The Port of Valdez is Alaska’s liveliest maritime complex. Our modern port facilities keep you a step ahead of the competition. We have Alaska’s first foreign trade zone. Thousands of happy tourists cruise through our waters. And we not only accept economic growth—we encourage it.

That’s why Valdez is the favorite port of top fishermen, seafood processors, tour operators, and shippers who know how to make a profit. For more information on how Valdez fits into your plans, call (907) 835-4313.
Message from the Acting Director
by Debbie Reinwand

Cautious optimism greeted the recent comprehensive wetlands policy issued by President George Bush, which appears to recognize Alaska's unique position as a good steward of its wetlands. The policy - issued August 9, 1991 - puts some "meat" on the "bones" of the national "no net loss" of wetlands policy that Bush proclaimed nearly two years ago.

The good news for anybody who hopes to acquire a permit that it proposes unified wetlands classifications, mitigation banking, strict time limits for permit processing, by federal agencies, and one-stop permitting.

More importantly, however, is White House recognition of Alaska's unique situation as the only state that can claim wetlands losses of less than 1 percent - (.05% to be exact). In that vein, the policy proposes that any state that, who used less than 1% of its wetlands may satisfy permit requirements through minimization. This is a giant step away from the punitive costs associated with compensatory mitigation; one that will make it easier for communities and corporations to undertake necessary projects.

Alaskans have many individuals and groups to thank for this favorable policy - in particular, the congressional delegation of Sens. Ted Stevens and Frank Murkowski, and Congressmen Don Young. The Alaska Wetlands Coalition, which RDC spearheaded, also played a major role in influencing the recent outcome.

But before any rejoicing takes places, let's put this recent turn of events into perspective. The policy as stated by the President must now begin a long process of "fleshing out" by a technical working group, which frankly, may be made up of the very federal agency types that have so strictly "over-enforced" the current 404 program. It is our hope that the panel will be broad enough to include those who worked on the policy at the Domestic Policy Council in drafting the recent presidential statement.

The working group has been charged with a variety of complex tasks - which basically amount to writing new regulations that will govern what happens to America's wetlands.

Our job now is straightforward - Alaskans must use the same strategy that was so effective in the 1989 battle regarding the Corps/EPA Memorandum of Agreement on "no net loss." We must support the President's proposal and get our opinions on fine-tuning wetlands regulation to the technical work group. This must be done in a unified fashion, and it must be a constant deluge of solid information.

This is a battle that can be won. By taking the offensive after the offensive, after the offensive...

Hickel appoints RDC Executive Director
Becky Gay to lead State's ANWR effort

RDC Executive Director Becky Gay has taken a six-month leave of absence to coordinate the State of Alaska's ANWR education and advocacy campaign.

Gay has been in charge of RDC's daily operations since 1987, when she was chosen as Executive Director. During Gay's term, Deputy Director Debbie Reinwand will be Acting Executive Director and manage the organization at the direction of RDC's statewide board.

"I am pleased that RDC's hard work and expertise on the ANWR issue has been recognized and that I can put that same energy to use on behalf of the State of Alaska," Gay said.

Reinwand said the Council's emphasis will continue to build on its statewide membership and promoting the economic and resource development at the local, state and federal levels.

Kaktovik testimony ...

(Continued from page 4)

tell us how we should care for this place of ours. If you look carefully at our homeland, then at the county of our neighbors, you will see dramatic differences. Seismic lines cut through their breezes, where they searched for oil and did not find it, damages which we would not allow.

In Canada, highways have been built across the migration paths of the Porcupine caribou. It is on these highways that the major threats to their population will fall, if it falls, in this month of ours. Nothing we shall allow could have nearly so great an impact on these caribou as the tragic Dempster Highway in the Yukon Territories.

Much has been said about caribou, about oil and about us, and much of it is wrong.

The real issue here is a simple one, the taking of the coastal plain by other people, dictating what we must do in this place of ours, which we have wisely used and occupied for thousands of years, with no one else to tell us how to do it. The result we hold up to the world with pride. If this country has result we hold up to the world with pride. If this country has result we hold up to the world with pride. If this country has result we hold up to the world with pride. If this country has result we hold up to the world with pride. If this country has result we hold up to the world with pride. If this country has result we hold up to the world with pride. If this country has result we hold up to the world with pride. If this country has

North Slope Borough...

(Continued from page 5)

"We want to open the Coastal Plain of ANWR for development, but we want this development to have a minimal impact upon the environment and wildlife resources of the area and access rights of local citizens."

As important as ANWR development is as a source of tax revenue for the Borough, we would not support opening the Section 1002 area if we were not convinced this could be done in an environmentally safe and sound manner.

Our subsistence lifestyle makes the Section 1002 area's wildlife and other precious resources vital to our existence. We have lived here for thousands of years. Nobody could care more about this land than we do, or have more to lose if this land is harmed. We have no plans to retire to Florida or California after the oil is gone. This is our home. We treasure and respect the land, the sea, the wildlife and the benefits provided.

