Fifty years ago, Emil Usibelli did something everyone else thought was crazy. Using a small bull-dozer and a truck, he began mining coal from the surface, rather than from underground, like everyone else did. Today, that's how most of the coal in the world is being mined.

Over the last three generations, Usibelli Coal Mine has done a lot of things that other people thought were foolish at the time. In 1971 we started a land reclamation program years before the government required it. In 1977 we ordered a 2,000 ton dragline to increase production, even though a proposed hydroelectric project and the new oil pipeline were supposed to make coal obsolete. In 1984 we negotiated the world's first contract to export sub-bituminous coal to the Pacific Rim. In 1989 we initiated a partnership with the Federal Government to build in Healy,

Alaska, what may well be the world's cleanest coal-burning power plant.

A lot has changed since Emil started the mine in 1943. But one thing hasn't changed. It's still going to take innovative thinking to prosper in the future. We plan on continuing that tradition.

Proposed liability bond requirement shocks Alaskans

Regulations would require $150 million in liability insurance for any company or individual transporting or storing oil or oil products in any quantity

The impact of the rules if promulgated as proposed will merely create a nation of scofflaws."

- Tom Hawkins, Bristol Bay Native Corporation

"The law makes no exception for quantity. If one moves as little as five gallons on a sled behind a snowmachine across navigable waters, they are responsible to the OPA requirements, as well as anyone operating a tank farm, fuel transfer business, refueling station or utility."

- Paul Glavinovich, Mining Geologist

"Combined with the ludicrous definition of navigable waters, the liability requirement sets up a situation that is going to be impossible for most businesses in Alaska to comply with."

- Frank Dilton, Alaska Trucking Association

"As a practical matter, rural electric cooperatives cannot afford $150 million in liability insurance even if it were available. Requiring $150 million in insurance for these facilities is ridiculous."

- Dave Hutchins, Alaska Rural Electric Cooperative

(Continued to page 6)
Water quality standards must reflect good science, not perceptions and hysteria

Message from the Executive Director
by Becky L. Gay

The Resource Development Council supports the State of Alaska’s efforts to regulate water quality standards in a manner consistent with the realities of Alaska. RDC believes the State has carefully considered standards which are based on good science, not perceptions and hysteria.

In a state facing real human and social needs which require competing public dollars, RDC supports water quality standards which are scientifically and environmentally sound, but also technologically AND economically feasible.

Specifically, Alaska’s water quality standards should provide adequate environmental protection without unrealistically impacting domestic, municipal, recreational, commercial or industrial uses of the water. Water quality standards should not force clean-up to exceed natural water conditions. In other words, no single industry or person should be forced out of business by paying to clean up return water to a stream far cleaner than it was to begin with!

Alaska’s industries, from shore-based fish processing to mining, ought not be strapped with a unrealistic disadvantage, nor should any community be forced to manage a sewage lagoon or treatment plant under standards which are unachievable, sometimes at any cost.

Regarding risk levels, it should be noted that the national average of the real risk of getting cancer from all sources is 1 in 100,000. That is a realistic and supportable risk level. A person would have to be drinking for years from the mixing zone under question to even encounter that 1 in 100,000 risk — and who does that? No one.

It takes a strong economy to afford the financial resources devoted to state programs which address vital issues such as water quality and other health needs. If water quality standards are set to satisfy hysterical perceptions rather than driven by reality, Alaska will lose ground in its ability to provide for its citizens and maintain an economy which can afford environmental protection. Economics must play a part in our decision-making, since there is not enough money in the world to protect individuals completely, even if it was feasible.

Remember, risk assessment is a political decision and your voice is needed to balance the equation.

RDC urges all Alaskans to send their comments to the Department of Environmental Conservation’s efforts to tailor water standards to Alaska. The deadline is the end of October.

RDC board reaches out to Kenai, Seward

In an effort to discuss issues of significant importance to the Kenai Peninsula and to further define common ground, the RDC board of directors met with community leaders in Kenai and Seward last month and toured major industrial sites in both communities.

At least twice a year, RDC schedules community outreach trips for its board and staff to meet with its membership, listen to local concerns, see the resource strengths of the communities it serves and to brief others on what RDC is doing in education and on issues of mutual interest.

