

Which Proposal Do You Favor??

Some time ago a group of RDC's leaders was sitting at the Club Paris debating what could be done to save the Alaska gas line project. They weren't successful; however, they did devise some alternative schemes which we think merit consideration by Alaskans. Please let us know which proposals you prefer, and feel free to add your proposals to the list.

Current Proposals (not necessarily in order of preference or feasibility.)

(1) Liquefy gas on North Slope, barge it up the MacKenzie River. MacKenzie Delta residents would portage it from head of the river to midwest markets.

(2) Pelletize the gas and put it on conveyor belts which can be moved according to distribution needs.

(3) Cool gas to below absolute zero (which makes it disappear), then transport the disappeared gas to southern states via cessna 180's, after which it would be liquefied and regasified.

(4) Since gas to be produced is insufficient for all market needs, develop a companion project that would take all reports, studies, environmental impact statements and accumulated paperwork on the Alaska gas line project and ship them to Chicago. By burning the paper, Chicago would

be provided a good energy source for at least 25 years. (A five-year delay in route approval could result in additional paper to meet the energy needs of Twin Forks, Iowa).

(5) Put gas in perforated pipes to completely cover tundra; energize by ignition. This will cause tundra to grow several feet high and serve as grazing land for expanded buffalo herds. Buffalo chips could then be collected and shipped south to heat the entire nation. The burning gas would light up the entire northern part of Alaska during dark winter months. Soil would also become drier over time, thereby helping eliminate wetlands permitting problems.

(6) Build pipeline directly under cities of Anchorage and Fairbanks. This would reinforce local streets during breakup and could also serve as a subway facility until all operating permits are received.

(7) Since earth turns at the rate of 1000 miles per day and the midwest is approximately 8000 miles from the North Slope, gas could be put in large balloons and held in the air until the earth turns to the midwest at which time balloons would be lowered to existing transmission lines.

Note: Proposal No. 5 could conceivably melt the polar ice cap, causing water levels to rise on the West Coast. The probability of flooding Los Angeles (crime capital of the nation) is not farfetched. Some might consider this an adverse environmental impact, but it would be offset by the fact that numerous fish species would have vast increases of water supplies in which to swim.

Citizens Advisory Commission Wants To Help

Does a federal land management agency have you buffaloed? Here's something that may be of help.

The Citizen's Advisory Commission on Federal Areas is a state agency newly established to assure that federal land management agencies adhere to federal statute and Congressional intent. The Alaska National Interest Lands Conservation Act (ANILCA) is the law which was passed on December 2, 1980, creating new parks, over a hundred million refuges, wilderness areas and wild and scenic rivers in Alaska.

Many Alaskans feared their rights were being eroded by federal land managing agencies when ANILCA passed. Knowing that problems are occurring in other states, far-sighted Alaskans contacted legislators asking for a preventative measure. The result was the law that Alaska State Senator Bettye Fahrenkamp sponsored to establish the Commission.

The commission's purpose is to determine if federal land management decisions are consistent with federal law and Congressional intent; to make recommendations on matters relating to those determinations; and to prevent loss or erosion of property, access or other valid rights of

Alaskans.

In its daily routine, the Commission investigates citizens' complaints about federal land management agencies and reviews proposed regulations, management plans and other federal actions.

Problems which have occurred in other states include: denial of access to private property within the boundaries of a national area; land managers actually reversing Congressional intent; loss of private property through legal proceedings without compensation to the owners; and use of tactics that the private citizen may be unable to understand or defend himself against.

The Citizens' Advisory Commission on Federal Areas exists to prevent these kinds of abuses from occurring in Alaska.

The Commission is working with the Resource Development Council, the Alaska Land Use Council, and state and federal agencies.

If you have a problem or know of someone with a problem which may fall within the responsibility of the Commission, please write the Commission staff in Fairbanks, 515 - 7th Avenue, Suite 310, or phone 456-2012.

 **Resource Development Council**
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Resource Review

July 1982



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Action Taken by NPLAC

Four formal actions dealing with management of public lands were taken by the newly-appointed National Public Lands Advisory Council at a May meeting in Washington D.C.