Others claim we must choose between development and preserving the environment. But we are not faced with such an either-or choice. The Borough has permitting, planning and zoning powers. We will, I assure you, exercise them to the fullest extent possible so as to assure that development takes place in an environmentally-sound manner.

We want to open the Coastal Plain for development, but we want this development to have a minimal impact upon the environment and wildlife resources of the area and access rights of local citizens.
Alaska legislators strongly favor Coastal Plain drilling

As a life-long Alaskan who grew up in Northern Alaska, Gail Phillips can still remember as a child walking out on the frozen tundra in the frosty evening, watching the majestic Northern Lights, listening to the Arctic choir of howling huskies and wondering what would happen when she grew up.

Now as an adult, raising her family and serving as a legislative representative of the people of Alaska, Phillips still watches the Northern Lights and listens to the night sounds. And she still wonders and worries, not about her personal future, but about the economic future of Alaska and how her daughters will make their livelihoods in the 49th state. “If the federal government does not allow us to develop our natural resources in a carefully planned and environmentally conscientious manner, the economic stability of Alaska’s future could be placed in jeopardy,” Phillips told a U.S. House Subcommittee hearing in Anchorage August 7 on whether to allow oil and gas drilling in the Arctic National Wildlife Refuge. “We have the resources and the ability to maintain our sound fiscal policies, while continuing to furnish America with a stable energy source,” Phillips said. “Please don’t tie our hands by prohibiting the development of our resources.”

While conceding that Alaska must never lose sight of its goal to reduce its dependence on oil, whether foreign or domestic, Phillips stressed that America must be given time to adapt to oil’s decline.

“With U.S. domestic production falling every year, and anticipated to do so until the end of the decade, it would appear that we are more isolated than ever before,” Phillips said.

State Senator Drue Pearce also pointed to the need for conservation, but warned the Subcommittee that fossil fuels will continue to be needed even with the development of alternative energy and effective conservation. Pearce outlined projected declines in domestic production and noted that ANWR has the potential to help reverse the decline.

North Slope production, which accounts for 25 percent of domestic production, peaked in 1988 at 2 million barrels of oil a day. It is predicted that by the year 2000, production will be down to 907,000 barrels per day. Pearce noted that the Trans-Alaska Pipeline will become financially infeasible to operate when throughput drops to less than 300,000 barrels per day in 2010. That holds true even if all the oil yet to be discovered in the Prudhoe Bay area were produced.

“The future numbers are sobering,” Pearce said. “We must continue to explore for oil and gas to provide for the future.

Oil from ANWR would boost North Slope production and keep the pipeline operating for several more decades.

Pearce called Alaska a world leader in providing for the finest in monitoring and environmental protection. Today there are more than 36 chapters of Alaska statutes, hundreds of volumes of regulations and countless local ordinances regulating oil and gas development in Alaska. In addition, there are over 100 federal laws and regulations governing the same activity.

Even if oil and gas exploration and development in ANWR were authorized by Congress in 1993, production would not begin until early in the next century because of the long permitting and environmental review process required by the Clean Water Act.

The Alaska legislators noted that a majority of Alaskans support development in ANWR, as does the state administration.

“Alaskans are advocating responsible development that provides jobs nationwide and a chance for this state to dramatically improve its community infrastructure and meet statewide needs,” Chrystal said.

“What Alaskans are advocating is a responsible development that provides jobs nationwide and a chance for this state to dramatically improve its community infrastructure and meet statewide needs,” Chrystal said.

Valdez mayor speaks to small footprint of development

Valdez mayor Lynn Chrystal, representing the Resource Development Council, also testified at the hearing. Chrystal, an ADCB Board member, noted that he has personally visited Prudhoe Bay and knows that small footprint development makes sense. He is also aware of the considerable concern that the Anchorage North Slope development is a small footprint of development makes sense. He has seen caribou in abundance on the North Slope and as an Alaskan is pleased that the population in that region has quadrupled since development began.

“When you make your decision, please remember that ANWR development is proposed on just 8,000 acres of the 1.5 million acre Coastal Plain — a size of land that doesn’t begin to infringe in any significant fashion on the 19 million acres already affected by the oil industry,” Chrystal asked the Subcommittee to analyze carefully the assertions of the non-development forces and ill-informed arguments that are peppered with half-truths.

“Alaskans are advocating responsible development that provides jobs nationwide and a chance for this state to dramatically improve its community infrastructure and meet statewide needs,” Chrystal said.

He noted that foreign oil would be imported from foreign producers that do not operate under the stringent regulations and high standards the industry must follow in Alaska, Chrystal said.

Third, the mine was built by dedicated, competent developers who stuck to the task through thick and thin. Persistency paid off. Progress continued through one of the worst cycles of basemat prices in recent times.

Today Red Dog is an operating mine. When I review the budgets, I am often struck with how costly northern operations are. Frankly, Red Dog’s site and high grade is largely needed just to cover the mine’s costs. Red Dog will be healthy under most market conditions, but it is not a windfall.