“The meetings strengthen our understanding of local communities and resource sectors, while helping develop a common agenda for our state’s future,” said Jim Cloud, President of RDC. “It’s always a pleasure to meet with officials and community leaders with the RDC board in Kenai September 23. Many vital issues were addressed among those at the meeting.”

(Continued to page 3)

RDC board visits Kenai and Seward

Photos by Carl Portman

Departing for a tour of ARCO’s exploratory drilling rig, the Adriatic, RDC Executive Committee member Kelly Campbell, Secretary Scott Thorson and Vice President Elizabeth Hansch descend from the helicopter pad on ARCO’s Adriatic.

At left, RDC board and staff tour the Chugach Forest Products sawmill in Seward. Above, Vice President Elizabeth Hansch descends a ladder to board a vessel to tour Seward harbor and industrial sites. While in Seward, the board visited Exit Glacier and met with the National Park Service.
Jeopardy

Alaskans at risk should MMS regulations move forward

(Continued from page 6)

"Utilizing expansive definitions of navigable waters, the Minerals Management Service has proposed a system which would require kids with lawn mowing jobs to secure $150 million liability policies from an unwilling insurance industry," said Tom Hawkins of the Bristol Bay Native Corporation.

Hawkins said it appears that the proposal was crafted as a new mission for an agency that has lost its mission to accomplish the orderly leasing of minerals in the OCS.

"The impact of the rules if promulgated as proposed will merely create a nation of scofflaws," said Frank Dillon, Executive Director of the Alaska Trucking Association. "The regulations are so outrageous they don't warrant any real serious consideration."

There are no trucking companies operating in Alaska that will be able to acquire the mandated coverage, Dillon said. "Literally hundreds of people and businesses in Alaska would be in jeopardy should the regulation move forward," Dillon warned.

The Alaska Rural Electric Cooperative Association (ARECA), a nonprofit corporation whose members consist of the numerous electrical cooperatives located throughout Alaska, has also voiced strong opposition to OPA's financial responsibility requirements.

"As a practical matter, rural electric cooperatives cannot afford $150 million worth of insurance even if it were available," said David Hutchens, Executive Director of ARECA. "I can only hope that the Minerals Management Service uses some common sense in promulgating these regulations," Hutchens said. "Requiring $150 million in insurance for these facilities is ridiculous. I firmly believe that when OPA '90 was enacted, Congress was thinking of oil platforms when drafting the financial responsibility requirements."

Under OPA, Alaska's rural tank farms are in the "unique position of being both offshore facilities and onshore facilities," Hutchens noted.

Electric cooperatives in rural Alaska for the most part rely upon diesel generation for power production. In turn, bulk fuel storage facilities are located in the villages to provide a ready supply of fuel for the diesel generators in the event of an oil spill.

Electric cooperatives in rural Alaska have met with community officials, local business leaders and the Department of Natural Resources.

"The diesel generators, which are also used to transport oil or oil products across or adjacent to navigable waters, are an integral part of the energy supply to remote communities," said David Hutchens, Director of the Alaska Rural Electric Cooperative Association. "It would be impossible for cooperatives to supply remote communities with diesel or fuel if the regulations were to go into effect."

"This regulation would cause an end to the rural electric cooperatives' ability to provide electricity to their members," Hutchens said.

"This is a regulatory overreach that is completely unnecessary and will serve to eliminate rural electric cooperatives and their ability to provide electricity to the communities they serve," Hutchens said.

While RDC has been fighting for fair treatment of Alaska in the wetlands arena:

• The Department of the Interior has been pushing for the National Biological Survey without regard to private property rights and citizens' rights to privacy.
• The DOI's Minerals Management Service has just issued proposed new spill liability regulations with minimum requirements of $150 million for anyone (without limitation) that transports or stores oil or oil products across or adjacent to water, including lakes, streams and wetlands.
• New Wilderness proposals are being advanced behind closed doors in government agencies that are not traditionally involved in land management, like the State Department and the National Park Service.
• Congressional delegations from other states are seeking to say "Adios!" to our mining industry, a quote from Senator Dale Bumpers, D-Arkansas.
• Despite the loss of 280 jobs from the closure of the Sitka Pulp mill, the Administration is seeking further timber harvest restrictions on the Tongass National Forest which could lead to further job losses in Southeast Alaska.

RDC board visits Kenai Peninsula ...

