The largest year-round employer in Southeast Alaska. Ketchikan Pulp Company produces high quality dissolving pulp, paper pulp and lumber. Operations contribute substantially (about $5 million monthly) to the economy of Ketchikan, Metlakatla, and the communities on Prince of Wales Island. There are 1,000 year-round jobs at logging camps, sawmills and the pulp mill. KPC is proud to be a part of the greater Southeast Alaska community.

An Equal Opportunity Employer

Ketchikan Pulp Company
Post Office Box 6600
Ketchikan, Alaska 99901, U.S.A.
Telephone: 907-225-2151

DEC proposal seeks to balance economic and environmental concerns

Water Quality

The Alaska Department of Environmental Conservation is under heavy fire from environmentalists for considering economic factors and jobs in rewriting what state and industry officials claim are overly stringent and inflexible water quality standards.

The DEC says its proposal to revise the standards tries — for the first time — to balance economic and environmental concerns. Industry representatives say proposed changes are progressive, overdue and are similar to pollution laws in other states. They stress that revisions are vital to survival and growth of mining and pulp mill operations and other resource development projects.

Environmentalists claim the DEC revisions will greatly reduce water quality standards, leading to statewide degradation of Alaska’s waters — an allegation hotly refuted by DEC officials.

Mike Menge, Director of DEC’s Division of Water Quality, defended the state’s recommendations, insisting they are all reasonable and backed by science.

“There is no proposal to change Alaska’s existing aquatic life criteria, which protect fish and the entire aquatic ecosystem from toxic pollutants,” said Menge. “These criteria have been part of the water quality standards for many years. They are the standards routinely applied in permits for waste-water dischargers.”

Menge said that for each toxic pollutant, the new standards will be equal to or more stringent than present standards.

The new water quality standards would not only ultimately affect proposed mining ventures across the state and the processing of pulp, seafood and petroleum products, but daily operations of marinas, resorts, hatcheries and municipalities. In fact, any activity that results in a discharge into waters of the state could be impacted by the (Continued to page 6)

Good jobs going nowhere

Congress ignores opportunity

By Becky L. Gay

As another Labor Day passes, the cry for domestic jobs is at a new pitch.

In the intense exchanges of the 1992 election, candidates are searching for the answers to domestic unemployment. All parties are conscious of the need to give citizens hope for the future.

The contraction of jobs is felt at all levels. Every family which suffers from unemployment knows the feeling. Having no job, and no job in sight — hurts. For a productive person, job loss is felt deeply, at a vital energetic level.

Lost jobs are mourned, but none so keenly as jobs in this country going overseas. The export of jobs, as imports increase, is glaringly evident in the domestic resource sectors. Look, for instance, at the domestic energy picture. All indicators are bad.

Rig counts are the lowest in decades. New acreage for exploration is unavailable. Independent producers have lost hundreds of thousands of jobs. The major producers are looking overseas as they continue large job purges. Domestic oil field support service industries, from (Continued to page 4)
Message from the Executive Director
By Becky L. Gay

Gay back at the helm of RDC

Yes, I’m back! After taking a year’s leave of absence to work for Governor Hickel and the ANWR effort, it is good to be back among the producers.

I thank RDC President Paul Giavonovich and past-President John James for their work in helping to secure the Governor's Anchorage staff, Jim Eason and the Oil & Gas Division, John Katz, Larry Ostrovsky and the D.C. office, all of the A-Team outreach legislators, Rod Jackson, Former Governor Bill Sheffield, Joan McCoy, Mayor Kaleak, Alma and Joe Upickson of the North Slope Borough and the hundreds of people who took the time to express support on ANWR.

I also want to commend the RDC staff for keeping the Council strong and active over the past year. I could never have left without such a great staff to carry on. I especially appreciate Debbie Reinward’s ability to step in as Acting Director and keep things moving so smoothly.

The view from the Governor’s office is really something. It was great to be working on the projects which was blessed by the Legislature and supported by so many Alaskans.

Of course, the loyal opposition was always trying to monkey-wrench things, but that was expected. What was not expected was some of the “friendly-fire.” As Tony Jackson-Jackalope fire,” ANWR intern and hockey goalie said, “It’s only a flesh wound. Let’s stay with the real fight.” I’d like to thank the Governor for his strong support of ANWR and the project. It was exciting to work with the full public, within state procurement guidelines and without tipping off the opposition in advance. I look forward to continuing to advance ANWR.

