A Formula for Alaska's Future

WETLANDS + ANWR = Conscientious Resource Development

The United States needs a realistic wetlands policy. The United States needs ANWR. We believe the formula for Alaska's economic future can be crafted with legislation opening the coastal plain of ANWR for oil and gas development and a realistic approach to the wetland issues as they affect the state. The formula is at hand and requires action to guarantee Alaska's future success.

Koniag, Inc.
Regional Native Corporation

Resource Review

May 1990

Is logging the answer?

Foresters say moose starvation, beetle epidemic could be controlled through forest management

The death of thousands of moose by starvation in the Susitna Valley last winter and the demise of some 3.5 million board feet of timber in Southcentral Alaska from the spruce bark beetle epidemic is not a natural occurrence that needs to happen, according to foresters who gathered in Anchorage last month at a forestry resource management symposium.

Both tragedies could have been controlled and the animals and trees that have perished could have been used to stimulate the economy if the forested lands were managed for growth and vitality, according to the private and public foresters attending the symposium. They stressed that the current "hands off" attitude to forest management and the creation of new recreation areas which encourage unmanaged wilderness zones will only add to the problem and result in an ecological slum across much of Southcentral Alaska.

A more carefully managed forest industry could provide jobs and more wildlife habitat and allow for the use of a renewable resource that would otherwise go to waste, said Dr. Edmund Packei, a forestry professor at the University of Alaska at Fairbanks. "We can log..." (Continued on page 4)

Inside

15 years in business
Quartz Hill permit denied
One year after the spill
Wetlands policy
Beetle epidemic
1990 legislative session

Susitna Valley Timber
Commercial timber land...1.8 million acres
State timber land...490,000 acres
State timber land (closed to logging)...50,000 acres
Proposed sale area...22,520 acres
Actual harvest area...6,500 acres

Intensive forest management could provide jobs, more wildlife habitat and allow for the use of a renewable resource that would otherwise go to waste.
1975-1990: Fifteen years of shaping Alaska's future

This month RDC salutes the people who have made the organization all it is today. Through its membership and statewide board of directors, RDC has taken great strides due to the strength of voluntarism, leadership and commitment demonstrated by those individual citizens.

RDC’s current President, Ethel H. “Pete” Nelson, is no exception, especially since she stepped forward and took the helm in the year of the oil spill, a difficult time at best.

RDC was initially incorporated as the Management for the Organization of Alaska Resources (OMAR) in 1975. Originally created to work for an all-Alaska gas line, RDC has broadened its scope into all resource sectors, community economic development and educational programs which elevate the public’s awareness of Alaska’s fundamental economic relationship with resources and quality of life.

In thanks for their many contributions, RDC applauds its Past Presidents:

1975-76 Robert C. Penney and Robert W. Fleming
1976-77 Robert C. Penney
1977-78 Robert W. Fleming
1978-79 Lee E. Fisher
1979-80 James G. “Bud” Dye
1980-81 Tom Fink
1981-82 Charles F. Herbert
1982-83 Mano Frey
1983-85 Charles R. Webber (served three terms)
1986-87 Boyd Brownefield
1987-88 Joseph R. Hanri
1988-89 J. Shelby Statney

RDC has become stronger and better over time, just like the people who make it work. RDC has a wealth of expertise in its membership and statewide board of directors, many who have served for 30 years in Alaska resource arenas.

RDC has also been blessed with great staff. OMAR’s first executive director was Biev Bionson, still doing association work in the Pacific Northwest. RDC’s longest serving executive director, Paula Easley, brought the organization front and center on issues and made sure it was a force to be reckoned with at any level.

Another staffer deserving special recognition is Communications Director Carl Portman who has been with RDC since 1981. Raised and educated in Fairbanks, he brings a great deal to RDC, including a lifetime love for Alaska.

RDC is many things to many people. By being in RDC’s membership, you have helped it become the effective and strong organization it is today, helping to perpetuate a sound resource economy for Alaska’s future. The challenge is bigger than any of us individually, but together we have made a difference. Please continue your support.

EPA reverses Quartz Hill permit decision

The Environmental Protection Agency (EPA) has reversed an earlier tentative decision to allow mill tailings from the proposed Quartz Hill Molybdenum project near Ketchikan to be placed in the Wilson Arm.

EPA had issued a draft discharge permit based on a Forest Service Final Environmental Impact Statement (FEIS) which evaluated the mine tailings impacts and selected the Smeaton Bay/Wilson Arm site over an alternative location in Boca de Quadra.