While in Kenai, board members toured the Phillips LNG plant, the Tesoro refinery and the Unocal Grayling platform in Cook Inlet. A second team of board members received a briefing from ARCO officials aboard the Adriatic XIII exploratory drilling the Sunfish prospect in Cook Inlet.

In Cooper Landing, board members held a business meeting at the beautiful Princess Lodge. In Seward, the board met with community officials, local business leaders and the National Park Service. The board received a briefing on the proposed Alaska Seafish Center, visited nearby Exit Glacier and toured the Chugach Forest Products sawmill, the Seward shipyard repair facility and the boat harbor. Special thanks to local hosts Barry and Eleanor Thomson and Sharon Anderson for assisting in coordinating the local functions.
**Kenai infestation presents opportunity to prove silvicultural techniques can restore habitat**

Environmentalists claim the State of Alaska's plan for logging beetle-killed timber on the Kenai Peninsula will result in vast clear-cuts that will threaten fish, wildlife and wetlands. Alaska's state forest, however, warns that by leaving the dying forest alone, timber, timber, water and fishery resources are at greater risk from the beetle infestation.

In a late September speech before the RDC breakfast forum in Anchorage, State Forester Tom Boutin said a lack of action and continued forest health decline will result in:

- Increased loss of wildlife habitat for mature forest species.
- Continued riparian area degradation.
- Substantial long-term conversion of forest to grass from lack of spruce regeneration.
- Increased community fire hazard and associated increased fire suppression costs.
- Degradation of aesthetic quality of existing landscapes.
- Degradation of developed recreation areas and increased maintenance costs for removal of hazard and downed trees.

Some federal state plan to log beetle-killed timber, Boutin stressed that logging operations would not occur in a regulatory vacuum, but under strict forest practices regulations to protect river drainages and other sensitive areas. Moreover, less than 5% of the beetle-infested timber will be cut under the state plan, Boutin said, hardly making an impression on the Peninsula as a whole. Boutin noted that tree planting is part of the equation, required by law following logging. He said reforested areas would result in a mosaic of tree cover and age classes, providing natural protection from future infestations. Today, however, there are primarily only over-mature, single stands of spruce that are much more susceptible to fire and endless rounds of bug epidemics.

While the beetles have and always will be in the forest, Boutin said the notion that this infestation is or should be managed as a totally "natural" event is erroneous.

"Past, present and future human intervention, such as fire suppression, clear-cutting activities and related human habitation, has removed this situation from a "natural" setting," Boutin said. "Consideration of human needs and influences to establish an appropriate desired future condition for these impacted forest types is essential to ecological sound," he continued.

"Without some sort of artificial intervention to mitigate this non-natural whole-stand change in the ecosystem, significant habitat losses may result. The lack of a habitat plan is a deficiency of the State Forest Service," Boutin said. "Although the notion that whatever is done to the infestation has been to cooperate with other land owners, develop public awareness of the situation and work toward putting infected and soon-to-be-infested timber up for sale," Boutin said.

Boutin noted that the lack of a forest products industry on the Kenai, along with the sole emphasis on recreational values in forestry decisions, may have allowed the Kenai problem to be discussed for years without any action taken.

"I think I see the industry we now have as a potential source of subsidy for the solution," Boutin said. "Any payment for remaining value in some of the timber, and especially any site preparation and access construction which can be absorbed by logging contracts, is a subsidy to resolving this forest ecosystem problem.

Mayor Don Gillman of the Kenai Peninsula Borough says many residents want beetle-killed timber harvested, but do not support backcountry roads necessary to get to the timber. He said residents want a guarantee that whatever is done protects the drainages and the river systems.

**Tongass loggers get reprieve from Pacific Northwest fisheries protection plan**

The Tongass National Forest will be exempt from a Forest Service plan that would have tripled the size of no-logging buffer zones along fish streams, lakes and wetlands.

The exemption came through a provision from Senator Ted Stevens in a House-Senate conference committee working on a compromise 1994 spending bill for the Forest Service.

The Forest Service plan, called PACFISH, would have extended no-tree-cutting buffer zones around salmon streams from 100 feet to 300 feet. It also would have established new buffers around lakes and wetlands.

PACFISH is a fisheries protection plan developed for the Pacific Northwest fisheries problem, which has been caused in part by hydroelectric facilities. Stevens and Alaska state government officials say the plan's buffer proposals are not needed in Southeast Alaska where fish runs are strong and stringent forest practices measures are in place. The Tongass is the only national forest in the nation with buffers mandated by law.

