Congressional staff sees Alaska up close

Staff meets with Alaskans from Cordova to Kuparuk

Congressional staff from key House and Senate committees visited Alaska in late August at RDC’s invitation to learn first hand about federal issues facing the 49th state and meet with local officials.

Eleven senior-level staff members ranging from the Senate Natural Resources and Energy Committee to the House Speaker’s office, received briefings and toured a large segment of Alaska over seven days. The group visited Anchorage, Valdez, Cordova, Fairbanks, the Red Dog Mine and the North Slope. The group also was briefed by the National Park Service during a tour of Denali National Park.

The late summer tour focused on broad issues to demonstrate the unique circumstances industry and local communities face in Alaska in dealing with federal issues and mandates.

“From Alaska’s contribution to meeting America’s energy needs to access considerations across vast tracts of federal lands, our Washington visitors learned first hand of the many issues facing Alaskans,” said Tadd Owens, RDC’s Executive Director. “The tour afforded them an opportunity to experience Alaska’s uniqueness. They now have a better appreciation of just how large Alaska truly is and the many challenges confronting local communities and industry.”

While on the North Slope, the group toured Kuparuk and did overflights of the new Alpine field and ANWR’s Coastal Plain.

Earlier the visitors toured the marine terminal in Valdez and Alyeska’s SERV facilities.

Tour participants included Karen Campbell, Legislative Director, Rep. Brad Carson’s office; Debra Gebhardt, Chief of Staff, Rep. Tom Petri’s office; Mac King, Legislative Director and Counsel for Rep. Solomon Ortiz; David Marventano, Chief of Staff of the House Energy and Commerce Committee; Kristin Phillips, Executive Assistant, Committee on Energy and Natural Resources; Beth Spivey, Legislative Assistant, Senator Trent Lott; Les Spivey, professional staff member, Committee on Appropriations; Margaret Stewart, Senior Analyst, Natural Resources and Energy Senate Budget Committee, David Thompson, Assistant to the Speaker, Office of the Speaker; Jack Victory, Office of the Majority Whip (Tom DeLay) and Andy Vermilye, Senior Policy Analyst, Senator John Breaux’s office.

For a number of years, RDC has hosted congressional staff trips to Alaska.

“These tours are important to our members across the state who very much want to establish a dialogue with those in Washington who have a direct impact on federal policies applying to Alaska,” said Owens. “There’s no better way to educate federal policy-makers on Alaska than to get them up here to see our state up close.”
Common sense resource management scored a significant victory over environmental opportunism in late August.

U.S. District Judge James Robertson of Washington, D.C. ruled in favor of the National Marine Fisheries Service (NMFS) stating the agency acted within the law to designate Cook Inlet beluga whales as “depleted” under the Marine Mammal Protection Act rather than “threatened” or “endangered” under the Endangered Species Act (ESA.) Judge Robertson’s decision is good news for all those who live, recreate and conduct business in and around Cook Inlet. The combination of a “depleted” listing, an initial legislative moratorium on hunting put into place by Senator Ted Stevens and a subsequent co-management agreement entered into by NMFS and the Cook Inlet Marine Mammal Council has stopped the population’s decline. In fact, the most recent population data from NMFS indicates the beluga population has begun to recover.

On June 22, 2000 NMFS determined an ESA listing for the Cook Inlet beluga population was “not warranted.” Trustees for Alaska immediately filed suit arguing that NMFS improperly applied the law and facts to the question of an ESA listing, failed to apply the best scientific and commercial data available, and improperly considered political and economic factors.

The Resource Development Council and the Alaska Oil and Gas Association intervened on behalf of NMFS. In a separate action the Municipality of Anchorage, the Matanuska-Susitna Borough and the Kenai Peninsula Borough also intervened on behalf of NMFS. In his August 22, 2001 ruling Judge Robertson found in favor of NMFS on every aspect of the case.

Unlike other ESA cases where multiple factors have contributed to the decline of a species, NMFS was able to determine that the Native subsistence harvest was the lone significant cause for the beluga’s decline. Judge Robertson agreed stating, “It is not disputed that the single most significant factor in the population decline and acting decisively and selflessly to ensure that it was stopped.” We believe wholeheartedly that the existing regulatory mechanisms will give the Cook Inlet beluga whales every opportunity to fully recover. It is comforting to know that the Federal court system shares our confidence.

If the Trustees had prevailed in this case, virtually every community and business in the Cook Inlet region would have been impacted unnecessarily. A “threatened” or “endangered” listing under the ESA would require large areas of Cook Inlet to be designated critical habitat. This designation would in turn create significant changes in the regulatory climate, driving up the cost of doing business and jeopardizing new projects. Consumers would likely face increases in natural gas, electricity and shipping prices. All of this would be done without a corresponding benefit to the beluga whales.

