Wetlands policy could cripple Alaska's economy

In response to a continuing major reduction in wetlands in the contiguous United States, a new nationwide policy has been proposed to achieve no overall net loss of the nation's wetlands. Unless it is modified, the federal policy would apply equally to Alaska, jeopardizing the state's economic base and posing serious impediments to vital community development in rural and urban areas.

Sweeping changes in wetland management have been recommended by the National Wetlands Policy Forum, a non-government related group organized in 1987 by The Conservation Foundation. When the National Wetlands Policy Forum was developing its recommendations, Alaskan officials were assured its intent was to protect wetlands in the contiguous 48 states that were rapidly being converted to urban uses, a problem that doesn't exist in Alaska. Yet the draft recommendations make no attempt to treat Alaska differently.

The proposed Wetlands No Net Loss Act of 1989, modeled after the Forum's recommendations—would impose stringent guidelines on all 50 states. While making it virtually impossible to convert wetlands to other use, it also gives the U.S. Fish and Wildlife Service permitting authority for wetlands development rather than the Army Corps of Engineers.

Offsite mitigation

The federal "no net loss" concept means that any wetlands used for development would have to be replaced in the national wetland inventory by either creating new wetlands or reclaiming previously disturbed wetlands. This would result in requirements for mitigation measures to be implemented "off-site" from the development project, perhaps even in another state.

Such a requirement could force the developer into buying and preserving wetlands far removed from the project, an option that is not feasible in Alaska.

Comparison of Wetland Losses in Alaska and Contiguous U.S.

Approximately half of the wetlands in the contiguous 48 states have been lost to development, while 99.95% of Alaska's wetlands are undisturbed.
A Question of Balance

RDC is ending this decade with a bang! RDC’s tenth annual conference will be held November 29 - 30, Wednesday, Thursday, at the Sheraton Anchorage Hotel. Why the change from February to November? The timing better accommodates elected officials and will strengthen RDC’s presence in Juneau during the session. But also, traditionally the winter holiday season is a time for rejoining old friends, traveling and celebrating the year past while, more importantly, looking ahead.

RDC’s conferences are known to be fun, as well as educational. The holiday timing should serve to enhance that appeal. Besides, this way whoever wins the giant gold nugget necklace at the raffle will have the perfect showpiece to wear to Christmas parties!

The conference will bring people together with a spirit of goodwill to examine and discuss the serious resource allocation issues facing our state and nation. The speakers are exciting and so are the topics. We hope you will attend. Mark your calendar today!

Alaska: Playground, Park and Production State

"A Question of Balance"

Confirmed speakers:

Changing America’s Perception of Alaska
James Wickwire, Attorney, Wickwire, Greene & Seward Seattle, Washington
Maintaining Wildlife Values in Developing Areas
Gomer E. Jones, President, National Institute for Urban Wildlife, Columbus, Maryland
Alaska Energy: Meet the Challenge of America’s Energy Future
Percy A. Payne, General Manager of Production, Shell Western E & P, Houston, Texas
Playground and Park: The Striking Differences
Wayne Ross, National Rifle Association, Anchorage, Alaska
The Costs & Risks of American Energy Scenarios
Dr. Henry Schulier, Director, Energy Security Program, Georgetown University, Washington, D.C.
How Will Future U.S. Energy Demand be Met?
General Richard McHugh, President, National Coal Association, Washington, D.C.
At What Cost Environmental Protection?
Dr. Gunnar Knaap, Associate Professor of Economics, Institute of Social & Economic Research, Anchorage, Alaska

Alaska’s Wetlands: “No Net Loss” and What It Means to Alaska’s Economy
Vidiq Mastarman, Environmental Attorney, Jones, Day & Pogue, Chicago, Illinois
Balancing World-Class Mineral Development with Environmental Concerns
Frank Jokilek, President & CEO, Kennecott Corporation, Salt Lake City, Utah
The Rough Road to Economic Stability, Mayor Tom Fink, Municipality of Anchorage
How National Policy Affects the Home Front, Mayor Jerome Selby, Kodiak Island Borough
Prince William Sound: Putting the Pieces Back Together, Mayor Lynn Chystial, Valdez, Alaska
Risky Realities: Resource Development and the Tax Base
Mayor Bruce Botelho, City and Borough of Juneau
How Congress Views Alaska, Mike Harvey, Chief Counsel, U.S. Senate Committee on Energy & Natural Resources, Washington, D.C.
Alaska’s Economies
William V. McHugh, President, Yukon Pacific Corporation, Valdez, Alaska
Coal
General Richard Lawson, President, National Coal Resource Review & Resource Development Council (RDC) is Alaska’s largest privately funded nonprofit economic development organization working to develop Alaska’s natural resources in an orderly manner and aid in creating a broad-based, diversified economy while protecting and enhancing the environment.

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Mitigation measures prove effective in limiting major wetlands losses

A comprehensive, multi-layered regulatory system combined with effective high-tech mitigation measures have minimized wetland losses in Alaska to the extent that only a tiny fraction have been modified.

Avoidance and minimization are the two strategies most often used by industry to mitigate wetland reductions in Alaska. Avoidance means siting facilities away from high-value wetlands. Minimization is achieved by reducing the number and size of facilities.

On Alaska’s North Slope, the oil industry has successfully mitigated wetland losses by avoiding important habitats and consolidating facilities, according to ARCO Alaska biologist Mike Joyce. “Each new development area on the North Slope is planned to mitigate disturbance on habitat by routing gravel roads and pads away from important habitats,” Joyce said.

