Evaluation of the economic impacts of land plans and policies should be a major concern of the Alaska Land Use Council over the next five years, according to Paula Easley, Executive Director of the Resource Development Council.

In remarks before ALUC April 15, Easley said she would like to see some of the tough issues coming before the Council receive careful scrutiny, with strong positions taken on state and federal policy.

ALUC is an advisory panel of major state and federal officials mandated to work for the smooth and consistent implementation of the Alaska National Interest Lands Conservation Act (ANILCA). Easley urged ALUC to act forcefully on the issue of wilderness review, evaluating state and national impacts of further wilderness withdrawals as well as the creation of land-use restrictions on non-wilderness lands which create implied wilderness designations without Congressional approval.

"When created, ANILCA was designed to provide for withdrawn lands to protect the national interest and still provide adequate opportunities for local and state economies," Easley said. "Given the mandated reviews of the federal land withdrawals to meet the national conservation and recreation needs, we believe the other side of the coin should be addressed periodically as well." She continued, "ALUC should make sure there are "adequate opportunities for satisfaction of the economic and social needs of the State of Alaska" in all land use decisions."

Regarding forest studies for the Tongass National Forest, Easley urged the Council to review U.S. Forest Service recommendations and assure that protection of the regional timber industry is given the weight Congress intended in the review process.

The RDC Executive Director also encouraged ALUC to support the assessment of all resources on federal lands. She pointed out that there is little subsurface assessment being done on Conservation System Units (CSUs) and this is not in the national interest.

ANILCA goes so far as to create a process by which minerals can be extracted from some CSUs in times of national need. Therefore, Easley said, it seems only reasonable to ask that land managers assess the mineral potential available for times of national emergency.

In closing, Easley charged that the interests of the State of Alaska have not been upheld in the ALUC forum or in the entire ANILCA process. "The focus of our problems with the State's role lies in the lack of clearly delineated policy guiding Alaska's role in the ANILCA process," Easley said. "As ardent followers of the land planning process, we have seen no evidence of con-. (Continued on Page 2)
Three crucial issues face Alaska in 1991

(Continued from Page 3)

Native Claims Settlement Act will play a key role in Alaska's economic development. While many of the resources lie under native title, 

"Establishment of unity with the native corporations to present a strong position regarding the issues of 1991 is crucial," McDowell said. "To make the public sector is to thrive beyond 1990." He also warned that prospects for corporate take-overs by non-natives may not be possible unless native leaders continue to act in harmony.

Another RDC concern that has not been addressed is the question of policy. The statewide resource development organization would like the legislature to develop a policy against which all state input into federal land planning could be measured. This would enable the public to review the general parameters of state comments and would allow the agencies to interpret them for individual planning areas.

Notable quote

"To find miners, miners must be able to explore the public lands and waters and know that the minerals can be developed where they are found. Unfortunately, many people have the mistaken image that mining creates vast, irreparable scars. However, all the known mineral deposits (except coal) would not occupy as much surface as the parking lots of Anchorage. The image and the conflict persist despite the truth," said Mike Pargeter, RDC's Deputy Director.

Higher taxes could hinder new exploration

(Continued from Page 5)

In speeches over the last month, Lee Nunn, construction manager for ARCO Alaska, Inc., pointed out that the production of the century will be its ability to develop smaller, marginal fields.

He indicated that the costs of developing the Lisburne field are staggering and ARCO has been forced to cut costs wherever possible. Putting the increased costs to develop marginal fields into perspective, Nunn explained that ARCO would be adding essentially a fourth flow station on the east side of the Prudhoe Bay area to tap Lisburne.

Fairbanks sees sustained growth

Tim has never been so good in Fairbanks. But Interior Alaska businessmen question the growth which the economy is coming from, what powers it and how long it will last.

According to a report in the Fairbanks Daily News-Miner, a steady growth in population and a major injection of state money provided by oil taxes and royalties have created a vast export in trade and service industries over the past few years in Fairbanks.

According to local developer Chuck Rees, Fairbanks has reached "critical mass," a level in the population that allows a community to support services it couldn't before. The population of the Fairbanks area has grown beyond the generally accepted goal of over the past several years and is now nearing 70,000.

