The Koncor Board of Directors is comprised of representatives from its owner villages and guides Koncor’s overall direction. Says Board Chairman and Natives of Kodiak President Tony Drabek (pictured below, left), “It’s our job to provide benefits for our current shareholders and for future generations as well. By taking a long term view that balances forest management activities with the total well being of all forest resources, we are actively accomplishing both of these goals.”

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“RDC is intervening on behalf of NMFS to protect the interests of our members who live, work and play in and around Cook Inlet,” said Ken Freeman, executive director of the Resource Development Council (RDC). “We must not undermine our economy through an ESA listing with zero benefits to the beluga whale.”

Freeman noted that measures taken by the Alaska congressional delegation, Native hunters and NMFS have stopped the overall dramatic decline of the beluga whale population. An endangered species listing would unnecessarily require NMFS to monitor and more strictly regulate virtually all human activity in the Inlet. An ESA listing carries with it significant consequences which offer no additional protection beyond that afforded by the MMPA from the identified cause of the decline in belugas—overharvest by Native subsistence hunters.

Numerous local, state and federal studies have concluded there is no link between the decline of the beluga and development activities. NMFS research confirms these findings.

The MMPA gives federal managers the tools they need to strictly control subsistence hunting and gives NMFS authority to enter into conservation agreements with Alaska Native organizations.

In the petition requesting an ESA designation, environmentalists identified a wide range of entities which they believe may impact belugas and whose activities should be regulated for this purpose under the ESA: Commercial and sport fishing, tourism and ports and shipping, military bases, the oil and gas industry and community wastewater treatment facilities.

“Restricting shipping to and from Cook Inlet ports, thwarting efforts to explore for oil and natural gas and curtailing fishing is not the answer to the belugas recovery,” said Freeman. “These types of activities are staples of the Cook Inlet economy and have nothing to do with the decline nor do they impede the recovery of the beluga whale. Furthermore, these activities do not occur in a regulatory vacuum, as they are strictly regulated under federal, state and Native laws, and federal environmental laws.”

Under a draft conservation plan released by NMFS, the subsistence hunt would be limited to two whales each season during the next 25 years. The plan also relies on other restrictions to achieve a sustainable population of belugas by 2025.

With a conservation plan in place, as they are currently under the MMPA, NMFS can protect the belugas, NMFS is confident the beluga population will recover.

“All species pump $44 million into the Kodiak economy in a given year. Kodiak braced for a big downsizing in pollock harvests this summer because of the national moratorium on fishing, which has caught within the 20-mile area that is now off-limits. Pollock comprises nearly $30 million of annual catch in Kodiak and helps keep processing workers on the payroll all year long. Processors are running only one shift a day, instead of two shifts around the clock. Kodiak has some 1,000 resident processing workers and many of those that have been laid off are looking for work in other sectors.”

Kodiak fishermen are worried that cod fishing will be restricted next year. “With the moratorium, the albacore fishery, which is a food source for sea lions. Last year, more than 85 million pounds of codworth $22.5 million were processed off Kodiak docks. The ban on bottom fishing could reduce the tax base for local communities by as much as $5 million. In the meantime, the cod fishing industry statewide stands to lose well in excess of $100 million annually from prohibitions on trawling in sea lion critical habitat areas. As we import more oil from foreign tankers, which lack the safety features required of American ships, the risk of oil spills increases. Pushing production off our shores — without a way to monetize our environmental standards increases global environmental risks. Moreover, our government’s policies toward foreign oil, including oil from Iraq, is inconsistent with our foreign policy objectives. And we endanger our economy as we rely increasingly on a cartel for an essential resource.”

Mr. Gore and Mr. Lieberman heralded the recent release of oil from our coastal reserves. “Petroleum Reserve as instrumental in easing prices and building inventories of heating oil. But they oppose looking for the oil field that many geologists think may be under Alaska’s coastal plain — a huge field that could have a meaningful and sustained effect on consumer prices. We are fishing with danger by refusing even to see what may lie under the coastal plain."
Juneau rejects flightseeing limits

In an October election, Juneau voters strongly rejected a ballot proposition which would have set limits on flightseeing. More than 7,000 residents voted against Proposition 5 while some 3,000 residents favored restrictions on aircraft.

Proposition 5 would have restricted helicopter and floatplane activities by prohibiting flights between 5 p.m. and 9 a.m., Sunday through Friday, and all day Saturday. Those restrictions would have applied during the busy summer tourist season between May 1 and September 30.