An endangered listing would give federal managers no new powers to regulate hunting, but it would place an additional unnecessary regulatory burden on activities that have nothing to do with the whales’ decline.

RDC has been involved in this issue for several years and our first priority has always been the full recovery of the Cook Inlet beluga whale population. We have assisted NMFS in their efforts to learn more about the whales’ habitat, migratory movements and food sources. Our member companies operating in Cook Inlet have added observers to their staffs when appropriate and continue to operate in a manner that ensures minimal risks to the beluga population.

Our hats go off to NMFS and the Native community, working through the Cook Inlet Marine Mammal Council, for identifying the cause of the beluga population’s decline and acting decisively and selflessly to ensure that it was stopped. We believe wholeheartedly that the existing regulatory mechanisms will give the Cook Inlet beluga whales every opportunity to fully recover. It is comforting to know that the Federal court system shares our confidence.
Resolve subsistence

It is time to end debate and begin the process of resolving the subsistence issue.

Two years ago, RDC urged the Alaska Legislature to place a Constitutional Amendment applying to subsistence on the ballot. Our board recognized that it is in the best interest of business to resolve the subsistence debate and move forward.

Not much has changed in two years. We still believe any issue that divides urban and rural Alaska and pits one group against another is bad for business, given so much of what drives our economy has its roots in rural areas. With a high percentage of federal land, additional federal jurisdiction in Alaska could be detrimental to access and further restrict resource and economic activity.

Alaskans have spent so much time and effort arguing and positioning on subsistence, federal management (allocation), states rights, special rights and any number of other purportedly related matters that many of us have lost all perspective. We have divided ourselves into various categories: for, against, fence setters and those who couldn’t care less. As a result, Alaskans have created a situation where we have to choose between what many believe are equally unattractive alternatives -- amend the State Constitution or accept federal allocation of fish and game on two-thirds of all the land and water within the State.

There are those who believe (or wish) we could change ANILCA and thereby make the issue and federal allocation go away. It is my considered opinion that the prospects of changing ANILCA in any substantive or even technical way in the absence of a State Constitutional Amendment, are less than nil. I do believe that amending the Constitution, whereby the State can establish a priority for subsistence, would substantially enhance the prospects of some badly needed changes in ANILCA.

There are others who believe litigation could resolve the issue. I suggest that we all lose with continued litigation of the core issue and that there will be ample opportunity to litigate important related issues in the foreseeable future.

We could continue to debate the issue, resulting in at best everyone becoming either a fence setter or more likely a “couldn’t care less.” Continued debate and no action on the part of Alaskans would have the net effect of selecting federal allocation.

We, with our continued “discussion” or more aptly “nattering” regarding the issue, have frittered away our options. It is now time to act like grown-ups, recognize the facts as they are, and either put a Constitutional Amendment on the ballot for a vote (i.e., begin the process) or accept federal allocation as the way things are going to be in the foreseeable future.

It is important to understand that placing a Constitutional Amendment on the ballot is only the beginning -- assuming it passes, which is not necessarily a forgone conclusion. A Constitutional Amendment on a subsistence priority must be executed via statute or more likely a package of statutes. These statutes must be implemented through regulations. Likewise, one could reasonably expect to see technical changes in ANILCA regarding, if nothing else, definitions of various terms. At the end of the day, Alaska management will still be subject to federal oversight on federal lands and possibly State waters. So, we will still be able to practice one of our favorite pastimes, railing against the federal government.
Among the most productive ecosystems on earth, wetlands support fisheries, tourism, recreation and other activities that contribute nearly $100 billion annually to the commerce of our nation. Regardless of the controversy surrounding how to manage them as a resource, there is agreement that wetlands and other aquatic habitats are important to our nation’s ecological and economic stability.

Wetlands play a major role in storing floodwaters, protecting against erosion, and buffering our infrastructure from severe storms. They are filtration systems that remove wastes to provide clean, potable water. Wetlands are home to countless bird, fish, and other wildlife species that provide opportunities for recreation and enjoyment. Unfortunately, between 1780 and 1980, more than half of the wetlands in the contiguous 48 states were lost to residential, commercial and industrial development.

Today, in recognition of the important ecologic and economic roles of wetlands, there is a great deal of support for maintaining these ecosystems. The availability of federal funding for wetland protection and restoration has increased in recent years, however a large portion remains unused because local project sponsors are unable to raise the required non-federal share of project costs.

