WHEN IT COMES TO RESOURCE DEVELOPMENT WE PURSUE EVERY LEAD

The Inupiat Eskimos of Alaska's North Slope have a long tradition of using their land's natural resources. That's why we're now pursuing careful resource development throughout ASRC's lands—a region rich with oil and gas, coal and mineral opportunities. And inviting the right partners to join in the pursuit. Because with our land's truly unique resource base and the right partners, we'll be able to continue to use our land's natural resources for a long time to come.

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ASRC and its subsidiaries. In harmony with the new economic environment.

Lawsuit targets tourism

Whittier lawsuit sparks anger within tourism industry

A lawsuit filed in federal Court earlier this spring to stop the State from building a 2.5-mile road from Portage to Whittier has sent a clear signal to Alaskans that tourism and transportation infrastructure development has become the latest target of environmental groups.

The suit, filed April 25 by Trustees for Alaska on behalf of the Alaska Center for the Environment, the Alaska Wilderness Recreation and Tourism Association and the Alaska Wildlife Alliance, seeks to stop the Federal Highway Administration from providing funds for the Whittier project. The suit claims the proposed road would cause severe impacts to the wild character of Prince William Sound by allowing Alaskans direct access to the scenic tidewater fjords 45 miles southeast of Anchorage.

Environmental groups have historically opposed logging, mining and oil and gas development in Alaska, claiming these industries threaten a healthy and growing tourism sector. They want the state to reduce its economic dependency on resource development and turn to tourism to drive the state's economic engines.

Yet while environmentalists champion tourism in their battles against (Continued to page 2)

Southeast Alaska eco-tourism group expelled from Anchorage visitors bureau

The Anchorage Convention and Visitors Bureau (ACVB) has expelled the Alaska Wilderness Recreation and Tourism Association (AWRTA) from its membership, charging that the Southeast Alaska group's mission opposes tourism and transportation development in Alaska.

The ACVB action came shortly after AWRTA joined a lawsuit filed by the environmental law firm Trustees for Alaska to block a proposed road to Whittier. “Your entry into the process hoping to deny this project exposes your organization as a detriment to sensible tourism development and growth,” wrote Bill Elander, President of ACVB, in a letter to Steve Behrke, Executive Director of AWRTA. “Your direction is contrary to that of business development and economic diversification regarding enhancing and increasing the level of tourism in the State of Alaska.”

Elander said that while ACVB supports the right of AWRTA to choose any path that its members direct, the decision to join the lawsuit and align with other (Continued to page 6)

The proposed $50 million Whittier road project would provide direct access for the general public to Prince William Sound, enhance tourism, recreational opportunities and strengthen the local economy. Pictured above is the Whittier small boat harbor.
Lawsuit seeks to block Whittier road, limit public access to Prince William Sound

(Continued from page 1)

Resource development, visitor industry officials say their industry has also become a target of non-development interests. In recent years, a number of projects that would expand visitor opportunities have met strong resistance from environmental organizations.

The recent Trustees for Alaska lawsuit has frustrated tourism officials and the industry's top associations which have long considered road access to Whittier and Prince William Sound vital to the needs of a growing tourism industry. Both the Alaska Visitors Association (AVA), the statewide trade association representing the visitor industry in Alaska, and the Anchorage Convention and Visitors Bureau (ACVB) consider the proposed road link to Whittier a top priority.

In an unprecedented move last month, AVA filed a motion to intervene in the lawsuit and ACVB took action to expel the Alaska Wilderness Recreation and Tourism Association from its membership after the Southwest Alaska group aligned itself with other organizations opposing the project. In addition, the City of Whittier publicly criticized the Trustees' action.

The state plans to begin the $90 million road project later this year. The existing Portage Valley Road would be extended across Portage Creek and around the edge of Portage Lake to a parking staging area in Bear Valley. Motorists would line up their vehicles at that point for the single-lane drive through the Alaska Railroad tunnel to Whittier.

Alaskans became interested in improving access to Whittier more than 50 years ago. The road to Whittier has been the subject of at least 19 separate studies over the past 20 years, as well as an exhaustive $3 million environmental impact study. The three-year study included extensive public reviews which considered potential impacts and all points of view.

"For more than two years, these environmental groups had ample opportunity to attend the frequent planning meetings and voice their concerns and offer their positions," pointed out Bill Elander, President of ACVB. "Then they filed a lawsuit after the fact."

