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# Resource Review

September 1997 A periodic publication of the Resource Development Council, Inc.

## Feds to tackle Bering Sea pollock issue

September meeting to discuss key issue

by  
Stephanie Madsen  
Aleutian Seafood Processors Association

Once again an upcoming decision by a federal agency allocating resources used by Alaskans will have a profound impact on the economic health of Alaska and many of its communities.

### Viewpoint

This September in Seattle, the North Pacific Fisheries Management Council (NPFMC) will once again meet and make decisions on the management of Alaska's and the nation's most valuable fishery, the pollock fishery in the Bering Sea. It is estimated that the annual final market value of the pollock caught in this fishery is nearly \$1 billion.

One of the key decisions will deal with the allocation of the pollock catch between the Seattle-based factory trawler fleet and the inshore Alaska fishery consisting of Alaska shore-based plants, mother ships and catcher boats. Also at stake are the interests of the western Alaska communities which have Community

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With Portage Lake in the background, the ceremonial blast for the Whittier road took place in Bear Valley in early May.

## Whittier road lawsuit will add millions to project's price tag

### Project is pushed back one year

While environmentalists have failed in the courts to block the Whittier road project, their legal challenge this summer has delayed completion of the road to Prince William Sound by at least one year and added several million dollars to its \$60 million price tag.

The construction delay has cost the contractor at least \$2.1 million and litigation costs for the State could be much more, according to Jerry George, project manager for the Alaska Department of Transportation and Public Facilities.

"We are still adding up all the costs and impacts from the delay," said George. "It's very significant for the State and contractor, who had to release his crew, equipment and subcontractors early in the season and wasn't able to get it all back when the court gave us the green light to resume construction."

Earlier this summer, Trustees for Alaska sued to block construction of the road

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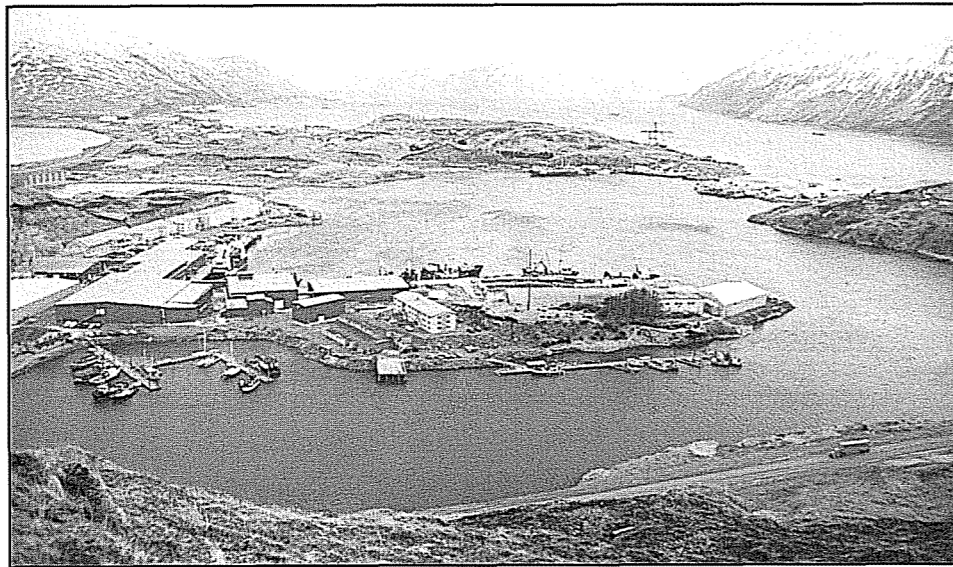
# Fed decision on pollock due this month

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Development Quotas of the pollock (CDQs) and which have used these quotas to leverage both jobs in the pollock fishery and the community and economic development projects.

Under the recently amended and reauthorized Magnuson-Stevens Act, the NPFMC will reexamine the current split of the pollock catch under some new criteria added by Congress relating to the wasting of fish, the environmental effects of the fishery and the impacts on coastal communities. After the Council concludes its process, it will recommend a decision to the Secretary of Commerce.

