Washington holds the key

Congress urged to unlock ANWR

RDC testifies in Washington

Speaking before a joint committee of Congress in Washington, D.C., November 17, Resource Development Council president Joseph R. Henri urged America's top lawmakers to unlock the awesome potential of Alaska for its strategic location and immense and nationally important resources.

In the latest round of congressional hearings focusing on energy development in the Arctic National Wildlife Refuge, the outspoken RDC president stressed that America must turn its back on Alaska's vast resource potential.

"Alaska is not just another star on the flag — it is a living, breathing contributor to the strength of America," Henri told a joint meeting of the House Interior and Insular Affairs Committee and the House Merchant Marine and Fisheries Committee.

In light of the national interest and the oil industry's proven ability to operate in an (continued to page 4)
Why do you think they call them “No-growth” groups?

During my attendance at the Alaska Logger's convention in Sitka last month, where the epidemic of one-sidedness against logging, timber, in the Tongass National Forest was colorfully dis- cussed, a few thoughts came to mind. Interestingly, judging by the exhaust ofpaper used in the anti- Tongass campaign, the loggers support the timber industry "re - re rems" at a time. Although some non-development folk will admit to using toilet paper, disposable diapers, chopsticks, and wood stoves, some even live in wooden houses and wear clothes made with rayon in their quest for natural fiber. It sure would be helpful in their messages to Congress if they would point out that it takes trees to produce these products. Perhaps a reality check is in order, like trying to live without wood products for a while.

50-year timber contracts: Does Congressman Murdock realize Alaska's future? The rest of this column are from the two 50-year timber contracts in Alaska, 35 years into the deal, without comprehension to the investors and expect Alaska to pay dear. Sorry, Congressman Murdock, I don't know about New Yorkers, but Alaskans honor contracts and promises. Those contracts were made in good faith with our trading partners and international neighbors years ago. Financiers have long memories regarding breaches of contract and you can bet Alaska will bear the brunt of the pain when our investment reputation is wrecked by such action.

RDC increases Resource Review circulation

RDC has increased the circulation of its monthly publication, the Resource Review, to include members of Congress and their key staff.

"RDC is on the forefront of major national development issues," said Vice President Popp. "We deliver the latest accurate information on Alaska's vast resource base and the accomplishments of Alaskans as a productive citizenry, to our strong supporter, Becky Gay. Gay's "RDC's pro-development viewpoint highlighting Alaska's comparative advantage in resource development will be a ray of light shining through the clouds of anti-development rhetoric. Through enhanced communication, we hope Congress will come to recognize and embrace the reality of Alaska's vital economic importance to the United States."

Additionally, the circulation of the Resource Review is growing to include new pro-development contacts, expat- ing Alaskans, corporate officials and media across America.

Farmers celebrate harvest

Farmers, stockholders, miners, businessmen and legislators celebrated Alaska's proud and persevering agriculture industry by feasting on a wide variety of Alaska grown products at the Third Annual Harvest in the Anchorage Alaska Farmers and Stockholders Association, the Alaska Farm Bureau and the Resource Development Council. The Veterans Day event acknowledged the contributions of state legislators, the Resource Development Council and others to an industry that is having progress from the seed of experience. In addressing the gathering, RDC presi- dent Murdock greeted guests, drawing a strategic position and the state's resource potential to contribute to the economic well-being of the nation and the Pacific Rim.

A number of RDC members attended the dinner which was held at the Palmer Moose Lodge. In all of the food for the celebration was prepared and purchased by local farmers. After a wide assortment of hors d'oeuvres, the main course included prime rib, chicken, smoked beef and roast pork served. Other main course items included lobster, cod, salmon, kebabs, baked potatoes, and rice and dressing rolls. Dessert consisted of carrot cake, ice cream and Mat-Su dairy products.

World Trade Center is new business link

Through the new World Trade Center, Alaska entrepreneurs are now part of an international commercial system which provides a direct link to 160-plus cities and nations throughout the world.