Alaska is represented on the council by Paula Easley, Executive Director of the Resource Development Council, Inc.

The U.S. Fish and Wildlife Service's Gray Wolf Transplant and Recovery Program was challenged by council members. Funds totaling \$1 million are to be partially used to transplant the endangered gray wolf to areas it formerly inhabited. According to Sen. James McClure, the little-publicized program could pit the interests of America's largest canine predator against humans in key recreation and development areas. Critics of the program charged the federal officials, in their attempt to protect the endangered species, could prohibit in key habitat areas any human activities judged to be in conflict with the wolves' best interests.

The council requested the Secretary of the Interior to hold the program in abeyance until the economic implications on affected industry could be evaluated and publicized.

The Western Golden Eagle Management Plan also came under attack. This program would restrict human and industrial activity in areas where the golden eagle might be disturbed. The golden eagle is neither endangered nor threatened. Because the public was not well-informed of the program the council requested that the public comment period be extended 90 days.

The council went on record to oppose an "integral vista" amendment to the Clean Air Act recently passed by the Senate Committee on Environment and Public Works. Members believed the amendment's effect would stop all development in areas where the view is "said to be degraded." Such an amendment would in effect expand boundaries of parks and wilderness



At the May National Public Lands Advisory Council meeting, Secretary of Interior James Watt presents RDC executive director Paula Easley with a buffalo pin. Since 1849 the Interior buffalo has been moving to the left. However, the buffalo pin now shows it facing right. Secretary Watt's way of expressing his desire to "move in the right direction to bring about the changes needed to restore America's greatness."

areas and create new wilderness.

Members also supported proposed amendments (S. 2183 and H.R. 5825) to The Wild Free-Roaming Horse and Burro Act to authorize the sale of excess animals.

Alaska's representative will serve

on the Energy and Minerals Committee chaired by Wyoming State Senator Tom Stroock and on the Lands Committee chaired by Ray Hunter, Executive Director of the California Mining Association.

Susitna Takes Step Forward

The Alaska Power Authority's decision in June to proceed with the state's application for licensing of the proposed \$5.1 billion Susitna hydroelectric project early next year is a "big step forward," according to the executive director of Susitna Power Now.

Eve Reeves told the Resource Review that the decision to submit the application marks a transition from a pure study mode to one of filing for permission to construct.

The power authority had planned to file its application in September to the Federal Energy Regulatory Commission, but voted unanimously to postpone the move until early in 1983.

Reeves agreed with Eric Yould, Executive Director of APA, that a January-to-March filing would be beneficial in gathering more information that could strengthen the state's licensing application. Reeves noted that the decision will allow for incorporation of fishery studies being conducted this summer into the license application. She also pointed out that the later filing date will allow for additional refinement of mitigation plans and provide additional time to work out access questions.

"APA's decision will provide us with an opportunity to hand over to FERC a

Continued on page 3

Festivities Mark Upcoming Oil Discovery Week July 18-24

Governor Jay Hammond has proclaimed July 18-24 as Oil Discovery Week in honor of the 25th anniversary of the discovery of oil at Swanson River, the first substantial economic commercially produced field in Alaska.

The July 19, 1957 discovery of oil by the Richfield Oil Company on the Kenai Peninsula heightened interest by the oil industry in Alaska and increased the level of exploration which resulted in further discoveries around Cook Inlet and Prudhoe Bay.

In his official proclamation, Hammond said the Swanson River discovery shaped Alaska's history, proving the state's economic viability. The find triggered Alaska's transition from a federally subsidized to an industrially based economy, which drew national and international attention to the resource wealth of Alaska.

The Swanson River field has produced millions of barrels of oil and trillions of cubic feet of gas over the past quarter century.

Various events have been scheduled in the Anchorage and Kenai areas in recognition of Oil Discovery Week.