Regional Forester Mike Barton said that “the selection of Smeaton Bay/Wilson Arm for marine disposal of tailings best met the criteria after evaluating the full range of issues including fishery values, protection of the wilderness character within Misty Florida (National Monument), and the economic viability of the mine.” Barton noted, “The choice between marine tailings disposal sites is a trade-off among competing issues. Should the EPA have information that has not already been evaluated through the environmental review process, we would be most pleased to take a look at it.” (Continued on page 6)

RDC urges its members to respond

1990 legislative session has a brighter ending

One year ago in this column, the tone was more somber as we reviewed the anti-development bills passed by the 16th Alaska Legislature - most of which are too depressing to mention.

This year, it seems the legislature may be remembered for what they could have done and didn’t - some of which was good, while some was bad.

I’m pleased to report that the 1990 session had a brighter ending - primarily the result of pro-business and pro-development groups banding together and working to point out the flaws in some of the negative legislation that received so much public attention this year.

Notably, RDC worked with other resource groups to mobilize members against House Bill 409 introduced by Rep. Mike Davis, D-Fairbanks, which would have dramatically increased the Department of Environmental Conservation’s authority. The bill would have allowed warrantless searches of certain regulated facilities; mandated $15,000 daily fines for alleged offenders; reduced the amount of time under which appeals could be filed by those accused of breaching pollution laws; and would not have stayed DEC compliance orders during the appeal process.

The bill barely passed the Alaska House of Representatives, 21-19, following a flood of testimony regarding the negative impact HB 409 would have on businesses in the state, it should be noted that while some House member have accused the Senate of stalling and/or killing all of legislation, this bill and several other so-called critical oil spill bills did not even pass the House until several weeks before adjournment.

In the Senate, Anchorage Republican Jan Faiks, chairman of the Judiciary Committee, did an outstanding job of reviewing the bill, asking tough questions of DEC, and pointing out that many of the provisions in HB 409 are unnecessary. Faiks took extensive statewide testimony on the measure and grilled the Department of Law and DEC with regard to the authority the state already possesses. Pro-business organizations worked long and hard - until the final gavel signaled adjournment - to make sure HB 409 was corrected prior to moving to the Senate floor. Many interested parties testified that the bill contained too many flaws to warrant further work and once in the Senate Resources Committee, chaired by Fairbanks Democrat Bettye Fahrenkamp, the measure was unable to sufficiently revamp prior to adjournment.

A special thank you to all RDC members and other business organizations that took an interest in this bill and testified against the onerous sections of HB 409.

As a side note, Fahrenkamp deserves applause for her interest in RDC issue in pro-development measures throughout the past two years. She has worked hard to ensure that multiple use and resource development values are a part of bills that emerge from her committee.

Two appropriation measures that RDC supported were passed in the closing hours of the session. Approximately $1 million was appropriated to DNR for the construction of fire breaks in the Cooper Landing area, and other portions of the Kenai Peninsula. RDC has been preaching about the bark beetle problem in that area for years, and hoped future legislators can work to correct the problem before more timber is destroyed by the bug. In addition, the legislature appropriated $1.7 million to the reforestation fund.

An attempt by the Susitna Valley Association and the Alaska Environmental Review Process, we would be most pleased to take a look at it.”

Although numerous entities were in favor of legislation ratifying the Camden Bay oil lease sale, one of the three bills dealing with the state’s coastal zone management laws did not pass - that which would have approved the sale retroactively. However, the other two bills introduced by Governor Steve Cowper did pass, and latest reports indicate the failure to ratify the Camden Bay sale will not invalidate the sale, but will require additional review before it proceeds.

Another significant issue, the Camand Bay bill, which died in the House.

There are dozens of other bills RDC worked on and a status report on those that are still active is included in this issue.

As you can see, RDC has had an active year - working with legislative aides Sheri Schlofield and Gail Phillips. Gail Phillips is also an RDC board member.

As I write this, Gail has just completed a year of service as our legislative aide. It’s been a pleasure working with her.

