Legislators (Continued from Page 3)

However, other bills, including those aimed at creating economic diversification for Alaska, died with adjournment.

With all the ingredients for the most productive legislative session in Alaska's history, we saw only occasional glimpses of positive action. Alaskans stood by with increasing frustration and disappointment as they watched their elected officials become enmeshed in needless conflict, while the economic future of the state hung in the balance and was largely ignored.

Power struggles and personal conflicts were waged using the most important issues as pawns. Personal prerogative and secretive political tradeoffs left critical legislation lying unaddressed in committees while public battles between personalities occupied the attention of most of our elected officials and the press.

Consideration of those appointed to administer government was not even scheduled until almost five months after the session had convened. A house of the legislature resigned without having considered most of the state's business in order to avoid being "steamrolled." The list of disappointments is exhaustive. Why did it happen?

Perhaps one reason is that our representatives were unable to remember the mandates of the electorate who sent them to Juneau. Perhaps there are those who, having been elected, feel they do not have to answer to the electorate for their actions. The largest single cause of the failures, however, was that the people of Alaska allowed it to happen.

When those elected are unresponsive to our needs, they should be replaced by someone who better understands who works for whom. Many opportunities were missed in the first session. In less than seven months, another session of this Legislature will convene. It is our responsibility to insure that our legislators work together in the future and use the opportunities to diversify our economy and enhance the business climate throughout Alaska.

Borax Chief . . .

(Continued from Page 7)

"I think we should have confidence that the two objectives can be compatible, and that with diligence and cooperation, the challenge will be met, and the opportunity fulfilled."

Randolph stressed that the days of reckless exploitation are long past. He said current laws and regulations, as well as public opinion and enlightened management in the major mining companies 'provide safeguards against the irresponsible specter of rape, ruin and run raised by Cecil Andrus, our last Secretary of the Interior.' The time is right for the development of a spirit of cooperation between agencies of government, the mining industry and the people of Alaska with a common aim of moving forward with resource development, Randolph said.

"It is a sad thing to see those who, seeking a no-risk world, would make time stand still," Randolph said. "You cannot live in a state of suspended animation divorced from the world for long."
Miners call it "claim jumping." Our attorney says we must refer to it as "top-filing." Whatever it is called, the action of Sierra Club attorney Geoffrey Parker to try to obtain possession of mining claims in the Chugach National Forest by this method is, in our opinion, deplorable.

There are many legitimate environmental issues which the Sierra Club could and should be addressing. Instead, the group chooses to harass individuals who have chosen the backbreaking lifestyle of placer mining, where the rewards are solitude, scenery and, hopefully, a pouch of gold.

This week saw the Crescent Creek mine camp with Rob Riivet, the Pacific Legal Foundation attorney who is representing our side of the battle to protect some miners from losing their claims as a result of Sierra Club's action.

Rob Holbrook, Judy and Clyde Holbrook and Ed and Jeanne Ellis are the kind of folks you'd like to have living next door. They're decent, honorable people. Mining is in their blood. They love this land, and Ed Ellis beams with pride at the success of his accomplishment could not be hidden as they explained to us how it worked.

They hope to put out of business.

The slick, East Coast-attorney-types such as Geoffrey Parker are philosophically opposed to mining in Alaska. This case isn't about assureng that the mining is done in an environmentally sensitive way — Ellis and the Holbrooks know how to do that; it evolved because the Sierra Club doesn't want mining at all.

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

RDC invites members and the general public to its weekly breakfast meeting featuring local and nationally-known speakers on economic and resource development issues. The meetings are held on Thursday at 7:15 a.m. in the Nondie Room at the Hilton Anchorage Hotel. Meeting charge is $2 and reservations are required up to one week in advance.

Membership Information

The Resource Development Council extends an invitation to all persons interested in the responsible development of Alaska's resources to join the Council's efforts. For membership information, contact: Mike Abbott, Executive Director.

Executive Committee Officers

President — Charles Webster
Vice President — Robert Asan
Secretary — Joseph Hemmingson
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Executive Director — Paula P. Easley
Deputy Director — James H. Jones
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The RDC business headquarters are located at 144 West 7th Avenue in downtown Anchorage.

COVER: Southeast Alaska logging officials say their efforts to vest timber in the region's dense forests are hindered by lengthy permitting delays. See story, page 6. Printed the second week of each month, Resource Review is the official monthly publication of the Resource Development Council Box 10051, Anchorage, Alaska, 99519 — (907) 278-9615.

RDC Announces New Division Leaders


William R. Farrington
Richard Teshu
William E. Davis
Larry Dreese
Robert Hewetta
Chuck Hendert

Help Wanted For Agriculture

From the Fairbanks Daily News-Miner

Is agriculture in trouble in Alaska?

