Koniag, Inc. wishes to express its support of the Resource Development Council. We commend RDC for its efforts to promote sound resource development. The wise and efficient use of Alaska's resources will benefit all Alaskans.

Faced with economic challenges, Alaska is poised at crossroads
Alaskans unite to harness state's great opportunities

Faced with the economic challenges caused by recent oil price declines, Alaska finds itself at a crossroad on its path toward future economic development. In this context, hundreds of Alaskans will join economic development specialists from throughout the United States in a major economic summit conference at the Anchorage Sheraton Hotel next month.

Entitled the Alaska "Great Opportunities" Conference, the April 2-3 event will feature economic development counselors from across the nation to consider new strategies that harness the forces governing Alaska's economy. In addition, Community Leadership Workshops will be held April 4 with key conference speakers.

The conference is coordinated by the Resource Development Council and its education foundation. Numerous Alaska communities and large and small businesses are cosponsoring the event, which will explore opportunities for economic growth and diversification.

Several hundred people are expected to be in Anchorage for the conference, including over a hundred Alaska mayors, city managers and assembly members from various communities. State legislators, chamber of commerce members and others seeking to improve their companies' profits will also attend.

Robert B. Horton, Chairman of The Standard Oil Company, will offer new insights and direction for Alaska policy-makers in his keynote presentation April 2 on Overcoming Barriers to Opportunity: A Global Perspective.

Dr. Yoon S. Park, Professor of Business Administration at George Washington University and author in the field of international economics and finance, will discuss the advancement of Alaska's economic development strategies. His presentation will consider a wide range of actions to advance economic development in Alaska.

Other speakers include James Souby, Executive Director of the Council of State Planning Agencies in Washington, D.C., Dr. Phillip Fisher, Jr., Director of the National Council of Urban Economic Development, and Paula Manilfo, Finance Director of the Women's Economic Development Corporation in St. Paul, Minnesota. Hugh O'Neill, Assistant Executive Director of the Basin Electric Power Cooperative in Bismarck, North Dakota, will discuss the mobilization of volunteer forces to work on unified economic development strategies.

Robert Friedman, President of the Corporation for Enterprise Development, will discuss the debate over "business climate" and changing elements of long-term economic development and opportunity policy. Other speakers include James Souby, Executive Director of the Council of State Planning Agencies in Washington, D.C., Dr. Phillip Fisher, Jr., Director of the National Council of Urban Economic Development, and Paula Manilfo, Finance Director of the Women's Economic Development Corporation in St. Paul, Minnesota. Hugh O'Neill, Assistant Executive Director of the Basin Electric Power Cooperative in Bismarck, North Dakota, will discuss the mobilization of volunteer forces to work on unified economic development strategies.
REGISTRATION BEGINS AT 8 AM AT THE HOTEL.  MEALS AND EVENTS ARE INCLUDED.  REGISTER NOW AT WWW.ORG/CONFERENCE.

Registration fee for workshops, breakfast, and conference speakers is $500.

Industry Briefs

ADVANCEMENT CHALLENGES: CORE CAPABILITIES CONCEPT

Executive Director

MESSAGE FROM OUR
Great Opportunities... (Continued from page 1)

the New York and New Jersey Port Authority, will also address the conference in a presentation highlighting new frontiers in labor — including labor relations. Steven Waldhorn, Director of the Public Policy Institute in Atlanta, Georgia and Samuel Hubbard, Executive Director of Montana Science and Technology Alliance, will also speak along with Catharine Ashmore from the National Center for Research in Vocational Education at Ohio State University.

The April 4 Community Leadership Workshops will feature concurrent sessions covering such topics as State and Local Privatization Strategies and Financing Municipal Projects Under New Tax Law.

To register for the conference and Community Leadership Workshops, call RDC at (807) 276-0700. The registration fee for the conference is $225; the workshop fee is $80.

Notable Quotes

As anyone interested in Alaska's future knows, the opening of the Coastal Plain of the Arctic National Wildlife Refuge to oil and gas exploration will be of crucial importance to continued economic growth in the state. On a broader scale, ANWR is the most critical energy security issue to face Congress in the coming years and represents a clear choice — develop ANWR and employ Americans or send billions of dollars overseas to pay for imported oil.

— Congressman Don Young

Resource Development Council, Inc.

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

RDC invites members and the general public to its biweekly meeting featuring local and nationally-known speakers on economic and resource development issues. The meetings are held on Thursdays at 7:30 p.m. in the Northern Lights Inn. Reservations are requested by calling 276-0700.

