RDC helps PLF celebrate 15 years

One of RDC's most instrumental alliances is the one shared with the Pacific Legal Foundation (PLF). PLF is a public-interest law firm with a strong mission to protect and re-establish constitutional principles which center on individual rights, including property rights, and freedoms.

RDC was introduced to PLF during Paula Easley's tenure and the Alaska Miners Association (AMA) became even more determined to help PLF establish an office, staffed by at least one attorney, here on the front lines in Alaska. Two years ago that "long-distance relationship" flourished, the Alaska case load and the Alaska Miners Association (AMA) became even more development-oriented. Due to the burgeoning workload, RDC found itself in Anchorage.

Recently, in celebration of PLF's 15th anniversary, members of the PLF Board of Trustees traveled to Alaska under the auspices of Michael Thomas, PLF's Alaska Trustee. They toured the state from Southeast to the Arctic, seeing firsthand the vast land they have been defending in so many ways and listening to the individuals who have benefitted from PLF actions, some who face seemingly hopeless battles in their efforts to develop and access resources in the forty-ninth state.

To further our understanding of PLF, and the Trustees' understanding of RDC and Alaska, representatives of both organizations met and mingled as part of RDC's 15th anniversary. Stories of Michael Thomas's, PLF's Alaska Trustee. They toured the state from Southeast to the Arctic, seeing firsthand the vast land they have been defending in so many ways and listening to the individuals who have benefitted from PLF actions, some who face seemingly hopeless battles in their efforts to develop and access resources in the forty-ninth state.

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tals and the company itself.

The Alaska Department of Natural Resources has issued its final approval for a major coal mine on the west side of Cook Inlet 45 miles west of Anchorage. The new mine, Diamond Alaska Coal Company, proposes to mine up to 12 million tons of coal annually from the Beluga area. It covers 3,996 acres, with about half that to be disturbed by actual mining. Division of Mining, Land and Water, which approved the permit, said the Division of Mining in late 1987, but portions of the ruling were appealed by both environmentalists and the company. And finally, the Alaska Department of Natural Resources has issued its final approval for a major coal mine on the west side of Cook Inlet 45 miles west of Anchorage. The new mine, Diamond Alaska Coal Company, proposes to mine up to 12 million tons of coal annually from the Beluga area. It covers 3,996 acres, with about half that to be disturbed by actual mining. Division of Mining, Land and Water, which approved the permit, said the Division of Mining in late 1987, but portions of the ruling were appealed by both environmentalists and the company.
Aerial view reveals the vast Arctic Coastal Plain.

Industry critical of government report

Draft assumes any change to environment is negative—

(Continued from cover)

The Fish and Wildlife Service document, *Comparison of Actual and Predicted Impacts of the Trans-Alaska Pipeline System and Prudhoe Bay Oil Fields on the North Slope of Alaska*, is based on an synthetically derived assumption that any change to the environment is negative. The bias stems from the view that what exists in nature represents what is biologically "best" simply by the fact of its existence. The conclusion, therefore, is any change, especially man-induced, is necessarily adverse. The separation of biology from aesthetics is invariably overlooked when development impacts are discussed. The purpose of NEPA is to ensure that the environmental changes caused by a major project are evaluated as part of the federal decision making process and found to be acceptable. The purpose of the environmental impact statements and regulations are to minimize the effects of such change and not simply to prevent change.

In evaluating the predicted impacts of the pipeline and oil field activity, the Fish and Wildlife Service relied entirely upon the EIS prepared for the pipeline in 1972. At least 13 EIS's have been issued since then for oil and gas development on Alaska's North Slope.

Standard noted that EIS's are intended to provide decisionmakers with an assessment of the relative value of a project's alternative, including the "no action" option. The company stressed that an EIS is a management tool, not an ultimate predictive tool. Much of the Fish and Wildlife Service's criticism of the pipeline EIS is that predictions of impact were qualitative and that the EIS failed to quantify much of the impact of oil field development. This criticism ignores the fact that the EIS was prepared shortly after the passage of NEPA, and that two decades of tremendous growth in environmental sciences have since passed. The mere existence of impacts which were predicted or not specifically quantified does not make them negative or significant.

In the government draft, the underlying biological assumption is that any change is bad and that simple construction of a building or pipeline reduces wildlife numbers by covering land that is habitat. The fact is that wildlife populations have been increasing, and numerous studies have found that development of the pipeline and the oil fields has not had a negative effect on wildlife or their populations. Furthermore, habitat is not a limiting factor for North Slope wildlife populations.

Standard charged that, by implication, the Fish and Wildlife Service is questioning the effectiveness of the entire environmental impact statement assessment process and the principles set forth in NEPA.