In response, the Corporate Wetlands Restoration Partnership (CWRP) was established to raise matching funds and work with federal, state, environmental, and community groups to make use of the federal money. For every one dollar donated by the CWRP, approximately three federal dollars are leveraged. The combined funding is then used to support site-specific restoration projects. The CWRP works because it is entirely voluntary, with no regulatory involvement, and because companies not only make an environmental commitment, but they also make a great return on their investment.

The CWRP is being expanded nationally by the Coastal America Partnership. Coastal America's Alaska team is an action-based, multi-agency group of regional representatives from a variety of federal partner agencies. One of the Team's primary goals is to work closely with the State of Alaska in all their Coastal America projects, especially the CWRP. In February 2001, they signed a Partnership Agreement with the Alaska Division of Governmental Coordination to ensure continued collaboration. They are also working to increase the involvement of local and tribal governments, as well as non-governmental organizations, in many of their projects.

BP Exploration-Alaska has recently taken on the mantle of corporate lead for the CWRP in Alaska. As the Team works with BP Exploration to establish the CWRP in our state, they are optimistic about the opportunities the new partnership will have to offer. From the corporate perspective, the CWRP will help private industry in their goals to support worthwhile environmental efforts. From the state’s perspective, the CWRP will open doors for new and existing projects, as local matching funds will unlock those federal funds that would otherwise go unused. And from the ecosystem perspective, these projects will help protect and restore Alaska's valuable natural heritage, a benefit to both our environment and our economy.

For more information, please contact Bill Streever, BP Exploration (907-564-4383), Ted Rockwell, EPA (907-271-3689) or Patmarie Nedelka, Coastal America (202-401-9928).
Studies will define future ocean activities

By Robert Pawlowski
RDC Board Member

Alaska has 55% of the nation’s coastline and remains dependent on maritime commerce, both for the import of goods and the export of natural resources. Alaska’s coastal communities depend on modern, safe, and economical access to the ocean. Given this, it is important to recognize that three ocean studies are ongoing that will directly affect how Alaska sustains its maritime commerce and industries, while conserving and managing the marine resources.

These studies are being conducted by 1) the Commission on Ocean Policy, analyzing the future of ocean policy and respective federal programs, for review under the Ocean Act of 2000; 2) the Pew Oceans Commission for the future of ocean policy and living marine resource conservation; and 3) the USDOT for the Marine Transportation System (MTS 2020). Happily, knowledgeable Alaskan’s are involved on each study and regional dialogs either have occurred or will be scheduled for Alaska.

The Commission on Ocean Policy was established under the Ocean Act of 2000. Public Law 106-256 directed the President to establish a 16-member commission, as recommended by Congress, to make recommendations for coordinated and comprehensive review of ocean policies and agency activities in eight general areas. These areas are protection of life and property; responsible stewardship of resources; environmental protection; enhancement of maritime commerce; enhanced science and increased technology; public and private cooperation, including regulations, allocations; efficient agency operation; effective partnerships with states and local governments; and US ocean leadership.

Stemming from a national dialog on ocean issues and review of progress made since the 1960s Stratton Commission, the Commission on Ocean Policy will conduct regional public meetings (including one in Alaska), draft its findings for public review, and present its final recommendation to Congress within the next 2 years. The president will follow with a proposal to Congress on steps to implement the Commission’s recommendations for a “coordinated, comprehensive, long-range national policy for the responsible use and stewardship of ocean and coastal resources for the benefit of the United States.”

The Stratton Commission established NOAA, led to the Coastal Zone Management Act and the International Decade of Ocean Exploration. NOAA has since had its mission expanded by laws, including the Magnuson Stevens Fisheries Conservation and Management Act, Marine Mammal Protection Act, Marine Protection, Research, and Sanctuary Act. The new Commission will make recommendations that will guide the ocean policies upon which Alaska’s maritime industries, communities, and resources are managed and the oceans are studied, as well as potentially establish NOAA as an agency, comparable to NASA and EPA.

The Pew Oceans Commission is a private commission, established under the Pew Charitable Trust, to “review threats to living marine resources in U.S. waters and the measures needed to restore and sustain the health of the marine environment.” Composed of business, science, government leaders, and the conservation and fishing communities, this commission will strive to provide an independent and balanced perspective on changes to ocean policy. The areas of inquiry are status of marine life, fishing and aquaculture, coastal development, marine pollution, and law and programs. A Report to Congress is planned for February 2002.

How this report influences Congress, the administration, and the Commission on Ocean Policy is an unknown, but the members are established and credible. How it affects the management of Alaska’s fishery resources and coastal communities is yet to be determined, but it will consider the importance of Marine Protected Areas, in support of Executive Order 13158, essential fish habitats, as defined in the MSFCMA, and impacts of trawling.