One of the best examples of facility consolidation and downsizeing is in the reduction in production drill pad area. New technologies allow for much closer spacing of wetlands in combination with directional drilling. Over the past six to eight years, well pads have been reduced in size by two-thirds.

When the Prudhoe Bay field was first developed, this technology was in the early stages, and drill pads were constructed to cover a much larger area than is necessary today. Future drill pads are planned to be smaller yet as wells are drilled closer together and reserve pits are eliminated.

When the useful life of the oil fields is over, rehabilitation measures will be used to restore plant cover and gradually return the areas to productive habitats.

In the meantime, wildlife populations throughout the North Slope are thriving and there is no evidence that arctic wildlife is limited by the availability of habitat. Arctic wetlands cover an area larger than the state of California and Oregon combined and bird monitoring studies show that all bird populations within the oil fields are at or above pre-development levels.

The acreage of wetlands affected by oil development in Alaska is less than 30,000 acres in a state with an estimated 170 million acres of wetlands. North Slope oil fields provide 25% of U.S. domestic production, yet only 0.05% of the wetlands on the Slope has been disturbed.

Natives express concern over wetlands

(continued from page 3)

and village corporations, our land asset is assurance of our future economic wellbeing,” Fredericks continued. “Our people have only recently entered the mainstream. We continue to struggle with severe social problems. Establishing and developing diversified economies throughout our vast rural regions is critical not only to the survival of our corporations, but also to the future social well being of our people and their heritage.”

Fredericks, who has been actively involved in native affairs since the passage of ANCSA in 1971, said that these emerging economies, timber fisheries, tourism, minerals and other natural resources, must involve the well planned and managed development of native lands. “Any requirement to ‘replace’ wetlands used in development will significantly impact our corporations, particularly in view of the major portions of our lands which have been designated wetlands,” he said.

A blanket national policy on wetlands would negatively and unfairly affect not only the Alaska native people, but all of the residents of the State of Alaska,” Fredericks added.

Jacob Adams, President of Arctic Slope Regional Corporation and North Slope Borough Assemblyman, agrees that the native’s settlement of their aboriginal land claims are threatened by the national wetlands scheme.

“This is contrary to Congress’ clear intent to compensate Native corporations with lands that have economic viability,” Adams said. “The proposed designation questions the ability to use our lands for any economic purpose.”

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Alaska’s economy is important to U.S.

“Washington, D.C. must not deny Alaskans of their right to economic growth through resource development. It would be, in effect, creating a welfare state instead of a producing contributor to the nation’s well-being.”

With its rich endowment of oil and gas, fish, minerals and forests, Alaska is America’s treasure chest of natural resources. For the most part, Alaska’s vast resources remain largely untapped. And through the wise use and management of these resources, Alaska has the ability to diversify its economy while helping to provide the nation with essential raw materials.

Alaska has achieved its current level of development while preserving 99.95% of its wetland acreage. Surely, environmentally-sound development of the state’s huge resource potential can proceed without significant impact to its wetlands. The continued economic viability of the state and those who live here depend on it.

Private sector industries associated with the development of the state’s resources form the foundation of Alaska’s economy and fund 95% of state government operation and services.

The Alaska oil and gas industry provides 25% of all domestic production and 85% of all state revenues. The Alaska seafood industry accounts for approximately 50% of the nation’s commercial fish catch. Of the 30 minerals the U.S. must now purchase abroad, 22 are found in Alaska, many in commercial concentrations. About 50% of the nation’s coal reserves are found in Alaska and world-class mining projects are now coming online. Alaska is also one of the largest untapped timber reserves on the Pacific Rim. Some 16% of the commercial forest lands in the U.S. is in Alaska.

If Alaska is to be excluded from national wetlands policy in an age of declining Prudhoe Bay oil production and revenues, it must build the infrastructure needed to expand its minerals, timber, tourism and fish industries. This will inevitably involve the use of wetlands since nearly three-quarters of our state’s non-mountainous lands are considered wetlands.

Policy makers in Alaska and Washington, D.C., must recognize the implications of applying a blanket “no net loss” wetlands policy to Alaska. Such a policy could very well preempt new ports, roads, airports, visitor facilities and other vital local, regional and statewide economic development projects.

Washington, D.C., must not deny Alaskans of their right to economic growth through resource development. It would be, in effect, creating a welfare state instead of a producing contributor to the nation’s well-being.

Alaska’s inclusion in a proposed national policy of “no net loss” of wetlands would constitute a severe violation of the intent of the Alaska Native Claims Settlement Act (ANCSA), according to a prominent Alaska native leader.

In a letter to President Bush, Glenn Fredericks, former Chairman of the Alaska Federation of Natives, urged that Alaska be excluded from the national wetlands policy. Fredericks said a blanket policy would “negatively and unfairly affect not only the Alaska native people, but all of the residents of the State of Alaska.”

"Our entitlement cannot and should not be diminished by this no net loss wetlands policy," Fredericks said. "For most of the regional (continued on page 7)
most of the state's wetlands are intact, and we are pleased to see the federal government taking action to protect these valuable resources. However, we recognize that the federal government alone cannot solve the problem of wetland loss in the state. We must work together with the state and local governments, as well as the private sector, to ensure that wetland losses are minimized and that wetland restoration projects are funded and implemented. Only by working together can we ensure the long-term viability of Alaska's wetlands and the communities that depend on them.