Located in the Tudor Centre, the World Trade Center's services are available to large and small enterprises in Alaska. Products can be marketed to 1,000 addresses, including Alaska's inventory, which is listed in the international board system called World Trade Centers Association. Alaska is now listed as a state taking everything from petroleum to fiber optic fishhooks. In addition to trade leads, the Anchorage center provides toll and fax communications, temporary clerical services and a Class A temporary office facilities.


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"For more information, call 861-1615."

Rash of bills threaten harvest

A grass roots campaign against logging in the Tongass National Forest is fueling attempts in Congress to cancel two 50-year timber contracts with pulp mills in southeast Alaska.

In the past two months, congressmen have apparently been flooded with letters from Alaskans calling for an end to the Tongass harvest. Meanwhile, a rash of anti-development bills in recent years have led to the formation of a timber management program. One bill would void the national forest plan and another would create an additional wilderness area.

The wilderness bill, being developed by Rep. George Miller of California, is strongly opposed by Congressman Don Young.

The Tongass is the nation's largest national forest, spreading over 17 million acres of Southeast Alaska. The Alaska National Interest Lands Conservation Act (ANILCA) placed most of the forest off limits to woodsmen, stripping the commercial timber base to only 1.7 million acres while designating over 5 million acres as wilderness.

Only eleven percent of this massive forest is scheduled to be logged over the next 100 years. Fifteen million acres will never be cut.

Mitigation measures have been successfully implemented throughout the region by the forest industry. No instances of irreversible damage have occurred from logging. While Alaskan loggers have increased forest land productivity, fishery harvests have grown to record levels and hunting quotas have increased as deer populations have proliferated.

Environmental groups have been critical of the Tongass timber management program as destructive and uneconomical. They claim that for every dollar the federal government spends in the Tongass, only a few cents are returned to the federal treasury through timber receipts.

It should be recognized, however, that programs ranging from recreational development to wildlife and wilderness projects have been charged against the harvest. To Alaska's benefit, some roads have been built and a new sawmill has opened. The new sawmill has opened at the end of the road, creating jobs and opportunities at forest harvest expense.

Many of the expensive infrastructure charges are applied against single timber sales, making it virtually impossible for the individual sale to cover costs.

The forest products industry has a long term horizon and contributes to the economic stability in Southeast Alaska. It accounts for over one-third of the Pacific coast economy, and forest-related jobs are now rebounding due to a turn in market demand. The industry now accounts for about 40 percent of the region's employ- ment.

RDC is asking its members in Alaska and elsewhere to write their representatives in Congress and ask them to support the Tongass timber management program.
Endicott study assesses impacts

A multi-year study in the coastal waters near Standard Alaska Production Company's Endicott project has revealed there has been no significant change in fish movement or water quality in the Sagavanirktok River delta.

"Data shows there has been no significant change in sediment deposition around the Endicott project area," said SAPC environmental scientist Pam Pope. "The two causeway breaches are accomplishing the coastal water mass and providing for fish movements.

The three-year monitoring program was a stipulation in the Endicott construction permit issued by the U.S. Army Corps of Engineers. It is one of the most extensive programs of its kind ever conducted in Alaska's Arctic. At a cost of $5 million per year, it is also one of the most expensive.

Although the monitoring program is focused on the Endicott project area, fish and physical environmental studies encompass a coastal area of about 40 miles. Some regional fish studies in the Colville River delta and the Mackenzie River expanded the study area to about 420 miles.

"If the causeway or gravel islands were going to make an impact on fish movements, I suspect we would have detected it during those initial study years, particularly 1985 when the temporary bypass structures were present before the permanent breaches were installed," said Standard's Deb Staubyagh, Senior Environmental Scientist. During 1985, there was a total of 318 feet causeway opening, compared to the permanent 700 feet.