Special thanks are due to many people; Mike Nizich and his administrative staff, Deputy Chief of Staff Joe Holbert, Malcolm Weishe, Mike Ward and the Governor’s Anchorage staff, Jim Eason and the Oil & Gas Division, John Katz, Larry Ostrovsky and the D.C. office, all of the A-Team outreach legislators, Rod Jackson, Former Governor Bill Sheffield, Joan McCoy, Mayor Kaleak, Alma and Joe Upickson of the North Slope Borough and the hundreds of people who took the time to express support on ANWR.

Strategy offered to bridge Alaska’s fiscal gap

The University of Alaska’s Institute for Social and Economic Research has issued a five-point strategy aimed at addressing Alaska’s pending fiscal gap.

Entitled, “Safe Landing: A Fiscal Strategy for the 1990s,” ISER’s offering is controversial and serves warning that Alaska’s oil bonanza is coming to an end. Economist Scott Gordon authored the report.

Oil accounts for 30 percent of Alaskans’ personal income and 85 percent of the state’s gross revenues. Oil revenues to state government support about 30,000 public jobs and 50,000 in the private sector. Oil money also funds the major portion of essential government operations at both the state and local levels.

Oil revenues over the next two decades will fall sharply as oil production decreases at Prudhoe Bay. Oil revenues to the state amounted to about $2.5 billion last year. If the current rate of spending continues and oil revenues decline as predicted, the current $500 million deficit will increase to over $2 billion a year by 2010.

ISER recommends cutting state spending by $1 billion a year, including restructuring the longevity bonus program to be based on need. The report also suggests using Permanent Fund earnings to pay for government services, which would eliminate the annual dividend program.

Other points in the strategy recommend positive tax and regulatory policies to encourage economic development. The strategy also advised levying taxes on personal incomes statewide and encouraged local governments to institute sales and property taxes to cover costs of local services.

ISER also advised the state to conserve and invest windfalls, using reserve accounts as a buffer during periods of low oil prices, not to maintain high budgets.

Le Gensch, Director of ISER, will join George F. Findling, Manager of Government and Public Relations at ARCO Alaska, in making a special breakfast presentation on the report. Entitled, “Filling Alaska’s Fiscal Gap,” the breakfast will be held Thursday, October 8 at the Sheraton Anchorage Hotel at 7 a.m. Call RDC for reservations.

New water quality standards will affect all industries, communities

By Robert Higgins
Ketchikan Pulp Corporation

Alaska’s Department of Environmental Conservation (ADEC) is currently in the first phase of a federally required triennial review of the State’s water quality standards. Limitations will be set on the following thirteen parameters: fecal coliform, dissolved gasses, pH, turbidity, temperature, dissolved inorganics, sediment, toxins, color, hydrocarbons, radioactivity, residual chlorine and residues.

There appears to be a common misconception that water quality standards apply only to pulp, mining, seafood processing and petroleum industries. Not True.

The issues are extremely complex and not easily understood. However, it is extremely important to understand Section 18 AAC 70.050 of the Alaska Water Quality Criteria - Classification of State Water which states that classes or designated uses that apply to fresh, marine, and ground waters of the State are protected for all designated uses unless they have been re-classified. Few waters have been re-classified and it probably will not be. Therefore, the most stringent water use classification almost always applies.

When looking at a proposed change in Water Quality Criteria, it is necessary to review the designated use classification and the associated management use criteria in order to evaluate the real impact to State waters and more importantly to we citizens of Alaska.

If you believe you may be affected (and most of us will be), please call your local ADEC representative or the ADEC in Juneau for an explanation of how each of the standards impact your activities.

In order to develop water quality standards that are meaningful but not overly restrictive, your voice must be heard in Juneau. (Editor’s Note: DEC’s Juneau number is 465-5300.)

RDC recommendations on Water quality … (Continued from page 6)

Robert Higgins, manager of environmental affairs for Ketchikan Pulp Corporation, encouraged business and industry representatives to contact local DEC representatives for an explanation of how each of the standards will impact their activities. Generally speaking, the standards should reflect natural water conditions found throughout the state and not be set at levels so restrictive as to exceed native water quality.