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By Senator Frank Murkowski

The Canadian government recently made national headlines when it recommended that the United States not permit oil and gas exploration in the coastal plain of the 18-million acre Arctic National Wildlife Refuge (ANWR). In fact, the Canadians suggested that we designate the entire 1.5-million acre coastal plain as a wilderness area.

Reaction to the Canadian announcement has been interesting. The environmentalists are cheering — they believe a formidable ally has joined their emotional campaign to permanently close the coastal plain. On the other hand, Secretary of Interior, Don Hodel, was justifiably outraged. Not only had Canadian officials accused him of violating U.S. law by not consulting with them, the Canadians had said, in essence, that he didn't know how to do his job.

From my perspective, there has been too much national media focus on the Secretary's reaction, and not enough examination of the apparent hypocrisy of the Canadian smoke screen.

For instance, how can the Canadian government charge that it was not adequately consulted on its draft report? The Canadians are responding, as is the general public, during the public comment period on the Draft Environmental Impact Statement concerning ANWR. No statute requires that our government consult with the Canadians prior to the beginning of the public comment process. A final report will be issued after the public comment period has closed and Congress will then deliberate the merits of the report and its recommendations including the views of the Canadian government.

The position of the Canadian government to designate the entire coastal plain as wilderness is extreme, and, in fact, counterproductive to the recent cooperation our countries have shared on managing international resources, such as the Porcupine Caribou Herd. Since I came to the Senate seven years ago, I have closely followed the negotiations among the Department of Interior, the Department of State, the State of Alaska, and the Canadian government to manage the Porcupine Caribou herd throughout its migratory range, which includes ANWR. This process has been ongoing for the past 10 years, and we are now close to a resolution.

The reality is that both of our countries are major developers of natural resources and we both share environmental and subsistence concerns. Rather than firing shots over the bow about managing international resources, such as the Porcupine Caribou Herd, we should be working to advance legislation allowing for the state to enter into forest management agreements with private firms.

For those who have not fully recognized our theme for the approaching economic summit, it focuses on Alaska's "great opportunities." Now that's kind of odd, one might conclude, for RDC to discuss great opportunities in the time when a deep recession booms over our state. But, let's stop for a second and reflect:

— Alaska has more coal resources than the entire southern states combined.
— Alaska's world-class hard-rock mineral deposits have yet to be tapped.
— Oil prices will rebound, bringing new opportu-


tunities to Alaska, a leading oil producing state. The continent's most prospective oil and gas region (ANWR) is located adjacent to North Slope oil and gas fields.
— Alaska's commercial timber potential is es-


timated at 216,000,000 board feet.
— Off Alaska's coasts, the continental shelf holds a fishery that accounts for 50 percent of total federal catch.
— Tourism is a rapidly expanding industry with annual growth rates of up to 10 percent.
— If that's not enough, Alaska is the only state with a multi-billion dollar Permanent Fund, now approaching $8 billion.

For the future, we will likely see new breakthroughs in the Pacific Rim and elsewhere that will make it all happen.

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Thoughts from the president

By Boyd Brownfield

RDC's Minerals Division is working closely with the legislature on a package of bills that passed would improve the development climate for miners across the state.

According to division director Paul Glavinovich, legislation has been drafted to mandate legislative oversight of all state mineral closures that exceed 640 acres in size. This legislation was introduced as SB 136 and is currently in the Senate Resources Committee.

Legislation to provide a strong statutory definition for "multiple use" has been introduced as SB 137. In addition, SB 114 has been introduced in an effort to provide legislative oversight to the adoption of coastal zone plans.

The division has infused new language into the 1986 "Clean Water Bill" and this legislation has been introduced as SB 85 and HB 109.

On three different occasions the RDC minerals division has provided testimony to the Alaska Minerals Commission. Glavinovich noted that the Commission's recommendations were adopted by the Commission in its report to the Governor.

"I believe that the legislation necessary to implement RDC's new 'Strategies' is in place," Glavinovich said. "We must now use it optimally and at once to de facto improve a positive response from the legislature."

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Forest advances ahead

RDC and the Alaska Loggers Association are pushing for passage of a Senate bill that would improve timber production on state land through the concept of forest management agreements.

Both organizations have urged the state to adopt the agreements which allow the Department of Natural Resources to negotiate with private timber firms on many contract provisions. The forest management agreements would make it easier for operators to have long-term contracts on timber while cutting state surplus for the contracts.

On timber sales conducted by the state, the Division of Forestry is generally negotiating with private timber firms on many contract provisions. The new legislation would allow the potential purchaser to work with the state in developing a management plan for an area. The private operator would lay out the sale, be responsible for reforestation and would market its own timber.