The Marine Transportation System or MTS 2020 is an ongoing study of how the U.S. Maritime industry and its inter-modal connections will compete in international commerce by 2020. Led by the Department of Transportation and reflecting efforts by various federal agencies, including the Coast Guard, NOAA, EPA, and the Army Corps of Engineers, the agencies produced “An Assessment of the U.S. Marine Transportation System” as a report to Congress in September 1999. Since this report, national and regional dialogs have produced solid public and industry support for improving the marine transportation system and increasing the U.S. competitive stature in international maritime trade.

An inter-agency committee is working to improve cooperation and coordination among maritime agencies, while framing an initiative (SEA21) to meet the recommendations from the MTS effort to date. As this moves into Congress and the House Committee on Transportation and Infrastructure, the importance of improving Alaska’s ports, harbors, and inter-modal capabilities will need to be addressed.

As one can see, national studies are laying the groundwork for policies, programs, and budget initiatives that will directly affect Alaska’s maritime communities, industries, and the harvest of ocean resources. It will help to define the investment in scientific information to address resource management issues. Supporting Alaskan needs in this process is paramount.

Thursday Breakfast Forums
Petroleum Club, 3301 C Street, 7:00 a.m.
Reservations Required: 276-0700

Oct. 18: Mayor Sally Smith, Juneau

Nov. 1: David Wright, President, Alyeska Pipeline Service Company

Nov. 15: Steve Brink, Alaska Regional Forester, U.S. Forest Service, Juneau
ULTRA LOW SULFUR: Last December the EPA adopted rules requiring all states to market cleaner highway fuels. The most troublesome is highway diesel, which has to have an ultra-low sulfur content by 2006. Alaska does have the option to appeal for a delayed phase-in schedule to EPA, however the problem remains that any new car or truck arriving in Alaska past that date will require ultra-low sulfur (ULS) fuel – it will not run on regular fuel - and may not find it.

This is obviously a large concern to fuel consumers as well as to suppliers. ADEC held a stakeholder workshop on July 18th with the overall purpose of determining how Alaska will implement the new ultra-low sulfur diesel regulation by 2006. The main questions and concerns ranged from health care costs to how fast would we actually be able to get to 15 parts per million (answer: the fast-esteem being one year).

There were five options given that would initiate the ultra-low sulfur diesel across the board. To view the five options go to www.state.ak.us/local/akpoges/env_conserv/dawg/ag1/docments/718mtgssummary.htm. The one that seemed to be favored by the workshop panel was the phase-in plan which gives a timeline for 100% 15 PPM fuel that would extend past 2010. The percentage of ULS diesel required at retailers would increase with each year.

STATE AIR QUALITY CONTROL PLAN: On August 21 and 22 the ADEC held a workshop to discuss the changes that are being made to the Standard Permit Conditions. The topics discussed ranged from the Emission Fees, Good Air Pollution, Control Practice and Insignificant Sources. Since ADEC emission fee estimates are due at the end of March, there is ample time for review to make billing in June. Good Air Pollution Control was debated as to whether industries should have to use manufacturers procedures for air pollution control on equipment. There were many other discussions in the workshop. Check out the HMH Newsletter of the ADEC web page for more detailed information.

AMBIENT AIR BOUNDARIES: ADEC has proposed changes to Alaska’s air quality rules (18 AAC 50) that may require some facilities to redraw their boundaries and may require additional measures to keep the public from crossing the boundaries. This proposal can also affect access to public, private and native land, whether it includes an extended ambient boundary. Extended ambient boundaries are now used in Alaska for some facilities in the oil, gas, mining and seafood processing industries. ADEC did state, however, that no emission reductions will be required before allowing an expanded ambient air boundary. This proposed change to the regulation may be reopened once again for public comment.

BART: The “Best Available Retrofit Technology” rule, is currently under review by EPA. The rule is largely driven by regional haze issues in relationship to federal Class I areas -- national parks and other special protected areas. The rule is not expected to have immediate impact on Alaska facilities; however, as existing plants are modified or repowered, the rule may require substantial revisions to current emission controls.

COAL FIRED POWER PLANTS: After a five-year battle, EPA has finally approved a revision to Alaska’s State Implementation Plan (SIP) that will allow for a change in the state air quality regulations for a higher opacity limit during startup/shutdown, sootblowing/grate cleaning or other routine maintenance. This rule will significantly improve the coal industry’s ability to comply with opacity limits, especially for older existing stations, while keeping energy prices under control.