Steve Taylor, Standard Alaska's environmental manager, labeled the government draft as a "political document" designed to slow efforts to open the Arctic National Wildlife Refuge (ANWR) to exploration and development. Taylor said the report leads the reader to believe that oil and gas development at Prudhoe has taken place in a regulatory vacuum when in fact the EIS was prepared one of the most studied and strictly regulated industrial developments in North America.

The government admits the report was unfinished and the object of dispute within the federal agency. The draft itself acknowledges that "its findings have not been validated, and it is not a final document."

In preparing the report, the agency wrote the report "does not represent the position of the regional, the service or the Department of the Interior." In addition, the Fish and Wildlife Service, which produced the draft, recognized that the document may contain "technical deficiencies" and considers it to be a "working document which is still under review and revision." Fortunately, given with the disclaimers the negative aspects of the report were highlighted in extensive nationwide media coverage which seemed to legitimize the conclusions of the report, however deficient it was in its methodology.


Various factors influence ANWR bill

The merits of opening the Arctic National Wildlife Refuge to oil and gas development by election-year politics and other influences, reducing the likelihood that Congress will vote on the issue this year, according to John Katz, the state's chief lobbyist in Washington.

Six months remain until the curtain comes down on the 100th Congress which has already spent 30 legislative days given the numerous recesses for political conventions, holidays, and pre-election campaigning.

To date, four legislative committees have held one or more hearings on ANWR. Earlier this year, the Senate Energy Committee reported a bill which would permit leasing, subject to environmental stipulations. The measure is pending on the Senate calendar, but no floor action is contemplated soon. In May the House Merchant Marine and Fisheries Committee passed a similar development bill. Although far from perfect, Katz said, the bill is "having positive steps in the legislative process.

Congressional action has now shifted to the House Interior and Insular Affairs Committee where additional hearings have been held.

Congressman Jim Wright, the powerful House speaker, supports prompt enactment of a bill, but his desires may be thwarted by several influential congressmen who believe that ANWR is not a good issue to vote on in an election year.

Tax stability pays big dividend

Major expansion at Prudhoe, more projects on horizon

A decision by Alaska's largest oil producers to move ahead with a major $350 million expansion of gas handling facilities at Prudhoe Bay appears directly linked to the stable and investment climate that has existed in Alaska over the past several years.

The Gas Handling Expansion project, announced recently by Standard Alaska Production Company, ARCO Alaska, Inc., and Exxon Co., USA, will increase oil production by some 80,000 barrels a day and spark a substantial increase in royalties, taxes and jobs. The project will tap an additional 400 million barrels of oil over the life of the field.

The Prudhoe Bay unit owners may still add a second gas expansion project of comparable scope, creating more jobs, stimulating new economic activity and increasing recoverable oil reserves.

The decision to pursue further expansion could come as early as next year. However, tax stability is a major factor in seeing the additional expansion and investments in other new projects become a reality during a time of low oil prices, in light of the increased in oil taxes would dampen the economics of the project and send the wrong signal to an industry enduring turbulent times.

The increased oil production resulting from the new gas expansion project will bring the state an additional $1.4 billion in royalties and taxes over the next 20 years, based on $50 a barrel oil. The project will generate an estimated 7,500 new jobs in Alaska construction, drilling, freight, pipeline welding and materials handling.

Stability in Alaska's investment climate has created an incentive for operators to launch expensive projects aimed at pushing back the expected decline in America's largest oil field.

The Central Gas Facility, the world's largest gas handling plant, is currently designed to handle 3 billion cubic feet of natural gas daily. The huge facility is operated by ARCO Alaska, Inc.

Various factors influence ANWR bill

It is becoming evident that Rep. George Miller, Chairman of the House Interior water and power subcommittee, sees the proposed ANWR land trades as a major obstacle to committee work on a development bill. Miller is using the critical General Accounting Office report on the exchanges to support his arguments against the trades, which threaten to derail ANWR legislation.

Other important factors are influencing the course of ANWR legislation. Many congressmen, particularly those opposed to ANWR development, want to postpone action pending the election of a new president.

Sharp disagreements between labor and management over labor agreements and local hire further cloud the picture. Katz believes the political timing issues will pass and ANWR will eventually be brought.

"I think the national implications of energy security and national defense considerations are too compelling for oil exploration to be blocked in America's most promising onshore geological area," Katz said.

As Americans become more aware of the pitfalls inherent in the nation's increasing dependency on foreign oil, the current political dynamics will change, Katz predicted. Alaskans who favor ANWR development have no choice but to continue their strong advocacy, he stressed.