Experts say a flood of state oil dollars, wages drawn from the North Slope and Fairbanks' role as the staging center for Interior and North Slope development activities have combined to make the city "boom.

Despite a forecasted slowdown in other parts of the state, Fairbanks is likely to see strong and steady growth over the next couple of years.

Community leaders no longer consider Fairbanks a "boom and bust" town. It's a growing progressive community.

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The Resource Development Council has told the National Park Service (NPS) it opposes the preferred options of the Final Environmental Impact Statement for the Kantishna Hills/Dunkle Mine Study Report.

In a letter to Regional Director Roger Contor, the Council said Alternative 7, removing the mineral resources from the park, would be the best course of action for the region.

Under the FEIS preferred alternative for Kantishna, the NPS would implement a mineral leasing program for placer and lode deposits in the study area. The NPS would administer the leasing program by developing policy to govern the leasing, regulating leasing activities and preparing a mineral management plan for the Kantishna Hills study area. The preferred action in the Dunkle area calls for maintenance of the status quo.

RDC favors option calls for the existing park boundary to be adjusted to exclude the mineral resources portions of the study area from the park and NPS administration. A land exchange would occur to add other lands to the park with significant natural, cultural and recreational values.

"The mineral value of the lands, the historical significance of the mining, the high acquisition costs of mining claims and the ambiguous reports of habitat impact all support the adoption of Alternative 7," the Council wrote. It said a land exchange would give the park land with equal or superior habitat and recreational values.

The Kantishna and Dunkle areas have been actively mined for 80 years, and RDC believes their inclusion in the expanded Denali National Park should never have occurred given the area’s historical role. Speaking for RDC, Paula Easley insisted that the traditional and consistent use of these areas mandate the same consideration of mining as subsistence use of fish and game resources in other areas of the state.

RDC charged that the FEIS understated the validity, and therefore the value, of mining claims. It believes far more money would be required than the FEIS indicates to purchase claims at fair market value.

April 1985 marked a milestone for the Resource Development Council. Before the month ended, we celebrated our tenth anniversary as a citizens coalition advocating responsible development of Alaska’s resources.

This organization has been as successful as it is over the past decade because of the sincere efforts of our membership toward orderly development that seeks to tap our great potential while protecting the environment. Ten years ago we knew it could be done, and today RDC is still here working even harder to assure that our state’s economy will expand and diversity to meet the needs of all our citizens.

RDC’s goals and objectives have real merit and substance; otherwise we wouldn’t be where we are today. We invite other Alaskans to join in working to improve the quality of life through sound resource development.

Alaska’s leaders urged to prepare now for crucial events of 1991

Alaska’s local government leaders should join together to form a unified front in meeting the challenge of three events in 1991 that will have far-reaching impacts on Alaska: the U.S. Census, the state stepped stopped collecting income taxes.

Another change in state government will be a shift to centralization of political and economic power resulting from reapportionment after the 1990 Census. Dominance of the state government by Southeast Alaska would affect regional alliances and change local power structures.

McDowell stressed that regional power balances and structures must be needed to reflect a fair and democratic society and an economy with a statewide focus. If the challenge of reapportionment isn’t met, he fears the 1990s will bring a centralized legislature that may not consider geographic obligations for economic and social development in rural Alaska.

The Juneau business leader sees stronger local governments rising to challenge reapportionment changes and financial concerns. He pointed out that Alaska’s traditionally rejected monopolistic government solutions in favor of maximum local self-government, and that by 1991, regions would respond by strengthening local governments.

As petroleum revenues decline and the financial resources of state government dwindle, the responsibility for resource development may shift further to the private sector in the 1990s, McDowell predicted. Such a shift would strengthen the private sector, but the competitive sector needs an environment of diversity to thrive, he said.

McDowell suggested state government begin utilizing private-sector resources in meeting the challenges of 1991. An initiative to apply business skills to bureaucracy in addressing declining revenues may be needed, he said.

Becoming more efficient while keeping customers well served with less is a business skill not usually found in government, McDowell said. He suggested a volunteer effort such as an Alaska “Grass Commission” may have good recommendations for times of deficits and declining revenue.