The bill would require that timber-cutting plans be consistent with existing land management plans and that the commissioner consult with other state and federal agencies before agreeing to the contract.

"Forest management agreements allow the state to be a land owner, based on its management plans, to allow private industry to grow in all areas — without any expense and take on management activities, including road maintenance, timber harvest and reforestation," said John Galea, general manager of the Alaska Loggers Association. "The purpose is to provide enough volume to enable private industry to take long-term investments and amortize those investments. With short-terms, one-year sales, an operator can't go to the bank to borrow money to buy equipment," Galea said.

If the bill becomes law, its effects are likely to be felt in Southeast and Interior Alaska, where the majority of the state's timber is located.
The ability of miners and other public land users to efficiently access Alaska’s public lands is at the center of several legal controversies now before the federal courts. Recent developments in these cases have given a brief respite to miners anxious to get on with their operations this summer, but the picture remains clouded for individuals requiring streamlined access into conservation areas set aside by the Alaska National Interest Land Conservation Act.

The most promising news comes from two recent federal district court decisions in the Sierra Club’s lawsuit against the Bureau of Land Management (BLM). The Sierra Club charged that all mining anywhere on the 80 million acres under the bureau’s jurisdiction must be halted until a series of comprehensive, and more to the point, very lengthy environmental reviews are completed.

A group of state mining associations, represented by Pacific Legal Foundation, intervened in the litigation in order to prove first of all that regulated mining operations today are compatible with the state’s environmental values, and that there was no legal justification for shutting down the mining operations when the Sierra Club failed to follow the proper appeal procedures and misinterpreted the National Environmental Policy Act (NEPA).

The federal District Court agreed and in two significant rulings held that the Sierra Club failed to abide by established procedures in challenging mining operations and failed to demonstrate any violations of NEPA for BLM’s regulation of smaller mining operations. Although the state’s miners can now breathe a little easier, all of the legal issues have not yet been resolved, and the Sierra Club has appealed.

Elsewhere on the legal front, in the continuing litigation over mining in Alaska’s national parks where the industry has already suffered from a district court injunction, the Sierra Club is asking that a new regulatory roadblock be imposed before any mining resumes. Specifically, the Sierra Club is asking that a complete analysis of a mine’s economic worth be performed before mining is approved. The Sierra Club would require that a mine would have been profitable at the time the land was first set aside — for most mines in the Parks this would mean that profitability must be shown at the price of gold in 1972 which was officially set at $35.00 per ounce with a spot price of approximately $50.00 per ounce. Not only would this be a very cumbersome process, but it could threaten the very existence of a number of operations within the parks, many of which can trace their history to the turn of the century, well before the parks were established.

What could be of even greater significance to all mining operations, both large and small, hard rock and placer, is the threat that if the court agrees with the Sierra Club that economic evaluations must be performed on operations within the parks, then the legal reasoning could apply to all mining development and even mineral exploration programs throughout the western United States. This could quite effectively cripple a number of exploration programs, making the search for domestic mineral supplies all that more difficult.

As a final note, the Trustees for Alaska recently sued the BLM claiming that all federal regulations governing access into conservation units, including the development of utility corridors, must be rescinded. It is expected the Trustees will shortly ask that access be severely curtailed until new regulations are enacted. No development interests have yet become involved in this lawsuit.

Fish harvested off the Alaska coast represent the seventh largest fishery in the world. Still, there remain numerous underdeveloped fisheries resources.

Six broad strategies were established under headings closely corresponding to those in the New Strategies. The plan states that:

- Federal, state and local land use planning must facilitate the development and enhancement of fishery-based industries.
- Regulations, permitting and environmental protection measures should improve and enhance the economic development and conservation of fisheries.
- Develop incentives to stimulate investment in Alaska’s seafood industry.
- Promote investment in public infrastructure to benefit Alaska’s seafood industry.
- Expand market opportunities for Alaska seafood and seafood products.
- Establish Alaska as a premier authority on fisheries through education, science and technology programs to enhance the fisheries industry.

The Fishery Plan lists the following items for immediate legislative action:

1. modify present state law to improve long-term leasing procedures that they affect commercial operations and maritime development;
2. allow states and private-non-profit hauliers to self-certify, all-life stages including eggs, to holders of fish or game farm licenses;
3. allow participation of private industry in development and implementation of disease control and inspection programs.

The Fishery Committee is tracking the progress of legislation and resolutions that support implementation of the Fishery Plan. Members are currently focusing on passage of SB 108 and HB 106 which will assist in the development of Alaska’s marine trade industry.

Editor’s Note: Michael Broll is chairman of RDC’s Fisheries Committee in which Lynn Gabriel is a member.