Further, the State should be encouraged to consider the experience of other states and associated technical limitations in formulating water quality policies and strive to set standards that are generally consistent with those of the other 49 states.

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RDC recommendations on Water quality … (Continued from page 6)

good science that confirms the need for changes and the value of the regulations.

- DEC should make sure that the regulatory benefits are real and that the costs involved reflect the benefits.
- Evolving standards must be achievable and not abso-
lute. A key element must be “feasibility.”
- DEC should take into account the economics of world markets, new technology, other environmental tradeoffs, or a company’s ability to afford or finance regulatory demands.

Steve Taylor, Manager of Environmental and Regulatory Affairs at Pulpex in Taku Lagoon, said it is critical that industries encourage DEC to implement regulations that are reasonable and appropriate for Alaska.

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Standards.

State seeks to change water quality standards

(Continued from page 1)

standards.

If stricter federal standards are imposed, state and private sector officials warn that the rules could drive companies out of business and chase away prospective industries at a time when Alaska needs to diversify its economy. Compliance to the tougher federal rules would cost Southeast Alaska pulp mills hundreds of millions of dollars. In some cases, the cost of compliance could exceed the overall value of the mills.

The mills in Sitka and Ketchikan have invested millions of dollars over the past several years to upgrade pollution control systems and meet tighter standards. The revised rules could deter prospective industries at a time when the pulp mills would be allowed discharges to an amount that would not strengthen, rather than weaken industry. "We don't want our mills to go out of business," said RDC President Paul Glavinovich.

The state's proposal would exclude ponds, lagoons, impoundments or other surface water bodies that are integral parts of approved wastewater treatment and disposal systems. DEC maintains that the treatment ponds and lagoons can be designed and operated in a manner that minimizes environmental risk. To qualify for the exclusion, systems must now be approved by the Department or constructed in accordance with state or federal disposal permits.

RDC President Paul Glavinovich noted that "water quality is not simply a black or white issue — there are various shades of gray here." Glavinovich said Alaska must strive to make the standards reasonable, achievable and meeting regulations.

In many cases, the new guidelines would strengthen, rather than weaken rules governing water pollution. The guidelines would limit mixing zones in rivers and streams, and, for the first time, prohibit mixing zones from exceeding aquatic life criteria in fish spawning areas and permanently displacing or reducing fish populations.

The mixing zone is a volume of water around an industrial discharge in which discharge may exceed water quality criteria. Mixing zones have been authorized in regulation since 1979.

Environmentalists claim the zones are a license to pollute and should be banned. Such action would seriously jeopardize fish processing, timber, mining, and oil and gas exploration and production operations across the state. The state's proposal would exclude ponds, lagoons, impoundments or other surface water bodies that are integral parts of approved wastewater treatment and disposal systems. DEC maintains that the treatment ponds and lagoons can be designed and operated in a manner that minimizes environmental risk. To qualify for the exclusion, systems must now be approved by the Department or constructed in accordance with state or federal disposal permits.

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In a hearing held last month in Anchorage, RDC was the only group testifying in favor of standards that would balance economic and environmental costs. RDC emphasized that in regulating impacts on the environment, regulators must accept the fact that there are limits to corporate and community resources and the private sector's ability to absorb huge costs entailed in meeting regulations.

In regard to the proposed changes in the standards, RDC recommended:

New regulations be based upon

- The minerals industry has supported standards which reflect natural water conditions, as opposed to restrictions which exceed native water quality.

- Regulations surrounding lease sales kill optimism

On June 2, 1992, the State Department of Natural Resources Division of Oil and Gas held an oil and gas lease sale - nobody showed up. In the year prior to this sale, the federal Minerals Management Service offered potential gold bearing tracts offshore of Nome at a lease sale - nobody showed up. In the normal course of events, sales of these lease non-sales retained quotes from the agencies involved and from industry that attempted to rationalize the total lack of interest from mineral and oil producers in the sales.

State oil and gas lease sale 68 offered 36 tracts encompassing 153,445 acres of here-to-fore unleased lands located in an 80 mile arc surrounding Point Barrow. The Anchorage Times quoted the State Division of Oil and Gas as stating they have no idea whether any of these tracts would attract any interest from the mining industry.