Tina Lindgren, Executive Director of AVA, noted that the Trustees' lawsuit has the potential to halt construction on a project that has seen substantial public and government review prior to approval. "It's extremely frustrating that these groups allow the public process to occur only as long as the outcome agrees with their position," Lindgren said.

Jerry George, a project manager for the State Department of Transportation, was also disappointed in the Trustees' action. "The fact that they would file a lawsuit without ever coming in and sitting down and working with us, I find that very disappointing."

A road to create better access to Whittier has been locally supported since World War II, has been supported by the AVA for more than 25 years, and has been a legislative priority for ACVB and the Resource Development Council for many years.

The public and environmental review of the road project determined

(AContinued to page 6)

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

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Resource Review is the official monthly publication of the Resource Development Council. RDC is located at 131 W. Fireweed, Suite 250, Anchorage, AK 99503, (907) 279-0700, Fax: 279-3887

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Writer & Editor Carl Potemkin

"We will continue to push to open the Coastal Plain because it is the right thing to do. Alaskans are the best stewards of our land, our environment and our fish and wildlife resources. We should be major participants in discussions about our future. We do not need the failed landlords of Washington to dictate their policies of failure to us and our children."

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(AContinued to page 6)
that using the existing tunnel was the most cost-effective, viable travel option for the community, reducing state costs and railroad subsidies in the long term, meeting increased travel demand and for an elitist few who are in good shape and can paddle a kayak 100 miles," RDC noted.

As I move toward the end of my official duties as President of the Resource Development Council, I would like to reflect on my own industry’s direction as it relates to industry and responsible resource development. The U.S. environmental industry was a creation of a “command and control” regulatory paradigm that has been the basis of its existence for the past 25 years. The debate between industry and environmental public interest organizations over whether or not to roll back statutory protections is becoming more and more irrelevant as regulated industry shifts its views on environmental compliance from a regulatory mandated process driven by cost efficiency and corporate responsibility. Industry is becoming intimately involved in pollution prevention and waste minimization not necessarily because the regulators require it, but because they can realize significant, measurable cost savings from doing so. Standardizing processes changes in facility infrastructure (accelerated by the impending adoption of ISO 14000 standards) will provide a dramatic reduction in the amount of toxic pollutants emitted into the environment, well beyond anything the best-run “command and control” regulatory system could have ever envisioned.

Indeed, “command and control” and the regulatory paradigm has led to marked success in reducing levels of pollution in this country. There was a time when cars polluted the air, and the system failed. As the public - the majority - were on cruise ships who come to enjoy the area’s splendor without camping, fishing or causing environmental impact. The reality is that the boat harbor expansion would represent a small fraction of the visitors.

"The Sound is not just a private playground for an elitist few who are in good shape and can paddle a kayak 100 miles," RDC noted.

Environmental firms need to get involved publicly and politically, educating leaders and regulators on the importance of science, and scientifically-based environmental protection system.

The regulated community should realize the importance of maintaining an independent, visible environmental industry to provide credible environmental protection services that will be viewed with scepticism.

It is my belief that the environmental industry is an indispensable voice for rational, scientifically-based environmental protection for all of us.
contracts, and an increase in tobacco taxes. The House and the Legislature remained deadlocked in a Special Session with 465-3532laddress resolve the impasse before then.

Senate will reconvene on June 3, or sooner if negotiations GovernorKno(*~hese

However, the regular session of the 10th Alaska Legislature, which adjourned May 7, marked two years of unprecedented cooperation and hard work to pass legislation important to Alaska's economy. House Speaker Gail Philips labeled this year's session as one of major reform in a wide variety of areas including the regulatory arena, tort laws, teacher tenure, welfare and criminal prosecution. Senate President Due Pearce noted various incentive programs were passed by the Legislature to encourage new development in the oil and gas, mining and timber industries.

(*These bills are currently awaiting action by the governor so the time is now to contact him to voice your opinion. Please write, phone or send a fax to the Governor's office today requesting action on these important measures. Phone 465-3500/fax 485-3322/address P.O. Box 110001, Juneau AK 99811-0001) Compiled by Craig Lyon, RDC Special Assistant

*HB 158 Civil Liability (Tort Reform), by Finance. House concurred in Senate amendments on 5/4/96, now awaiting transmittal to Governor. RDC members should contact Governor to urge passage.