TITLE V PERMITS: ADEC is continuing to issue Title V operating permits that include some ‘General Permit Conditions’ opposed by industry and that have not been finalized as an amendment to the air quality regulations. We will keep you posted as new industry groups are targeted.

CRUISE SHIPS: In response to air quality concerns expressed by Juneau residents, ADEC will install and operate two continuous particulate matter monitors. A Work Group has been formed to track cruise ship impacts and discuss findings and progress. (See ADEC web page).

A LOOK FORWARD: ADEC has some very busy months ahead with upcoming projects. What does that mean to the industries and environmental interests? Changes and more changes. According to sources, we are looking at changes to the Emission Fees and the Air Quality Control Plan. The Environmental Protection Agency is also in the process of reviewing the Construction Permit Regulations which were re-written in 1998, and is working towards the SIP approval. We may see some changes in those regulations as well.

Kristine Weil can be reached at hmh-kwei@alaska.com.

Governor Knowles addresses RDC

At a special RDC luncheon forum in Anchorage August 30th, Governor Tony Knowles said Alaska’s challenge now is in the U.S. Senate, where he believes a pro-AnWR drilling bill has a fighting chance. “The first shot has already been fired by those trying to link ANWR and Alaska gas,” Knowles said. “Their trade-off is ‘we’ll give you the gasline if you forget ANWR.’ But, the American economy and consumers need the millions of barrels of oil that are likely beneath ANWR, and they need affordable, clean-burning, Alaska natural gas. There’s no either-or about it.”
**brief review**

RDC opposes Roadless Rule as currently written

In comments filed last month to the Forest Service, RDC strongly opposed the Roadless Rule as currently written and urged the federal agency to exempt the Tongass and Chugach national forests from any final national prescription for roadless areas.

In its current form, the rule severely compromises forest health, exposes federal and adjacent non-federal land to greater risk of wildfires and undermines the ability of local foresters and communities to properly manage forests based on science and local conditions. It overrides years of local negotiations and compromises that contributed to the development of current forest plans.

RDC said that the Clinton administration’s decision to manage areas as roadless under the roadless rule was a pre-determined political action, rather than a professional land management decision based on science and local conditions.

RDC supports Katalla oil drilling project

RDC has thrown its support behind Chugach Alaska Corporation’s efforts to drill for oil at the site of the first discovery of oil in Alaska 99 years ago.

In a letter to the Forest Service, RDC supported an expedited permitting process that would allow Chugach to conduct exploratory drilling on its private lands at Katalla. In a 1982 agreement with the Forest Service, Chugach was granted oil and gas rights at the 10,000 acre field east of Cordova.

Given that horizontal drilling is proposed on previously developed private lands, surface impact from this project will be minimal and any disturbance to surrounding federal land is unlikely. Access to the site will come from an existing road.

With modern drilling techniques, the potential for a significant find is present at Katalla.

The Forest Service is now conducting an environmental assessment of the project. Drilling could begin next summer.

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At left, RDC board members and their spouses pose before the giant MS Ryndam in Seward. Above, Al Parrish of Holland America Line briefs the RDC delegation on key issues. The delegation toured the ship August 31.

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Cruise industry accounts for half of Alaska’s visitors

Welcome aboard a $2 million ship. That’s not the price tag of Holland America’s MS Ryndam -- which would cost $600 million to build today -- it’s the economic stimulation Anchorage enjoys every time a North West Cruise Association ship docks in Seward. And 12 ships called 105 times on Seward this season.

In remarks before a delegation of RDC board members and their spouses touring the Ryndam August 31 in Seward, Holland America’s Al Parrish noted that the cruise ship industry generated more than $220 million of economic activity this past season in Southcentral Alaska and supported more than 2,000 jobs. Statewide the industry supports more than 15,000 jobs and brings hundreds of millions of new dollars into Alaska where it percolates through the economy for a total impact of $720 million.

“The bottom line is the cruise industry is one of only a handful of businesses that continue to grow in Alaska,” said Parrish. “This year, the cruise ships will bring about 650,000 visitors to our state -- half of all visitors we’ll greet.”

Parrish noted the media has dedicated a lot of newsprint and air time to cruise ship emissions, particularly waste water.

“There is no scientific evidence that our wastewater discharges cause any long-term degradation to the environment,” Parrish said. He said there is a growing body of science that shows the discharges are virtually undetectable within minutes of leaving the ship.

“North West Cruise Association members have committed millions of dollars to keeping Alaska clean and going well beyond compliance because it’s good for our business which is selling the spectacular beauty of our state,” Parrish said.
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