In addition to fish studies and oceanographic profiles, SAPC is responsible for monitoring storm seas and carcass return to the Endicott project. Howe Island, a one-mile-long island located immediately southeast of the Endicott causeway, is the nesting site for the only established colony of snow geese in Alaska. Snow geese overwinter in central California, eastern New Mexico and Mexico. An estimated 450 adults return to the Alaskan Arctic each spring to nest on Howe Island to rear their broods in the Sagavanirktok Delta area.

A study is also underway to assess what impacts, if any, the Endicott pipeline will have on caribou movements. The 24-mile line has three gravel causeway crossings. According to permit stipulations, the Endicott Environmental Monitoring Program will be continued for the life of the oilfield operations, with the exception of the fish study, which was slated to last seven years.

Production started up last month at the new Endicott oilfield 10 miles northeast of Prudhoe Bay culminated a five-year effort that cost a little more than $1 billion, about 40 percent under budget. The Endicott reservoir contains an estimated 350 million barrels of recoverable oil and 1.5 trillion cubic feet of natural gas. About 100,000 barrels of oil a day is being produced at the facility, which features two offshore gravel islands linked to shore by a gravel causeway and an elevated pipeline. More than 6.5 million cubic yards of gravel were used to build the islands, causeway and a 10-mile access road to Prudhoe Bay. Standard's Endicott is the first operating oilfield in the U.S. Beaufort Sea, a feat of which we can all be proud.

The "boreal" or northern forest is circumpolar, stretching across North America, Northern Europe and the Soviet Union. It is predominantly a coniferous forest, comprised of true firs, pines and spruce, though deciduous species such as birch, aspen, cottonwoods and willow are important components. Alaska is the prime repository of the boreal forest in the United States.

The Resource Development Council Education Foundation is gearing up for a two-day international forestry symposium directed at boreal forest management, featuring technical experts from Canada, Finland and the United States.


The registration fee is $60. Call 276-0700 to register.

RDC Foundation is set for forestry symposium

Keyed to renewable resources

The Permanent Fund - a golden calf, or an engine for development

Two points are becoming clearer to the majority of Alaskans:

1. The State's depression is very serious, very deep and most likely very long lasting; which has caused and will continue to cause grief, anguish and economic ailments for large numbers.

2. A judicious use of the financial strength of the Permanent Fund could ameliorate and reverse these dire economic consequences by giving Alaska the infrastructure necessary for resource development, thereby creating jobs and a good economy. On November 10, William W. Holm, International President of the Machinists and Aerospace Workers Union, addressing Commonwealth North, had this to say about the Permanent Fund:

"The Permanent Fund, itself, grows each year, but you have no industrial development strategy to put it to work for you. The Fund is an asset in and of itself. I see no reason why that Permanent Fund cannot be utilized in a broad, broad way and inserted into our economic system to get us moving."

"The Permanent Fund, itself, can and should be the golden calf, or the engine for development."

We must have a political consensus on this fund to continue to grow and diversify, or go out and seek new markets for our resources. The Permanent Fund is an asset in and of itself.

Mark your calendar

RDC's 6th Annual International Conference on Alaska's Resources

What Can Alaska Do for America?

February 26-27, 1988

ARCO report focuses on factual information

(continued from page 5)

Veronica Dent, a public relations specialist with ARCO, said the industry realizes its massive investment in environmental protection is not an optional expense, but is a cost of doing business in a modern society. Dent noted industry continues to improve on its environmental record.

"Second and third generation oil fields on Alaska's North Slope, such as the Kuparuk, Lisburne, and Endicott fields, have been built with the benefit of the Prudhoe Bay experience," Dent said. "Prudhoe Bay oilfield operations have been improved as new ways of doing things are applied there."

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ANWR: Congress holds the key...

(continued from page 1)

evironmentally-sound manner in the arctic, Henri strongly supported full leasing along the Coastal Plain of ANWR. "Prudhoe Bay and more recent North Slope oil production have proved that the extraction of oil on a grand scale can indeed coexist with the environment and wildlife," Henri said. "The starkly predicted disaster for the caribou and the arctic ecology never materialized."