Finally, I’d like to thank those who worked closely with RDC during the 16th Alaska Legislature.
EPA denies Quartz Hill permit  
(Continued from page 3)

Barton pointed out that the Forest Service, as lead agency for the project, conducted the in-depth analysis of environmental, social, and economic impacts associated with proposed mine development in the FEIS and Record of Decision in October 1988. The analysis showed that environmental and social consequences of disposal in Wilson Arm and Boca de Quadra fared about equal, while total benefits of disposal in Wilson Arm were much greater. In addition, the analysis showed that the selection of the Boca de Quadra alternative would have direct impacts to the wilderness portion of Misty Fiords since it would require the construction of tunnel, port and support facilities in an additional wilderness drainage. Of those alternative analyzed, the highest costs are generated by disposal of tailings in Boca de Quadra. It would require the construction of up to 35,000 feet of tunnel, portal facilities on both Tunnel Creek and Boca de Quadra, disposal of waste rock, and other facilities estimated by the Forest Service to cost from $35.5 to $67 million. When initial construction costs are added to the cost of acquiring capital, U.S. Borax estimates that the utilization of Boca de Quadra for disposal of tailings would result in a $35 million loss per pound to the product selling price. The added cost of production would likely result in temporary interruption of production where world commodity prices are down.

A public hearing on the EPA’s decision to deny the Quartz Hill application is tentatively set for Wednesday, June 6 in Ketchikan. However, if insufficient interest is expressed for a hearing, it will be canceled.

RDC strongly urges its members to send a brief note to the EPA urging it to hold a public hearing in Ketchikan. The request should be sent to Jim Corpuz, Water Permits and Compliance, Room WD-134, Environmental Protection Agency, 1200 Sixth Avenue, Seattle, WA 98101.

Although the deadline for requesting a public hearing is May 25, the EPA will accept written comments on the project until application denial June 15.

Wetlands: Community interests at stake

by Michele Hendrickson  
Alaska Wetlands Coalition  
Staff Assistant

More than just Alaska development groups and businesses will suffer under the federal wetlands permitting agreement between the U.S. Army Corps of Engineers and the Environmental Protection Agency (EPA). Alaska communities are finding that local expansion and development are also threatened by the Memorandum of Agreement (MOA)

Silka and Craig, two Southeast Alaska communities with large amounts of wetlands, have joined two native corporations, the State of Alaska, and the Municipality of Anchorage, and an oil company in filing lawsuits against the MOA.

The topography in Silka and Craig is characterized by a prevalence of very deep and rocky slopes and muskeg wetlands. Almost all of the flat land available for building is covered by wetland making it impossible for community development to occur without using wetlands.

The requirement that new wetlands be created to compensate the loss of existing wetlands is not possible because Silka and Craig lack any flat land suitable for conversion into new wetlands. The restrictive new federal wetlands regulations will make economic growth in Silka and Craig extremely difficult.

Another community affected by the MOA is the City and Borough of Juneau, which covers 3,100 square miles. Only a small portion of this area has been developed, leaving 22,230 acres opened to multiple uses. But when wetlands and federal lands area are subtracted out, there are only 3,300 acres available for development.

In testimony before the House of Representatives Subcommitte on Water Resources, Juneau officials noted that costs for utilities would soar under the new wetlands policy. The city is compteting a $45 million water system, but it might serve lots which will remain vacant due to the fact no one knows which wetlands, if any, might be developed in the future.

Utility planning and construction is not the only concern in Juneau when wetlands policy is considered. Although Juneau voted as a general obligation bond for school construction on a site owned by the city, there is no access to the site unless a road is constructed along the edge of the wetland. As a result, Juneau can’t access its own property and a suitable alternative site does not exist.

The Municipality of Anchorage, which filed suit last year against the Environmental Protection Agency, “To imagine what this policy does to communities, had no net loss been part of the policy. “The Municipality of Anchorage, which filed suit last year against the Environmental Protection Agency, “To imagine what this policy does to communities, had no net loss been part of the policy. “The Municipality of Anchorage, which filed suit last year against the Environmental Protection Agency, “To imagine what this policy does to communities, had no net loss been part of the policy. “The Municipality of Anchorage, which filed suit last year against the Environmental Protection Agency, “To imagine what this policy does to communities, had no net loss been part of the policy. “The Municipality of Anchorage, which filed suit last year against the Environmental Protection Agency, “To imagine what this policy does to communities, had no net loss been part of the policy. “The Municipality of Anchorage, which filed suit last year against the Environmental Protection Agency, “To imagine what this policy does to communities, had no net loss been part of the policy. “The Municipality of Anchorage, which filed suit last year against the Environmental Protection Agency, “To imagine what this policy does to communities, had no net loss been part of the policy.
Susitna logging could hold solution

(Continued from cover)

the watersheds and still have the fish if we do it right.