In addition, the measure would have created ordinances not only against flights, but would have prevented the City and Borough of Juneau from conducting studies for new heliports. The proposition would have also asked the Forest Service to limit the number of permits issued to operators conducting commercial helicopter flights in the Tongass National Forest.

The Juneau vote isn’t surprising in a state where most of the land mass is roadless, especially in Southeast Alaska where aircraft are most often the most feasible way to view the land and reach remote villages and towns.

"This sends an overwhelming message to those proponents of the initiative," said Bob Jacobsen, president of the Northwest CruiseShip Association. "For most people, the flightseeing trip over the glaciers and the backcountry is the highlight of their vacation"

In fact, flightseeing is rated as the most popular activity among tourists. Over the past several years, Era Helicopters has been working with local groups to mitigate concerns over noise. The company has selected routes to minimize impacts on local residents and has also been using modern aircraft with new technology that reduces noise levels.

"We were stymied every time we tried to cooperate," said Chuck Johnson, President of Era Aviation, the parent company of Era Helicopters. "We worked with a number of community groups, but no matter how much we compromised, it didn’t seem good enough."

While Juneau residents delivered a strong mandate for flightseeing and general aircraft operations, Johnson predicted the Juneau ballot measure is just the beginning of a long series of battles on motorized versus non-motorized uses across Alaska.

Thoughts from the President

by Bob Stiles

Conference focuses on gas, economic trends

The stars may finally be aligning for the long-sought commercialization of the North Slope’s immense natural gas reserves. Domestic demand for natural gas in the Lower 48 is increasingly steady and there has been significant fundamental shifts in the power market that point to expanding opportunities for Alaska in supplying North American consumers with natural gas.

RDC’s 21st Annual Conference, "Alaska Resources: Expanding Opportunities," will feature a comprehensive look at the created technologies and opportunities for commercializing North Slope gas reserves, as well as future prospects and challenges confronting Alaska basic industries, including mining, timber, fishing and tourism.

Set to open Thursday, November 16 at the Captain Cook Hotel in Anchorage, the conference will feature a full-day segment on North Slope natural gas issues, ranging from regulatory, permitting and legislative considerations to political and economic realities. It’s the first time in recent memory that such a broad array of gas issues, technologies and options will be highlighted in a single Alaska forum. The timing couldn’t be better and the conference will serve as an excellent opportunity for our members and policy makers to get the latest on this rapidly evolving issue.

Two Canadian premiers will deliver the Yukon and Northwest Territories perspectives while the director of the Federal Energy Regulatory Commission’s Office of Energy Projects will address the U.S. government’s direction on North Slope gas commercialization. Governor Tony Knowles will provide a key update on the state’s position.

Alaska’s three major producers and owners of the gas, Exxon, Philips, and BP, will address their gas commercialization efforts. The sponsors for the two major routes of a Lower 48 gas pipeline will speak to their respective projects. In addition, panels will focus on the GTL and LNG options, as well as in-state use of North Slope gas. Some 23 speakers will focus directly on the natural gas issue.

Early registration for the conference is strong as Momentum is building across Alaska and Canada for a gas pipeline to the Lower 48. Several Canadian delegations are expected to attend.

Although gas may be stealing the spotlight at this year’s conference, there are other significant issues and economic trends that will be highlighted at the two-day meeting. On the second day of the conference, Alaska’s latest economic trends will be featured and a special panel of timber, mining, fishing and tourism executives will focus on prospects for their sectors in 2001.

This year’s conference promises to deliver a cutting-edge agenda, spirited discussions and a taste of what the future holds with respect to expanding opportunities. Given the high interest in this year’s program from our Canadian friends and business associates in the Lower 48, the 2000 RDC gathering offers an excellent opportunity for Alaskans to meet with senior executives and other decision makers. We’ll discuss trends, plans and strategies that will benefit your company and Alaska.

Alaska, Alberta, Northwest Territories conclude meetings

Last month Alaska Legislators and business leaders, including several RDC board members, concluded a week of meetings with Alberta and the Northwest Territories aimed at strengthening socio-economic relationships. The Alaska delegation to Canada was led by Representative Gail Phillips, Chair of the House Committee on Economic Development and Tourism.