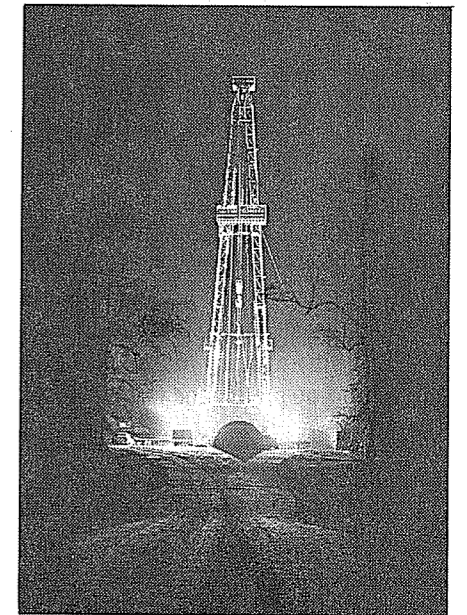
The major Anchorage event is the Black Gold Silver Anniversary Dinner set

for Thursday evening at the Captain Cook Hotel. Sponsored by the Resource Development Council, the celebration will carry the theme, "You Were There" and will be hosted by former Alaska broadcaster Bob Fleming.

Persons who have played an important role in Alaska history, will reminisce on stage about the early days. An RDC breakfast meeting featuring Harry Jamison, President of Arco Exploration Company, will take place at the Elks Club also on Thursday. In addition, RDC is currently compiling a special newspaper supplement on Alaska's oil industry. It is slated for distribution July 19.

Events scheduled in the Kenai Peninsula Borough include a Wednesday noon luncheon at the Kenai Elks Club featuring Ray Arnett, Assistant Secretary of the Interior for Fish and Wildlife. Arnett served as a geologist at Swanson River at the time of the discovery. The Kenai event is sponsored by the Kenai and Soldotna Chambers of Commerce.

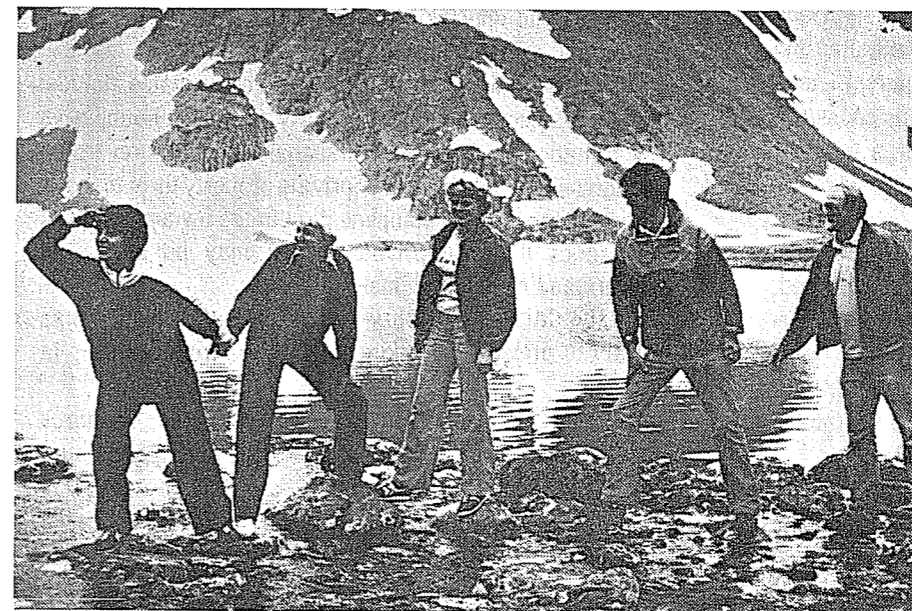
Also on Wednesday, Kenai government officials will join industry executives in a fly-in revisit of the actual well. The Soldotna Progress Days



Swanson River field operations shortly after oil was discovered in 1958.

scheduled for Saturday and Sunday will commemorate the 25th anniversary of Soldotna and the discovery of oil on the peninsula. Gov. Hammond's proclamation urges all Alaskans to reflect on the importance of the oil industry as an economic enterprise and to thank the thousands of dedicated petroleum workers in this state for their many contributions to the quality of life in the 49th state.