With the private sector becoming the economic engine that powers the state’s economy, amendments to the Alaska Constitution 1982 will be a challenge in 1991. The need for increased flexibility in meeting the challenges of 1991 is a major concern or else the state is courting political polarization and social upheaval.

RDC opposes preferred alternative for Kantishna Hills/Dunkle Mine Study Report.

The Council also indicated that the FEIS overstated the impact of mining on caribou populations. Easley pointed out that the NPS’s own population estimates show little consistency with or support for assertions it has made regarding historical or present mining impacts on caribou.

She cited a study sponsored by the NPS two years ago that concluded the decline and continued low population of the Denali caribou herd is likely caused by natural predators, not mining. The study stated “all existing human-related disturbances to the herd, including mining and research studies, were probably not important causes of the herd’s population decline.”

In light of these arguments and the basic conflict between mining activity and the National Park Service management, RDC believes that land exchanges are the best way to resolve the issues.

RDC BRIEFS

OCS Lease Sale 92

In a Red Alert earlier this month, the Resource Development Council urged its membership to call state representatives and urge them to approve a land exchange supporting Governor Sheffield’s position which prohibits oil and gas leasing in the North Aleutian Basin for another ten years.

The Council believes such action would risk crucial exploration activity. The oil industry says this area has one of the highest potentials for a major oil discovery anywhere.

Anchorage

Alaska Coastal Management Program

Because the areas affected by coastal management have a great deal of control over the development of the entire state, RDC believes the legislature should have oversight of the Alaska Coastal Management Program. Mike Abbott, projects coordinator and member of the Senate Resources Committee last month that "we do not doubt the ability of the Coastal Policy Council to represent the interests of the people inhabiting the coastal regions, but the plans which are being developed are impacting all sorts of activities hundreds of miles from our coasts." He added, "by leaving the decisions for approval of the Coastal Management Plans in the hands of the Council, we are misrepresenting the best interests of the entire state." RDC believes the Coastal Policy Council, with a majority of representatives from coastal communities, is not able to see the statewide impacts of the plans, and therefore, the legislature is the place to correct this potential bias.

By Charles R. Webber

A Letter From Our President

The decline in oil production and revenues will probably result in restoration of state income taxes, McDowell said. He indicated such a move would increase public concern about state spending, rebuffing the public check-and-balance system temporarily repealed when the state stopped collecting income taxes.

Another change in state government will be a shift to centralization of political and economic power resulting from reapportionment after the 1990 Census. Dominance of the state government by Southeast Alaska would affect regional alliances and change local power structures.

McDowell emphasized that all three 1991 issues must be considered as a common concern or else the state is courting political polarization and social upheaval.

McDowell, a managing partner for Coopers & Lybrand in Juneau, predicted that state government in the 1990s will be smaller and less important because of diminished operating funds resulting from steadily declining oil revenues. The state’s role as an equity investor, lender and employer will also diminish.

Addressing a select group of Alaska mayors, city managers and delegates at a Resource Development Council workshop at Settlers Bay Lodge in Wasilla May 8, McDowell said political reapportionment, changes in the Alaska Native Claims Settlement Act and a certain decline of irreplaceable oil production from Prudhoe Bay will all occur in 1991, resulting in profound changes in state and local government and Alaska’s private sector.

McDowell stressed that regional power balances and structures must be needed to reflect the fair and democratic society and an economy with a statewide focus. If the challenge of reapportionment isn’t met, he fears the 1990s will bring a centralized legislature that may not consider geographic obligations for economic and social development in rural Alaska.

The Juneau business leader sees stronger local governments rising to challenge reapportionment changes and financial concerns. He pointed out that Alaska’s traditionally rejected monopolistic government solutions in favor of maximum local self-government, and that by 1991, regions would respond by strengthening local governments.

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With the private sector becoming the economic engine that powers the state’s economy, amendments to the Alaska Constitution 1982 will be a challenge in 1991. The need for increased flexibility in meeting the challenges of 1991 is a major concern or else the state is courting political polarization and social upheaval. (Continued on Page 7)
Happy Tenth Anniversary RDC!

Alaska Helicopters hosts over 400 people celebrating RDC's 1st decade

Rex and Ruth Bishop of Alaska Helicopters opened their spruced-up hangar to over 400 guests April 25 who gathered to celebrate the Resource Development Council's tenth anniversary.