"Sixteen years ago Alaska entered into trade relations with the people of the Yukon that has proven mutually beneficial to our state and our Canadian neighbors," said Representative Phillips. "I am pleased to announce that Alaska stands on the verge of recreating these successes ten-fold with our neighbors in Alberta and the Northwest Territories.”

Alaskan legislators and their Canadian counterparts in these two regions have spent over a year exploring the terms of, and priorities for formal agreements. Each agreement will focus on areas of mutual interest such as indigenous Native groups, oil and gas exploration and development, construction, arctic housing, transportation, wildlife co-management, culture, tourism and education.

The latest series of meetings between representatives from Alaska and Canada drew wide bi-partisan support from Alaska legislators.

"The cornerstone for any formal relationship with our Canadian counterparts must be shared commitment to mature the well-being of the indigenous people of Alaska and Canada,” said Representative Reggie Joule, a member of the delegation.

Alaska and the Northwest Territories rely heavily on exports in oil, natural gas, mining and forestry resources. In 1998, Alaska’s Gross Domestic Product totaled over $25 billion, which was primarily derived from these resources.

Sea lion protection under ESA takes toll

Kodiak businesses and the local fishing fleet are feeling the pinch from Steller sea lion protection measures coming out of the Endangered Species Act.

Data from federal fish managers show that fishermen were forced to leave more than two-thirds of the late summer pollock catch in the water for a loss of $2.2 million.

The total Gulf of Alaska pollock catch, taken by boats primarily from Kodiak and Sand Point, totaled 21.8 million pounds out of a quota of 67.3 million pounds. Significantly fewer boats were working during the August 20 through September 30 opening: just 48 compared to 112 last year.

The low numbers stem from a court-ordered decision to protect the Steller sea lions. Since August, all trawlers have been banned from fishing within 20 miles of 122 sea lion rookeries and haul-outs, plus three large at-sea foraging areas in the Bering Sea and Gulf of Alaska. The closed areas cover a wide swath from Prince William Sound, down the Alaska Peninsula and west through the Aleutian chain. The ban will remain in place until the National Marine Fisheries Service comes up with a better plan to protect sea lions under the Endangered Species Act.

The restricted areas completely circle Kodiak Island and forces the fishing fleet out of 95 percent of its known pollock grounds and most of the major cod and rockfish areas. (Continued on page 6)

An Era Helicopter transports tourists to a glacier near Juneau. Flightseeing is the most popular activity among tourists visiting Alaska. (Photo courtesy Era Helicopters)
New Chugach forest plan emphasizes wild character, no annual timber sales

"Under this new management plan, my small five-man sawmill operation in the second largest national forest in America will have no stable reliable source of logs to meet my customer's needs."

- Greg Bell, Owner, Valley Sawmill

of logs to meet my customer's needs," said Greg Bell, the owner of Valley Sawmill in Anchorage. "It is beyond me why the Forest Service would release a plan for a national forest of this size without an annual allowable timber harvest, especially when much of the forest has been ravaged by spruce bark beetles," Bell continued.

Bell insisted that "there is something seriously broken here" when small operators such as him cannot get timber from a multi-million acre national forest. "The only reason I am not out of business is because we are getting timber off of an inholding in the Chugach," Bell noted. "The timber sales under the current plan are so poor that even firewood operators are refusing to bid on them. It's not that the forest doesn't have good timber."

Under the new plan, there won't be any commercial timber sales, period. The preferred alternative is a self-fulfilling prophecy of "no demand" for forest products, according to Rick Rogers of Chugach Alaska Corporation. Rogers noted that the forest plan has "little capacity for processing timber from the Chugach since the Forest Service lacks a meaningful timber sale program under the current forest plan. "The Forest Service relies on this to conclude that there is no demand," Rogers said. "The irony is that even small mills such as the Valley Sawmill in Anchorage cannot depend on Chugach National Forest timber."

The newly proposed and more restrictive plan describes what activities would be allowed in each zone of the 5.5 million acre forest from the Copper River Delta east of Cordova to Prince William Sound and the inner Kenai Peninsula. It designates most national forest land on the peninsula as "backcountry," where some new trails, campgrounds and public-use cabins would be allowed, but commercial logging would be banned. In the forest plan, the preferred alternative places more than 99 percent of the forest's land mass in highly-restrictive categories and leaves less than a quarter of one percent of the forest under prescriptions which allows for mineral development and transportation/utility systems.