Troy Reinhart, Executive Director of the Alaska Forest Association, opposes the application of PACFISH in Alaska, insisting there is no problem that needs fixing here.

"Issuing a solution on Alaska designed for the Pacific Northwest is like subjecting a healthy person to chemotherapy," Reinhart said.

The buffers envisioned by the Forest Service would have cut the annual wood harvest from the Tongass by as much as 60 percent, resulting in as many as 1,700 lost jobs and damaging the economies of Southeast communities. Over two-thirds of the commercial forest lands in the Tongass are already closed to logging through Wilderness withdrawals and other restrictions arising from the Alaska Lands Act of 1980 and the Tongass Timber Reform Act of 1990.

Because of Stevens' provision, the Tongass is the only forest on the West Coast with a congressional exemption from PACFISH.

Environmentalists and fishing groups are disappointed, arguing that while Alaska fish appear to be healthy, the PACFISH initiative would ensure that remains true along fish streams in the Tongass. They argue the 100-foot buffers in the Tongass are not enough.

Reinhart notes that ongoing monitoring and research indicate that the current buffers are more than adequate.

The existing buffer strips required by the Tongass Timber Reform Act grew out of an effort to achieve a statewide consensus to ease the Alaska Forest Practices Act. The state law mandated 100-foot buffers on public lands and 66-foot strips on private lands. The consensus area after nearly two years of meetings between federal and state fisheries agencies, Alaska fishing groups, the Alaska Forest Association, environmental groups and other interested parties.

The consensus determined that mandatorily buffer zones were needed to protect fish streams from erosion and temperature problems while allowing for large woody debris to fall naturally in the streams. Scientific studies showed that 94 percent of the wood came from the first 66 feet and 98 percent from 100 feet. Thus, almost all of the large woody debris capable of moving into streams could be recruited with 100-foot buffer strips.

Moreover, environmental impact statements are completed for every timber harvest in the forest and if a larger buffer is needed, they can be expanded beyond the 100-foot minimum on a site-specific basis.

The Forest Service, however, claims it has identified 26 declining salmon stocks in Southeast Alaska and argues that rivers should have enhanced protection. Reinhart said the effects of logging are studied. I think I see the industry we now have as a potential source of subsidy for the solution," Boutin said. "Any payment for remaining value in some of the timber, and especially any site preparation and access construction which can be absorbed by logging contracts, is a subsidy to resolving this forest ecosystem problem.

"Past, present and future human intervention, such as fire suppression, clear-cutting activities and related human habitation, has removed this situation from a "natural" setting," Boutin said. "Consideration of human needs and influences to establish an appropriate desired future condition for these impacted forest types is ecological sound," he continued.

"Without some sort of artificial intervention to mitigate this non-natural whole-stand change in the ecosystem, significant habitat losses may result. The lack of a habitat plan is a deficiency of the State Forest Service," Boutin said. "Although the notion that whatever is done to the infestation has been to cooperate with other land owners, develop public awareness of the situation and work toward putting infected and soon-to-be-infested timber up for sale," Boutin said.

Boutin noted that the lack of a forest products industry on the Kenai, along with the sole emphasis on recreational values in forestry decisions, may have allowed the Kenai problem to be discussed for years without any action taken.

"I think I see the industry we now have as a potential source of subsidy for the solution," Boutin said. "Any payment for remaining value in some of the timber, and especially any site preparation and access construction which can be absorbed by logging contracts, is a subsidy to resolving this forest ecosystem problem.

Mayor Don Gillman of the Kenai Peninsula Borough says many residents want beetle-killed timber harvested, but do not support backcountry roads necessary to get to the timber. He said residents want a guarantee that whatever is done protects the drainages and the river systems.

---

**Kenai infestation presents opportunity to prove silvicultural techniques can restore habitat**

Popular recreation areas on the Kenai Peninsula have been hit hard by the spruce bark beetle. Most trees are dead and the fire hazard is high. The U.S. Forest Service has been cutting beetled-killed timber at some popular campgrounds.

---

**Mike Barton**
Regional Forester
U.S. Forest Service
Box 21086
Juneau, AK 99802

---

October 1993 / RESOURCE REVIEW / Page 5