After a hearty dinner of roasted pig and barbecued salmon, Fred Chiei stepped up to the microphone as toastmaster for "A Roast of Paula Easley," the Council's Executive Director.

Bud Dye, Jack Andersen, Chuck Herbert, Chuck LaPage, Kelly Say Campbell, Jackie Lindauer and former Anchorage mayor George Sullivan each gave anecdotes about Easley and her early days in Alaska and at the Council.

Following the roast, a cake, proclaiming "Happy 10th Birthday Resource Development Council," was served along with champagne.

The Bishops then offered the hangar for next year's annual meeting event.

RDC honors outstanding members

A number of individuals and organizations were honored by RDC at its tenth anniversary party April 25 for outstanding service over the past decade.

Aylesia Pipeline Service Company was awarded Outstanding Developer of the Decade for its role in designing, constructing and operating the trans-Alaska oil pipeline. Robert Fleming was chosen Outstanding Member of the Decade while the City of Valdez was awarded Outstanding Service by a Community.

The Alaska Chapter of Associated General Contractors received the Outstanding Service by an Organization award while the Alaska Television Network was the recipient of the Outstanding Broadcast Media Coverage award. The Alaska Journal of Commerce was given the Outstanding Print Media Coverage award.

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Council re-elects Webber president

Charles R. Webber has been elected to a third consecutive term as president of the Resource Development Council.

Webber's election to his third one-year term came at the eleventh annual meeting of the Council's Board of Directors in Anchorage April 25. At the Council's annual meeting, a new 76-member statewide board was also elected along with a new Executive Committee. Twenty-one policy statements reflecting the Council's positions on economic and resource issues were also adopted.

Webber entered the Alaska business scene over 30 years ago and served as the Commissioner of Commerce and Economic Development under former Governor Jay Hammond.

Other new officers include vice presidents Tom Fargher, National Bank of Alaska, and John Forcsekile, Teamsters Local 959. Boyd Brownfield, Acres International Corporation, was elected secretary while Shelby Stastny, Arthur Young & Company, was chosen treasurer.

Higher taxes could mean less oil

About half the oil to be discovered in America may be found in Alaska, bringing new economic prosperity for residents of the 49th state, but "there are some people in Juneau who are doing their best to insure that many of these fields will never be discovered or produced," said George Nelson, President of Sohio Alaska Petroleum Company.

Speaking before the House Oil and Gas, Resources and Finance committees, RDC lobbyist and board member Phil Holdsworth said the measure singles out a specific industry for special tax burdens. He said any tax increases for the industry is a disincentive and counterproductive to the goal of finding and producing more oil.

"Just as important as reducing state spending and generating new sources of revenue is being spent is to carve in and produce more oil." Holdsworth said. "Whether on state or federal land, onshore or offshore, it is in the state's best interest to encourage new exploration and production."

Holdsworth noted that the Council does not believe the state has had time for careful analysis of the long-term impacts of a decision to adopt separate accounting on the industry that now provides virtually all of the state's income.

"The legislature must recognize that the answer to this economic dilemma does not lie in strangling the one industry capable of providing the economic stability the state is seeking," Nelson said. "Sohio shares the state's concern, but limiting crude prices and the prospect of declining production does not make us jump for joy, either."

(Continued on page 7)

RDC opposes tax bill

The Resource Development Council has told the Alaska legislature that it strongly opposes a bill that would reinstate the separate accounting method of taxation on the oil industry.

"The supporters of this measure are under the assumption future projects will go forward even under this onerous tax plan," Nelson said. "That assumption is based on emotional wish and not economic fact."

"Those future projects, according to industry officials, are likely to be marginal fields which will be costly to develop. For development of those smaller fields to occur, industry executives stress that the state must leave tax laws alone and encourage industry to explore and produce oil by streamlining the permitting process and offering other incentives."

"The legislature must recognize that the answer to this economic dilemma does not lie in strangling the one industry capable of providing the economic stability the state is seeking," Nelson said. "Sohio shares the state's concern, but limiting crude prices and the prospect of declining production does not make us jump for joy, either."

(Continued on page 7)