RDC, in the Alaska Miners Association and the Alaska Forest Association, as well as Chugach Alaska Corporation, have taken exception to the plan as a whole, no areas would be managed for commercial logging and road construction would be prohibited in inventoryed roadless areas, which comprise all but 2 percent of the forest. Roads would be allowed as they are needed for public health and safety, as well as for reserved or outstanding rights.

The plan also proposes Wilderness designations for 1.8 million acres, most of it in western Prince William Sound, but with several hundred thousand acres in the Copper River Delta area. These lands, as well as large blocks of backcountry lands across the forest, would be managed to maintain the primitive character of the land. Many recreational amenities, such as trails, cabins, campgrounds, lodges and permanent boat landings, would not be allowed, nor would any roads be permitted.

In addition, the plan also proposes to designate eleven Wild and Scenic Rivers in the forest, raising concerns that such designations could block access to lands with a management prescription which permits some resource development activity. The proposed designations also raise concerns over access to private inholdings and adjacent lands.

"The recently-released plan is extremely biased toward preservation, which is what one would expect to see in a management plan for a national park," said Ken Freeman, RDC's executive director. "The range of alternatives across the forest lacks balance between preservation and multiple uses."

Of the plan's 23 management prescriptions, all but two have a strong preservation bias. The prescriptions include specific direction on how to manage different land areas and are similar to city or borough zoning. Just as areas in a community are zoned as commercial, industrial or residential, the forest prescriptions outline what is allowed or not allowed in various areas.

The preferred alternative places more than 99 percent of the forest's land mass in highly-restrictive categories and leaves less than a quarter of one percent of the forest under prescriptions which allows for mineral development and transportation/utility systems. The Forest Service relies on this to conclude there is no demand," Rogers said. "The irony is that even small mills such as the Valley Sawmill in Anchorage cannot depend on Chugach National Forest timber."

"While the Forest Service claims the plan protects the rights of in-holders to access their lands, the devil is always in the details...This all adds up to more red tape, opposition, cost and delays for those wishing to access their private lands within the forest."

- Rick Rogers, Chugach Alaska Corporation

The preferred alternative ignores congressional language in section 501(b) of ANILCA by assigning prescriptions in the Copper River area that are far more restrictive than Congress intended. Highly restrictive prescriptions in the preferred alternative, including Wilderness, will restrict multiple use activities in the delta that are allowed by Congress.

In expanding the boundaries of the Chugach National Forest, Section 501(b) of ANILCA mandated by statute how both the Copper/Rude River addition to the Forest and the Copper/Beering River portion of the forest would be managed. The statute specifically stated that multiple use activities would be permitted in those areas added to the forest as long as those activities would be consistent with the conservation of fish and wildlife.

Another concern is that the preferred alternative may violate 1326(b) of ANILCA, the so-called "no more" provision that prohibits further studies of Wilderness designations without the authorization of Congress. The preferred alternative recommends 1.8 million acres of wilderness and 11 Wild and Scenic Rivers, which may be in direct violation of Congressional limitation on the agency's authority. In spite of this statutory guidance, the Forest Service has proceeded to study additional Wilderness and Wild and Scenic River designations without Congressional authorization.

Another issue is that the implications of the Clinton administration's roadless initiative on the Forest Plan are unclear. After the forest planning process had been underway for almost two years, top administration officials in Washington D.C. launched their "Roadless Conservation Initiative" which would preclude new roads on the 98.8% of the Chugach Forest that is designated "roadless."

In a speech before the Resource Development Council in September, the Forest Supervisor Dave Gibbons stated the plan might have to be amended if the roadless rule takes affect. The roadless rule could essentially "trump" the already restrictive preferred alternative, converting the few areas that allow for possible new roads to roadless status.

"While the Forest Service claims the plan protects the rights of in-holders to access their lands, the devil is always in the details," warned Chugach Alaska Corporation's Rick Rogers. "For example, highly-restrictive designations, such as Wild and Scenic Rivers, are proposed within known access corridors," Rogers pointed out. "Wilderness designations will make in-holder access more controversial and difficult... In addition, forest-wide standards and guidelines include large coastal and streamside buffers with ill-defined applicability, Rogers noted. "In another example, the RDC's updated roadless rule takes up more red tape, opposition, cost and delays for those wishing to access their private lands within the forest," Rogers said.

This timber harvesting occurred several years ago on private land inside the Chugach National Forest. The area is now returning to its natural state.