Additional information on Oil Discovery Week activities may be obtained by calling 278-9615.



RDC staffers headed for the hills for one of their summer wilderness hikes coordinated by Carl Portman. Fearless leader Paula Easley, left, leads Joyce Munson, Mary Holmes, Portman and Larry Hayden through the treacherous waters of Rabbit Lake. Sign up for the next hike by calling RDC.

Alaska's Big Trade Surplus Barely Scratching Surface

Unlike the rest of the nation, which has shown a trade deficit, Alaska has a sparkling trade surplus that has yet to scratch its real potential.

Sara Hemphill, Chairman of the Export Council of Alaska and former executive director of the Alaska Fisheries Development Foundation, told a Resource Development Council breakfast audience June 24 that Alaska must build every aspect of its export economy from increased production of the state's exportable products to a public relations campaign aimed at foreign markets.

According to Hemphill, last year Alaska exported \$1.2 billion in goods to foreign markets while importing \$229 million. Trade with Japan constituted the majority of this figure with \$935 million in exports and \$59 million in imports. More than 30 Japanese companies are currently investing in Alaska, said Hemphill.

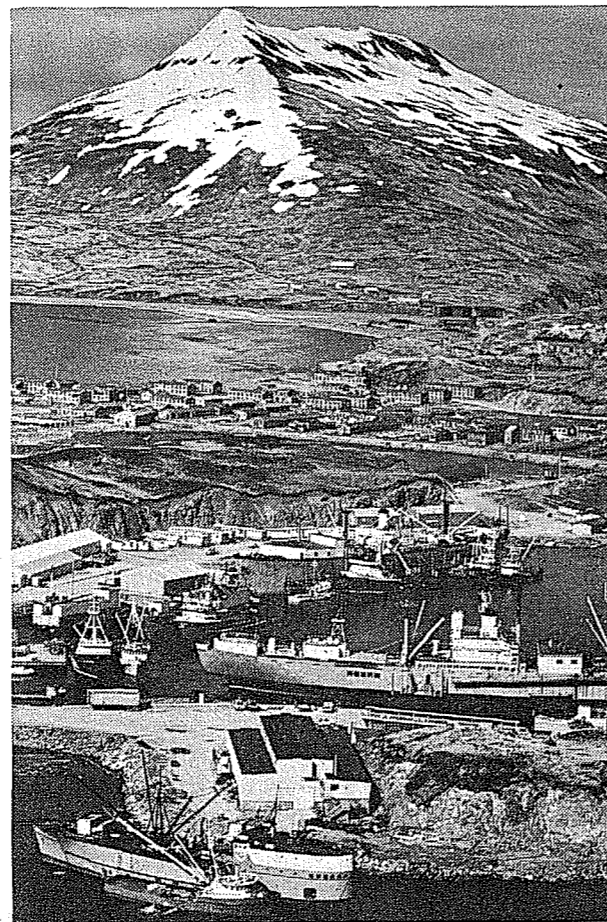
Forest products, liquefied natural gas, fertilizers and seafood made up the bulk of Alaska's exports last year, Hemphill said. Fishery exports of \$427 million grabbed the lion's share while natural gas exports hit \$310 million. Forest products constituted \$278 million while fertilizers amounted to \$133 million.

Hemphill explained that these numbers reflect exports directly to foreign markets and do not include seafood shipped to Seattle for reprocessing before export.

"Nonetheless, Alaska rated number one nationally for exports, comprising 14.1 percent of total U.S. shipments," Hemphill said. She added that 34.7 percent of total state employment was related to exports.

Although Alaska is in a stronger export position than most states, the state is still a long way from realizing its potential.