Without strong state support in these initial years, the answer may be yes. And that would be unfortunate.

Developing a viable agriculture industry in our state makes sense for several reasons. It would help create a more diversified state economy; it depends on the renewable resource of land; it could offset high transportation costs for food shipped here from outside. It could help alleviate world food shortages some experts predict will occur in the future.

But just as agriculture in much of the Midwest and Western United States depends on a government subsidy in the beginning — free land, made available through the homesteading program — agriculture here requires state support.

Alaska hasn't chosen to make free land available; rather, we've sold agriculture rights to land at cut-rate prices. Still, farmers face enormous costs in their early years as they clear the land, build roads, arrange for electricity, purchase seed and fertilizer with no history of successful crops to use as collateral, find their own markets and search for economical transportation.

The state of Alaska can help farmers overcome major obstacles by offering strong support to agriculture. Marketing and transportation have been controversial arenas, but state aid definitely is needed there.

More basic, though, is getting more land into production. The Ninna-Totchack project has the strong support of the community of Ninna but has gotten little support out of either the Hoonah or Skiffkof administrators. It's time to change that.

Randolph said discovery and development of the mineral potential of Alaska is the opportunity that can benefit all state residents. He called the challenge to be able to develop these resources in a manner consistent with preservation and environmental values.

"The Great Debate" that has raged for over a decade has been concerned with the questions of whether resource development was compatible with the preservation of the national ecosystems, Randolph said. The U.S. Borax presi dent pointed out that accumulation of the scientific data and development of methods for measuring air and water quality have provided the tools with which to define areas of concern and to develop solutions to environmental problems.

He said industry also has a better understanding of potential risks of any proposed development from new methodologies which have been developed to examine all factors impacting the environment.

Borax Chief Says Reckless Exploitation Thing of Past

The development of Alaska's abundant resources is not only crucial to the self-sufficiency of the United States, but to the future well-being of the state, according to Dr. Carl Randolph, President of U.S. Borax & Chemical Corporation.

"I can think of no other area of the world in which the possibilities of major mineral discoveries and the opportunities for their development exist to the degree that they do in this state," Randolph said in a May address before the 1983 graduating class of the University of Alaska in Fairbanks. He assured the graduates: "We will never again see the expropriations and tragedies of the gold rush days, but certainly the excitement that accompanies new discoveries will always be with us."

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(Continued on Page 8)
Southeast Alaska Loggers Blast Permit Delays

Southeast Alaska logging officials have charged the U.S. Army Corps of Engineers with excessively delaying tideland permits on some intertidal log transfer sites.

In a meeting with Senator Frank Murkowski, the loggers claim that delays up to three years on intertidal log transfer sites have doubled and tripled the costs of log transfer sites. They insist that the permit process allows a single agency to stop a project or delay it indefinitely, especially in the intertidal zones.

Pete Hubrecht of the Alaska Loggers Association's forest practices commission told the Ketchikan Daily News "the Corps just works as a sort of clearancetower." He continued, "the problem is one of delays and add- ded delays."

Steve Brink of the U.S. Forest Service said the Corps decisions are made without giving consideration to economic implications of such decisions.

Vern Eliason, Chief Forestry Engineer for the Alaska Lumber and Pulp Company, pointed out that a timber operation in Fools Inlet in Southeast Alaska was delayed for over a year while the Corps searched for a way to protect an existing crab fishery valued at $1,200 a year.

"There is a tendency of some agencies to manage for every single fish," said Jim Clark, a lawyer with the Alaska Loggers Association. "We're looking at multiple issues.

Permits for a log transfer site in View Cove were delayed for two years even though three large developments had taken place in the area over the past 60 years, noted Frank Roppel, president of Sealaska Timber Corporation. "If they had looked around the cove, they could see that there was no demonstration of degradation of the environment," Roppel said. "Someone has to look at the objections some of the agencies raise to see if they make sense."

In defending the Corps permitting process, Dave Barrows, chief of the Alaska District Regulatory Program, explained that the Corps has a statutory obligation to rigorously review each permit application and to fully coordinate with other state and federal agencies. He admitted the permit process takes time, but stressed that incomplete reviews cause even more delays when they end up in court challenges.

"Long delays in processing of routine permits for the logging industry are ancient history," Barrows said. He noted that memorandums of agreement that were signed last summer by the Corps and several pertinent agencies have now been fully implemented. Barrows said the memorandums have helped streamline the review process and reduce delays.

According to Barrows, the average time required to process a permit for a log-transfer facility last summer was 127 days. That time has now been reduced to approximately 75 days, a reduction of nearly 40 percent. He said almost half of all permits processed in the Alaska District are now completed in less than 50 days.

Of all permit applications before the Corps, Barrow pointed out that only three are currently taking over 120 days to process. Two of these are pending the outcome of an Environmental Impact Statement (EIS) required by litigation.

