professionals hailing from Washington, D.C., and Atlanta, Georgia, and a bevy of cable television programming.

According to a Compass article in the June 18, 1993 Anchorage Daily News, the Alaska, Coastal Forest Campaign wants to spend the Exxon Valdez Trust fund on lands not already owned by the government that might someday be harvested for wood products or used for purposes other than a national park. These groups that comprise the campaign say they are just trying to return logging to sustainable levels. Let us look at the facts.

Along the Southeast panhandle, where the Tongass stretches from Ketchikan to Yakutat, the Forest Service says 874 million board foot of timber outside closed areas can be harvested annually, but notes that some of this timber is not practical to log. Although by law up to 450 million board foot can be harvested each year, the average annual harvest of sawlog timber from 1980 to 1993 was only 300 million board foot. Total harvests, including logs for pulp, averaged close to 400 million board feet annually since 1980.

In the Chugach National Forest, encompassing much of the Gulf Coast, including Prince William Sound, the Forest Service says up to 41 million board feet of timber can be harvested on a sustained yield basis. While a forest plan allows harvests up to 10.6 million board feet annually, less that 10 million board feet annually has been logged over the past five years.

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