*HB 212 Timber Management on State Land, by James, streamlines the process for making small timber sales available to the public. RDC testified on 1/17/96. House concurred in Senate amendments on 4/26/96, now awaiting transmittal to Governor. RDC members should contact Governor to urge passage.

*HB 311 Hours at the Face, by Vezey, repeals the limit on hours employed in mines. 4/23/96, transmitted to Governor for signature.

*HB 342 Water Quality Standards, by Rokeberg, changes water quality discharge standards. RDC testified on CSHB 342 (Oil & Gas) on 3/27/96. House concurred in Senate amendments on 5/7/96, now awaiting transmittal to Governor. RDC members should contact Governor to urge passage.

*HB 388 Area Wide Oil & Gas Leasing, by Rokeberg, allows DNR to lease state land in larger regional areas on a recurring biennial basis. House concurred in Senate amendments on 4/29/96, now awaiting transmittal to Governor. RDC members should contact Governor to urge passage.

*HB 394 Gas & Coal Methane Licenses & Leases, by Ogan, authorizes natural gas & coal bed methane licensing/leasing with a depth limitation of 3,000 ft and exempts onshore natural gas & coal bed methane wells from split contingency planning & financial responsibility requirements. House concurred in Senate amendments on 5/6/96, now awaiting transmittal to Governor. RDC members should contact Governor to urge passage.

*HB 548 Northstar Oil & Gas Lease, by request of Governor, ratifies amendment of the Northstar Unit leases between the state and BP to reduce "net profits" and increase the royalty rate. House concurred in Senate amendments on 5/7/96, now awaiting transmittal to Governor.


*SB 230 DNR Access, by Pearce, prohibits state land and water from being classified so as to preclude or restrict traditional means of access for traditional recreational use. RDC testified on 2/12/96, House Resources. Conference Committee report adopted by House and Senate, awaiting transmittal to Governor. RDC members should contact Governor to urge passage.

HJR 54 Favor Trans-Alaska Gas System, by Kubina, encourages the lessees of North Slope gas reserves to reach agreement to market gas, expresses support for a gas pipeline and requests the Governor and President take action to help expedite construction of a gas pipeline. Approved by Legislature.

HJR 59 NPDES Permit for Cook Inlet Oil & Gas, by Green, requests the EPA to issue a final NPDES permit for Cook Inlet oil and gas operations. Approved by Legislature. Transmitted to Governor 5/6/96.

SB 250 UA Lands Bill, by Frank, would allow the University of Alaska to select 350,000 acres. Senate concurred in House amendments on 5/3/96, now awaiting transmittal to Governor.

SJR 39 EPA's NPDES Permit for placer Mining, by the Senate Resources Committee, opposes the draft General Permit and asks EPA to withdraw from the settlement in the lawsuit. Approved by Legislature.

SJR 40/ HJR 64 Extension of KPC long-term contract, by Senate Resources Committee. Approved by Legislature.

*AMEREF $50,000 General Fund Request, for the Department of Education for the AMEREF Program for FY 97. This will fund the DOE Program Director @ 60% and other related costs for the program and will reestablish the public/private partnership. Included in the Conference Committee budget. RDC members should contact the Governor to urge funding for AMEREF.

HB 154 Regulatory Taking of Private Property, by Kohring, requires compensation by a government entity when that government's action constitutes a taking, assists state agencies, municipalities, and the public to identify and evaluate government action that may result in a taking of private, real or personal property. Died in House Finance.

HB 325 Royalty Suspension: North Slope Heavy Oil, by Green, suspends royalty for first 500 bpd per well for 5 years for North Slope heavy oil. Passed House 4/2/96. Died in Senate Finance.

HB 344 Value Added Timber Sales, 5/10/95 by request of Governor, authorizes DNR to negotiate timber sale contracts that provide for local manufacture of value-added wood projects. Died in House Finance.

HJR 1 Legislative Repeal of Regulations, by Phillips, constitutional amendment that allows for legislative repeal of regulations by majority vote. 14 votes needed for constitutional amendment. Died in Senate Rules.

Troy Rentfro briefs the RDC board on Ketchikan Pulp Company's timber supply contract.

RDC board members pose in Juneau with Senate President Due Pearce and House Speaker Gail Philips during an RDC legislative board meeting midway through the regular session.