Hemphill cited Alaska's six trillion tons of coal, 119 million acres of timber and the growing tourism industry as resources to be further developed. She also focused on Alaska's rich potentials in agriculture and mineral exports,

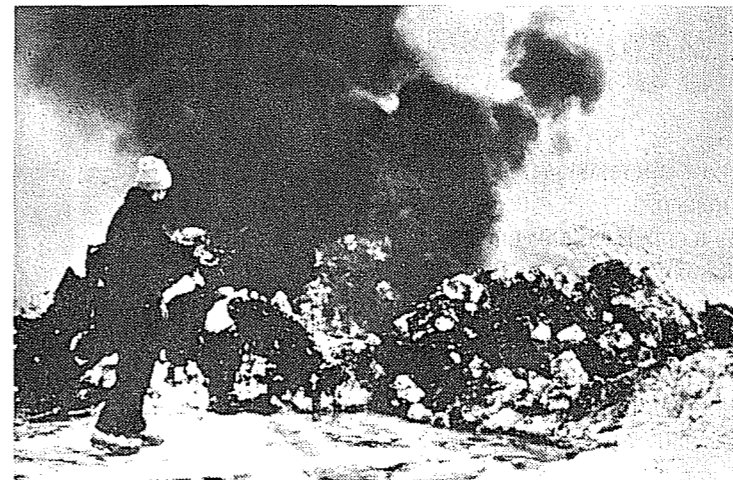


Dutch Harbor is a bustling fishery export community during the summer months.

but added that serious logistical problems exist

"It is clear that the path to a bright economic future for Alaska lies with the domestic development of its natural resources to supply increasingly demanding foreign markets," Hemphill said.

But, she said many impediments exist to smooth and expeditious development. She cited state and federal regulations, environmental laws, limited and seasonal labor, restrictive capital financing, lack of appropriate and adequate infrastructure systems, and limited exposure of Alaska to foreign markets. Hemphill also pointed to Alaska's location outside the traditional distribution patterns as a factor in holding back export growth.



This ABSORB research test shows oiled snow burning in a hollow cone-shaped pit. The technique provides a means by which heat from the fire melts the snow, freeing the oil which then flows to the fire to be consumed.

Specialist Notes Cleanup Advances

The oil industry is capable of cleaning up all but the smallest portions of an oil spill under winter conditions in the Arctic, an industry official told the Resource Development Council last month.

Alan Allen, owner of Spiltec, a new oil spill consulting firm focusing on arctic environments, said polar conditions could actually aid in containing the worst likely spill. Cleanup tests during solid ice conditions have demonstrated that the industry should be able to recover nearly all of any spilled oil in the arctic during the winter months. Allen pointed out that outside Alaska, industry often considers an offshore cleanup attempt successful if it recovers 30 to 50 percent of the spill.

Ice and snow conditions, existing ten months of the year in the Beaufort, are partly responsible for the favorable cleanup conditions. In comparison, warmer southern waters and currents can spread an oil spill over much greater distances.

A spill covering over 100 square miles in the Gulf of Mexico would likely only spread to a single square mile or less in the arctic, according to Allen.

Nevertheless, the industry has invested millions of dollars on contingency plans for arctic spills and has prepared several techniques designed especially for spill cleanups in icy waters.

Before opening Spiltec earlier this year, Allen headed ABSORB -- the Alaskan Beaufort Sea Oilspill Response Body -- an industry group prepared to

handle major oil spills in the Beaufort Sea. He has been directly involved in oil spill cleanup technology for nearly 15 years.

The industry authority stressed that there has been no recorded major long-term damage resulting from oil spills although there have been significant

Susitna Decision...

Continued from page 2

better and stronger product," Reeves said.

Earlier, APA's board members had decided to proceed with the project and apply for licensing. The June meeting was scheduled to determine the application date. Federal processing of the application may take up to three years.

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Japanese Study Evaluates Coal

According to the Alaska State Asian Office, the Japanese Energy Resources Bureau has decided to tackle in earnest the development and import of coal from the U.S.

A study will be made this year of U.S. harbor facilities and will evaluate coal quality from various areas.

The translated article said Japan hoped the project would lead to diversification of coal supply sources and help alleviate the trade friction presently existing between Japan and the U.S.