However, environmentalists testifying in Washington challenged the industry's record and claimed America doesn't need more Alaska oil, despite ever-increasing oil imports.

"If the "crying wolf" claims made by the environmental community were accurate, "Prudhoe Bay, Kuparuk and other North Slope oilfields would be biological wastelands," Henri said. "Those of you who visited the North Slope this summer know this is definitely not the case."

Given industry's ability to continue operations to very small areas and the capability to employ state-of-the-art technology to assure free caribou movement, the "Resource Development Council believes full leasing of the Coastal Plain is the most appropriate alternative, not phased leasing."

Henri said. "In addition, the evolution of comprehensive federal and state environmental regulations will guard against detrimental environmental effects."

The RDC chief stressed that phased leasing would needlessly hamstring industry's ability to find and extract oil in an economic, efficient and timely manner. "It would place planning and potential development," Henri said. "A wide range of measures can be employed during full leasing activities to effectively mitigate adverse impacts," he continued. "Phased leasing on the other hand, would prevent long-term, unified environmental protection planning."

An emerging compromise bill calls for phased leasing and the drilling of only four exploratory wells after which the White House would decide whether leasing for development could proceed. The "exploratory-first" policy, unveiled by Rep. Walter Jones, has been termed "unworkable" by development and non-development interests.

"RDC supports the present system where the industry leases an area, explores for oil and produces if it is the case is judged by the companies footing the bill. The Council noted as many as 30 wells could be needed to define the size of any field."

Remember, the super-giant Prudhoe Bay discovery was made after ten dry holes were drilled on the North Slope.

If the leasing process were to exceed five percent of ANWR's area, most of the Coastal Plain would remain wild. In fact, less than one percent of the land mass would be affected, Henri emphasized. "I would advocate full leasing development, 99 percent of the area would remain undisturbed."

Our industry's ability to continue to explore in the small area of ANWR proposed for development would also have a positive impact on both national security and the economy. A major field on the Coastal Plain could out pace America's energy bill for almost $38 billion annually, making a significant impact on the national deficit. Furthermore, development of the Coastal Plain could create as many as 250,000 new jobs nationwide over the next 20 years, generating over $5 billion in annual salaries. Estimates of net national economic benefits range as high as $325 billion.

However, "Americans live today in a transitional land of inexpensive, plentiful gasoline," Henri said. "Domestic oil reserves are at their lowest levels in over 30 years and U.S. dependency on imported oil is rising to record levels. Crude imports in July reached 46 percent of domestic deliveries, a seven-year high. By 1990, import levels are likely to exceed 50 percent of our daily consumption." "While non-development fanatics apply overwhelming evidence development poses no significant threat to arctic ecology or wildlife."

"As proof of its commitment to environmentally sound operations, the industry has released several reports detailing its environmental record at Prudhoe Bay. The latest example is ARC0 Alaska, Inc. The ARC0 report focuses on factual information pertaining to the Prudhoe Bay and Kuparuk fields and measures taken to improve even on the industry's environmental record at the Lisburne and Endicott fields."

"ARC0, operator of the eastern half of the Prudhoe Bay field as well as the Kuparuk and Lisburne fields, spends between five and ten percent of its entire annual operating budget on environmental protection. In operating the western half of the Prudhoe Bay field and the new Endicott field, Standard Alaska Production Company also spends millions of dollars annually on environmental measures. In addition, stringent federal and equally strict state regulations have evolved to ensure protection of North Slope natural resources."

"The ARC0 publication noted that gas development at the North Slope oil field activities. Major development projects may require permits from as many as nine environmental agencies."

ARCO report highlights environmental record...

After twenty years of petroleum exploration and production on Alaska's North Slope, America's oil industry has compiled a sterling environmental record which provides overwhelming evidence development poses no significant threat to arctic ecology or wildlife.

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(continued on page 6)

November 1987 / RESOURCE REVIEW / Page 5