The Corps regulatory official said that all but one case cited by Southeast logging officials to Senator Murkowski had been resolved.

In that instance, the Corps had issued a permit to Shee Atika Corporation for a log transfer site on Admiralty Island, but was forced to suspend it after the Sierra Club succeeded in securing a court ruling requiring a full-blow EIS.

The Sierra Club contends the Shee Atika timber project will pose a threat to the crab fishery around Admiralty Island and adversely affect water quality in streams on the island.

Barrows said the scoping phase of the EIS has been completed and that the Draft Environmental Impact Statement should be ready for release early next year.

Analysis

Legislators Miss Many Opportunities

By James Jinks
Deputy Director

In reviewing the results of the second longest legislative session in our state's history, we are filled with frustration and disappointment as we weigh what could have been against what actually occurred.

When the session convened, we were filled with a strong sense of hope that many of the substantive issues, unaddressed for eight years, would be quickly and sensibly dealt with and, at last, Alaska could begin to realize new economic growth. All of the ingredients were there. A new administration committed to growth was in office; new legislators who campaigned for development had been elected; many of the seasoned legislators who had supported sensible growth for our state returned; several divisive issues in our state had been resolved in the fall elections; and all the Juneau cast of players appeared to be better organized for action than in the past.

With state income from oil revenues declining, the common goals of our representatives would lead them to work together in the best interests of all Alaska and to judiciously husband our financial and natural resources, or so we thought. Certainly they would make laws that promoted the well-being of our people and provided economic direction to compensate for declining state revenues.

Alaska was in a position to take giant strides and achieve the impetus that would bring us closer to economic parity with the rest of the nation. We had the players, the resources and the collective will to put it all together for our state.

A number of critical issues faced the new legislators as it convened and more would surface during the session. Regulatory reform, economic development enhancement, homestead, forestry development and hydroelectric projects were all subjects of legislation as the session began.

The need for regulatory reform — particularly for permitting — has been recognized by many as one of the most critical issues to Alaska development. The process has become so unwieldy that it is frustrating to those administering the programs and those who must abide by it. Bills that would have greatly streamlined the process and eliminated delays by setting specified time limits on permit processing failed.

A number of bills introduced during the session would have improved Alaska's reputation as a good place to do business, but they all failed! Not a single piece of legislation on permit reform, special investment tax credits, sale of royalty oil to in-state refineries or a state economic development policy passed.

Legislative action such as this doesn't help Alaska's negative reputation as a place to do business. In periodic ratings by respected agencies, the state has consistently been rated at or near the bottom of the fifty states as a preferred place to do business. Factors contributing to Alaska's poor ratings include a lack of incentives offered to attract new business, an unstable tax climate, state and local indebtedness ratios, an absence of a clearly defined state economic development policy and burdensome regulatory requirements.

Legislation was passed to allow homesteading, establish a state forest, continue hydroelectric development and increase legislators' salaries by about 30 percent.

(Continued on Page 8)
AOGA Official Warns State

Tax increases, compounded stipulations and unnecessary regulations are changing the face of a once vibrant and strong oil industry in Alaska, warns the Exploration and Production Affairs Manager of the Alaska Oil and Gas Association (AOGA), with developing additional oil fields in Alaska? warns the Exploration and Production Affairs Manager of the Alaska Oil and Gas Association (AOGA),

that additional taxes, stipulations, and unnecessary regulations are not the way to encourage exploration and development at a time when the state’s appetite for revenue continues to grow.

Gilbreth, who also serves as AOGA’s Assistant Executive Director, explained that until other industries can develop, most state income for the next 20 years will come from oil and gas development, as it does today. However, with falling oil prices, industry profits are down as well as state income ten to fifteen years from now.”

Gilbreth said. He warned that oil companies are facing a real dilemma when they consider investing billions of millions in Alaska on oil and gas leases with absolutely no prospect of recovering investment in less than fifteen years. If the industry could explore, drill and produce oil exactly the same way it does now with every environmental precaution, the AOGA executive says oil could be flowing to consumers within five to seven years of a lease sale if it did not have to obtain state permits.

Due to government controls, logistics and other factors, Alaska has a nine to fourteen year delay from date of a lease sale until oil is flowing to consumers. “The public and government have little understanding that this means many of today’s decisions will have maximum impact on the industry as well as state income ten to fifteen years from now,” Gilbreth said. He explained that up to two-thirds of the estimated undiscovered oil and gas for the entire nation is located in Alaska, yet only 8/10ths of 1% of the wells in the U.S. are drilled in the 49th state. If drilling activity were proportional to undiscovered resources, Alaska would have up to 1,300 oil rigs operating today, instead of the 15 to 30 now active.

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