* Packer and others pointed to Scandinavia as an example of similar land where a forest industry thrives and many more moose are harvested each year than in Alaska.

Susitna Valley

The overmature forest of Susitna Valley is now under attack by the spruce bark beetle. Tens of thousands of acres of spruce have died from the infestation, posing serious fire hazards in many areas. A carefully managed forest could provide new jobs and the use of a resource that would otherwise go to waste.

The Division of Forestry of the Department of Natural Resources has proposed timber sales in the Susitna Valley over a five-year period. The sales are modestly sized and most of the trees are overmature. Reforestation will be natural seeding.

Timber sales in the Susitna Valley would encompass a small fraction of the forested lands in the basin.

The Division of Forestry will conduct a public hearing in Anchorage on Thursday, May 24 at 7:00 p.m. in the auditorium at the Anchorage Fine Arts Museum (7th and A Street) on the timber sale.

RDC encourages its members to attend and testify in support of the timber sale. Written comments should be directed to Jim Eleazer, Area Forester, Division of Forestry, Box 220455, Big Lake, AK 99652.

State grapples with beetle epidemic

by Robert Dick State Forester

It's springtime, a time of good weather, outdoor activities and, for government agencies, a time of sorting out budgets and legislation. Fire season is around the corner and the Division of Forestry is gearing up for another season. It is also time to catch up on our friends, the spruce bark beetles.

Bark beetle populations continue to march through Alaska forests. They are appearing more than ever in interior white spruce stands and in some areas they have nearly exhausted their food supply. Overall, populations are alive and well, despite two years of extended cold periods.

The legislature passed legislation that would fund the Division for two projects. A sum of $670,000 has been appropriated from the general fund to build fire breaks and for prescribed burning operations in the Cooper Landing area of the Kenai Peninsula and on other state land to control the fire hazard created by the bark beetle infestation. Public input was important and was the basis upon which the Division hopes to complete before the 1991 legislative convenes.

But there are many recommendations ranging from "don't do anything" to "put it all up for sale, tomorrow." Our intention here is to keep it simple.

We intend to salvage as much product and value as possible. We will be constrained by budgetary limitations and market conditions. Other constraints are reforestation problems, nursery stock availability and a lack of good inventory on some of the areas.

The beetle infestation has been severe in a number of places, and it is too early to tell whether we want to solve the beetle problem with quick and easy solutions, such as large scale timber sales. Let me tell you of a recent experience that leads me to doubt the wisdom of doing that.

The Division of Forestry recently proposed a 1,350 acre timber sale in the Kahiltna area of the Susitna Valley. The proposed sale had little or no road construction required and was composed of mostly overmature birch. Proposed volume was 2.1 million board feet of spruce and 7.2 million board feet of cottonwood.

The legislature passed legislation that would fund the Division for two projects. A sum of $670,000 has been appropriated from the general fund to build fire breaks and for prescribed burning operations in the Cooper Landing area of the Kenai Peninsula and on other state land to control the fire hazard created by the bark beetle infestation. Public input was important and was the basis upon which the Division hopes to complete before the 1991 legislative convenes.

But there are many recommendations ranging from "don't do anything" to "put it all up for sale, tomorrow." Our intention here is to keep it simple.

We intend to salvage as much product and value as possible. We will be constrained by budgetary limitations and market conditions. Other constraints are reforestation problems, nursery stock availability and a lack of good inventory on some of the areas.

The beetle infestation has been severe in a number of places, and it is too early to tell whether we want to solve the beetle problem with quick and easy solutions, such as large scale timber sales. Let me tell you of a recent experience that leads me to doubt the wisdom of doing that.

The Division of Forestry recently proposed a 1,350 acre timber sale in the Kahiltna area of the Susitna Valley. The proposed sale had little or no road construction required and was composed of mostly overmature birch. Proposed volume was 2.1 million board feet of spruce and 7.2 million board feet of cottonwood.

The Division of Forestry has several decades in the making. It is important to remember that we are trying to solve the beetle problem with quick and easy solutions, such as large scale timber sales. Let me tell you of a recent experience that leads me to doubt the wisdom of doing that.

The Division of Forestry recently proposed a 1,350 acre timber sale in the Kahiltna area of the Susitna Valley. The proposed sale had little or no road construction required and was composed of mostly overmature birch. Proposed volume was 2.1 million board feet of spruce and 7.2 million board feet of cottonwood.

The division hopes to complete before the 1991 legislative convenes.