It takes such a tremendous orebody to become economic, how many more such operations can we expect to have in Alaska? Granted, costs can be very much less in other parts of the state. Still, no matter what is done Alaska will not fully erase the cost differences between ourselves and most other parts of the world. Developers here should work to capture the real economic advantages that can come from meaningful involvement with neighboring Alaskans. Also, on a state-wide basis we need to become more open to creative development concepts that includes local and state participation along with the resource company. We need to start making capable developers feel welcome. For too long we have bashed on the firms that produce much of Alaska’s income. Increasingly, boards and management are getting the message that Alaska is high cost, ungrateful and unfriendly. Worldwide, there are plenty of red carpets out there, many in cheaper places. We need to stop bragging about the size of our resource successes and start encouraging the development of new ones.

Local involvement is key to success

A cold horizontal rain fell the first time I visited Red Dog. The weather was 1983. The only apparent sign of man was a small exploration tent camp and some thirty-foot square drill pads on the creb为自己. The wind howled. The tundra oozed with water. Somewhere did not look like a place where people would every earn a living.

On that day, I did not realize that I would eventually join NANA and become part of the transformation of Red Dog. A lot has happened since then about this mine. Engineering was accomplished for the big operation located in a difficult, arctic setting. A major transportation corridor was obtained through a National Monument. Numerous permits were negotiated, and construction problems were overcome. When operations began, hiring and training challenges were met. Finally, everything else is done, the new mine can subject its zinc lead products to the whims of the international metal market.

Why was Red Dog one of the few recent Alaskan mines to be developed? I suggest there is a short list of reasons. First, the mine was blessed with very large quantities of one of very high grade. Red Dog is a “Prudhoe Bay” of zinc. Second, the mine had substantial local participation and support. Could needed permits or access have been obtained if the project had faced broad, local opposition? Where would port facilities have been placed if not on local private lands?

Local participation was assured at Red Dog because of a contract between Cominco and the mine’s owner, NANA Regional Corporation. Today, Inupiaq employees make up more than half the workforce and command a direct payroll of more than $12 million. Inupiaq elders have a meaningful role in the project’s environmental monitoring. The project’s operator, Cominco Alaska, gives local people involvement in numerous decision-making that affect the people of the area. Cominco Alaska took this risk and the involvement has benefited, not hurt the project.

“Please don’t tie our hands by prohibiting the development of our resources,” Phillips said. “Please don’t tie our hands by prohibiting the development of our resources.”

Alaskans pack into ANWR oil hearing

More than 200 people packed into the Anchorage Assembly Chambers at the Z.J. Loussac Library August 7 to witness testimony before a U.S. House Subcommittee on whether Congress should open the Coastal plain of the Arctic National Wildlife Refuge to oil and gas development. Propos- 

uments of oil development made solid and convincing argu- 

ments, armed with facts and data to counter the emotional appeals of preservationists who seek a Wilderness designa- 

tion, argue that America’s most promising onshore oil prospects.

Some of the most compelling and heartfelt testimony in support of development came from those who stand to be most affected by oil development, the Inupiat Eskimos of the North Slope — these people who live in the midst of the oil fields. Mayor Herman Alishanna of Kaktovik and his native cousins to the west in Barrow made it clear to the visiting Congressmen that a blanket federal wilderness designation over the Coastal Plain was more of a threat to their way of life than oil development. Wilderness would block access and deny Natives from developing their own lands and resources. Meanwhile, oil development would touch only a fraction of the refuge, yet bring much needed revenues to local villages and help residents maintain recently-acquired services and (Continued to page 6)
By Herman Alalanna
Mayor of Kaktovik, Alaska

Mr. Chairman, I am happy to have this chance to speak before you as you consider the wisdom of the opening of our coastal plain to oil exploration. I am the Mayor of Kaktovik, and it is my people, the Kaktovikinuktut, who are most directly affected.

This area is part of our homeland, the single place in this world that defines us as Native people. Our contact with these lands and waters is a very close and vital one, as few who are not Native could understand. So we are very interested in what you plan to do here.

We speak for ourselves. We recently set out to find a reasonable position to take on oil development. Our consensus is stated in a set of documents, the Kaktovik Papers, which are entered as our written statement. (The Kaktovik Papers outline a plan which the Inupiat believe will serve their needs and at the same time make it possible for oil development to proceed on the Coastal Plain.)

"Our experience suggests we be far more concerned about the effects of arrogant government, especially the federal government, and about the lust for our lands and waters by those who advocate making this place a wilderness than about the oil industry itself, which so far has been reasonably respectful of us and our interests."

These documents are very important to us, and we think you may find them useful. They represent a great way to cope with all this interest of other people in our homeland.

We are neither for nor against oil development. Neither position makes any sense to us, to be for or against something not yet defined. We have taken a third position: that you may come into our country and look for oil provided you do it the way it should be done and provided we may be certain no damages are done to us or to our country. It has been done elsewhere. We note and like the Shetland Islands model, parts of which we think could be useful here.

We must point out that damages already taking place here, damages we intend to stop. We are deeply hurt by the way federal agents treat our people and our fellow creatures. We are insulted by those who would think the so-called research they do here is barbaric, destructive and unnecessary. Many of the people who visit our country are disrespectful and destructive.

We are insulted by those who would (Continued to page 7)