Japan's endorsement of the project was also spurred by increasing U.S. interest in exporting Western U.S. coal to Japan.

Australia supplied half of Japan's steam coal while the U.S. supplied less than 20 percent during a nine-month period ending January 1982.

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Alaska's Timber Industry Caught Between Many Forces

Editor's note: The following was excerpted from remarks prepared by RDC's Terry Brady for a delegation of Canadian transportation officials visiting Alaska. Neither Terry nor the other five participants in our briefing panel delivered their remarks. The delegation was unable to make its Alaska connection due to a late plane arrival. For the complete text, contact RDC.

As a matter of record Alaska contains approximately 200 billion board feet of standing timber.

Some 150 billion board feet of this timber is found in Alaska's coastal forests stretching from the Ketchikan area to the Kodiak archipelago, all bordering the Pacific Ocean.

The remainder is taiga, or boreal forest, lying in Alaska's interior regions.

The coastal forest is heavy to Sitka spruce, western hemlock and black cottonwood, similar to the forests of the Queen Charlotte islands off the coast of mainland B.C.

The interior forests are similar in nature to the high-latitude forest found all across Canada and in the American lake states. White spruce, paper birch and balsam poplar are the predominant commercial species in interior Alaska.

Alaska's black spruce and tamarack do not reach the commercial size found further east, and pines are nearly absent from Alaska's forests.

However, there is some work underway to introduce lodgepole pine, from Yukon Territory seed stock, into Alaska. This species grows rapidly in Alaska. There is some thought that this species was shut out of interior Alaska during the last ice age, even though growing conditions here are good.

Introducing new trees into areas sometimes creates whole new forests. The Australian eucalyptus is now practically indigenous to California, while California's Monterey pine is found in New Zealand. Also, Sitka spruce, much originating in British

Columbia, is now afforesting areas of Scotland and Ireland.

It becomes a small world at times.

The Alaska timber resource lends itself well to traditional forest uses...ranging from habitat for game and birds, to pulp and paper products. The quality of Alaska wood is high, because it grows slowly and has tight grain features.

Being near the edge of natural ranges, however, generally results in somewhat smaller trees, though surprisingly, the trees reach maturity in about the same number of years as they do elsewhere.

With the worldwide trend to smaller log sawmilling and veneering equipment the smaller trees of Alaska may well come into their own in the future.

This however will greatly depend on market forces and the expansion of transportation facilities.

Also, in my personal viewpoint, the development of Alaska's forests will depend on some political maturation.

Like much of the rest of North America, Alaska has been going through

a siege of "super preservationism." It has made it easy here to overlook or downgrade the need to use some of our own resources to build an expanding Alaska.

Nearly all of the wood products used in Alaska, not only in the larger communities, but even in remote bush locations, are imported.

For example, last summer, while driving north on the Alaska Highway, I noticed truckloads of squared timbers heading toward Alaska from the Watson Lake area. These spruce timbers were being trucked several hundred miles to a State of Alaska sponsored highway job near Tok Junction. Tok Junction, Alaska is located in a large spruce forest controlled mostly by the State of Alaska, and a native Alaskan corporation.

Yet, because of the lack of state timber sales and the confusion of the natives over the value of their resource, contractors had to go across the border

to get a very simple and what should be readily available material.

We must maintain Alaska/Canadian cooperation, but this may have been an extreme case, caused not by the superior Canadian marketing system, but simply our Alaska government dropping the ball.

Do you hear me, Juneau?

I do not believe, however, that Alaskan timber products will ever threaten Canada on a worldwide scale. The comparative advantage of volume and value of Canadian softwoods will always surpass Alaska.

But, this does not mean Alaska wood products cannot play an important export and domestic role.

Alaska currently has only slightly more than 400,000 people, so it should not have an internal timber shortage. And, some products, if found near the coast, or adjacent to interior transport systems, should be able to find their way into international markets.