The Minerals Management Service responded to this inter-

- conference will offer expanded exhibit space to showcase Alaska businesses and services. For additional information on the RDC conference and trade show, call 276-0700.

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Conservation is the efficient use of resources, not an energy source itself. It's a fact that your car/tractor/generator does not run on conservation.

Since 1980, some $20 Billion dollars have flowed into other states as a result of North Slope development. History has shown that producing oil in Alaska puts people to work all over the nation. It's a domestic project that could begin tomorrow and last for thirty years or more.

If you believe that American workers are losing ground, think about the ANWR project waiting to happen. It is a good example of what we could be doing for ourselves. It means jobs and energy for America for decades.

As this election year Labor Day passes, let us each examine the choices we make and the ideals (and candidates) we support. Remind those who are running for office that "Fix America First" begins at home. ANWR could be a great project. And before another Labor Day passes, with more Americans unemployed, let us not be stopped by our own indecision and political system.

Domestic oil development and production not only generates hundreds of thousands of jobs, but provide a wide array of petroleum-related products that Americans use on a regular basis. And before another Labor Day passes, let us each examine the choices we make and the ideals (and candidates) we support. Remind those who are running for office that "Fix America First" begins at home. ANWR could be a great project. And before another Labor Day passes, with more Americans unemployed, let us not be stopped by our own indecision and political system.

Conservation will reduce demand or shift it to other products. Ideally, but not necessarily, conservation will cause less to be imported. Conservation is the efficient use of resources, not an energy source itself. It's a fact that your car/tractor/generator does not run on conservation.

At the most basic level, conservation means doing without. But doing without what? That is the real test of conservation.

It is a luxury to have a choice whether to buy a big, new car or an economy car, a power or a push mower. Unemployment makes choices much more limited and fundamental—like whether to buy a new muffler, pay the electric bill or go to the doctor. Turning down the heat is a choice, but having the heat turned off is an ugly situation. Alternatives have a role in the energy solution as well, but wind, ethanol, solar and hydro must be held to the same tough standards we hold fossil fuels and nuclear. Discuss for instance, the surface disturbance of each development, not just the oilfields. Compare the costs of inputs with energy output, the transmission costs and constraints. Look at which can pay taxes and which need subsidies.

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ANWR holds the most promise for a major oil and gas discovery in the United States. ANWR's Coastal Plain, the only area being considered for development, is just 8 percent of ANWR. Less than 1 percent of the Coastal Plain would actually be affected by full development, leaving 99 percent untouched.

At the most basic level, conservation means doing without. But doing without what? That is the real test of conservation. ACTUAL oil is a domestic resource, pumped out of the ground by American workers, sent down an American-built pipeline, loaded on American tankers in an American port and shipped to American ports to be refined and used in America. What's more domestic than that? - Becky Gay

Producing energy at home is vital. Regardless of what the opposition cries, America can and does produce energy, namely fossil fuels. America does the best job worldwide of producing oil. Alaska leads the pack in producing oil with environmentally-sound technologies and practices. Producing energy means America plays a bigger role in meeting its own demand. What's wrong with that? As Governor Hickel says, to most people, a big project is better than a war. Labor supports the ANWR project. ANWR access has support of the local borough government, the Governor, the State Legislature, the Congressional delegation, both major political parties, the Department of Interior, President Bush and most Alaskans.

The political reality is this. Only Congress can allow the project to go forward. Even though Alaska Democrats support it and the bill to give access was co-sponsored by a leading Southern Democrat, Congressional leaders have failed to move it for the last 12 years. Instead of looking at real projects to help the working person, now the Democratic Presidential candidate is against the single-most jobs oriented project one state could undertake for America.

After all, Alaska oil is a domestic resource, pumped out of the ground by American workers, sent down an American-built pipeline, loaded on American tankers in an American port and shipped to American ports to be refined and used in America. What's more domestic than that? Since 1980, some $20 Billion dollars have flowed into other states as a result of North Slope development. History has shown that producing oil in Alaska puts people to work all over the nation. It's a domestic project that could begin tomorrow and last for thirty years or more.

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