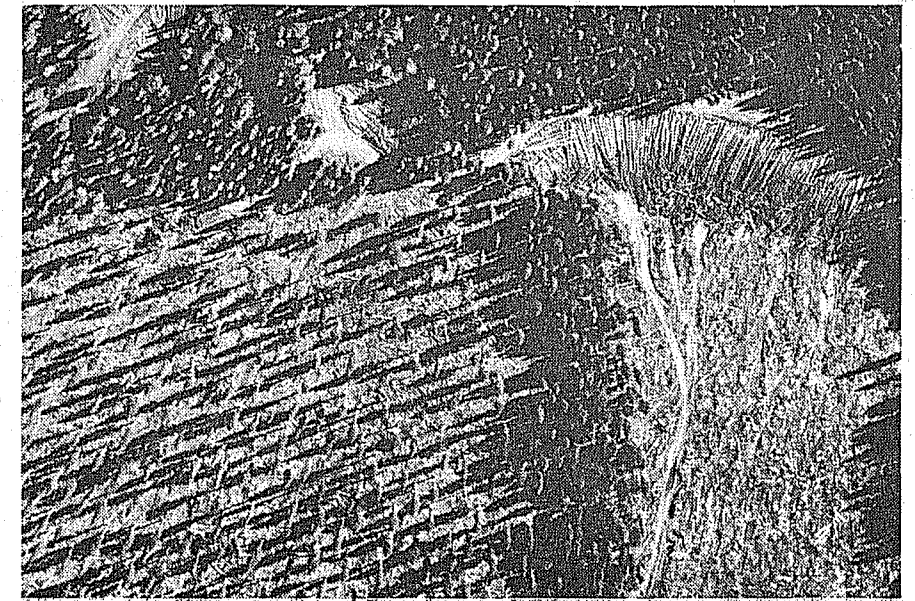
This has long been true in southeastern Alaska, where two major coastal pulp mills have operated for nearly 25 years.

It could also be true of interior timber found along the Alaska railbelt, and the major interior river systems.

A study I helped conduct last year revealed that the middle portion of the Yukon River, in the vicinity of Stevens Village downstream to Nulato, could annually produce in excess of one and a half million tons of wood products per year.

This could mean a lot to the expansion of the Alaska Railroad, which, if it was extended from Nenana to the Yukon River, less than 200 miles, could justify tapping this resource.

Such tonnage should definitely help in determining the feasibility of extending the railroad. Even though the major reasons for such expansion would



Aerial shot shows Bonanza Creek experimental forest near Fairbanks. Here silviculture research is carried out to test various regeneration methods by U.S. Forest Service.



Jim Venard, U.S. Forest Service, takes a timber stand measurement along the mid-Kuskokwim River.

be to tap mineral rich areas, another large volume of freight isn't going to hurt. The timber alone probably couldn't justify the expansion, but the expansion would make the timber industry viable.

As a note to the Yukon timber industry, it was determined that it would take 18 large towboats, and 110 new barges to bring timber and timber products to a Yukon River railhead. There are only a handful of towboats on the river today, and they are all old. So developing a timber/mineral transportation system in interior Alaska would undoubtedly spark some progress.

It was interesting to note a recent news item, originating with the Weyerhaeuser Corporation, that the heyday of the Pacific Northwest timber industry is over.

If one could believe what these learned economists are supposed to have said, that the housing industry will never recover from its present doldrums, and that timber demand will never be what it was in the early seventies, then there would be cause for alarm concerning the future of Alaska's timber industry.

There would also be panic in British Columbia, Washington, Oregon, California, Idaho, Montana and elsewhere.

But, I believe the news reports were only telling part of the story.

Even Weyerhaeuser knows better than to ring the death knell for the forest products industry.

It may be true that the per capita demand for houses in middle America may drop, but this will only spark more demand for domestic remodeling materials. Also, when the current international business doldrums are over, and they surely will end, as they always have, there will be a greater demand for building products, cardboard, paper, chemicals and other forest product-derived materials in overseas markets. The United Nations has predicted a great shortfall in softwood supplies...and the coniferous, high-latitude forests of Alaska and Canada will undoubtedly play a role in meeting this future demand.