The allowable pollock catch is currently split as follows: 7.5% is allocated to the western Alaska CDQs right off the top; of the 92.5% remaining, 65% is allocated to the factory trawlers



Pictured above is the UniSea fish processing plant located at Dutch Harbor, the number one fishing port for volume and value in the United States.

and 35% to the Alaska inshore fishery.

These allocations between the factory trawlers and the Alaska inshore sector were established by the Secretary of Commerce in 1991. The Council then had voted overwhelmingly for a phased implementation of the allocation. It had recommended to the Secretary that the pollock be split 65/35 the first year, 60/40 the second year and finally 55% to the factory trawlers and 45% to the Alaska inshore sector in the third year.

Ultimately the Secretary froze the allocation at 65/35 with no phased implementation. This allocation was intended as a temporary solution pending a final rationalization of the fishery. The same allocation was renewed by the Council in 1995.

In addition, when CDQs were introduced, it was assumed that the bulk of their 7.5% share would go to the Alaska inshore fishery. Under the current allocation scheme, the CDQ communities commit 6% of their share to factory trawlers and only 1.5% to the Alaskan inshore sector. Thus, the actual share allocation of the total allowable catch of pollock is approximately two-thirds for Seattle-based factory trawlers and one-third for the Alaskan inshore fishery. This allocation is set to expire again in June of 1998.

At its September meeting, the NPFMC will reexamine the current allo-

cation. The Council has essentially two options. It can decide to "rollover" the current allocation or explore new alternatives to the current allocation. The impact on Alaska will be great. As a result of Council decisions, which have reduced the amount of total allowable catch for conservation reasons, the actual allocation to the shore-based Alaska plants, mother ships and catcher vessels has been declining.

Yet unlike factory trawlers, which use their mobility to seek out fisheries in other areas, including Russia and South America, to make up for this reduction in actual catch, the shored-based Alaska fishery has large fixed investments in Alaskan coastal communities and cannot move to new areas. Moreover, local Alaskan catcher boats are designed and built to service the plants.

Thus, when the actual catch is reduced by the Council, less income is available to the inshore sector to pay taxes to support local communities in which they are based. Less income is also available for Alaskan fishermen to support their families and to pay off boat loans and operating expenses. There are also less income for shore plant workers.

This also affects the ability of the Alaskan shore-based industry to weather poor harvests of other fish such

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## Guest Opinion

by Jacob Adams, President, Arctic Slope Regional Corporation

# Subsistence and Alaska's Future

Alaska is in the early stages of a very important decision about subsistence policy. Governor Knowles' bipartisan Task Force on Subsistence has worked hard in recent months to develop a proposal. The Task Force proposal would grant a "rural" subsistence priority patterned after Title VIII of ANILCA, the current federal law. State approval of this policy will require amendments to both state and federal law, followed by the adoption of an amendment to the Alaska State Constitution in November 1998.

The subsistence issue has been the subject of debate, litigation and legislation since the late 1960s. It is an emotional issue. It divides some of Alaska's citizens along ethnic and regional lines. The Governor's Task Force proposal has, predictably, drawn fire from some members of the Legislature and from some sportsmen groups, and as well as from the political left and political right. The Governor's Task Force proposal has generated heat because subsistence policy has a history of controversy.

Controversy aside, the Task Force proposal is a balanced compromise which could, and should, succeed. The proposal goes down the middle of the road. It accords a subsistence priority for all rural residents. And it does so in a balanced way which respects both the traditional subsistence uses and practices of the Alaska Native people, as well as those of all other rural residents who depend on subsistence resources.

It is clear that the time has come for Alaska to address the subsistence issue, to establish a fair and equitable policy, and for all Alaskans to move forward.

Since 1989, the federal

*"The Governor's Task Force proposal provides the basis for a compromise that will allow us to turn our attention to these other issues, secure in the knowledge that our fish and wildlife resources will be available to those who depend upon them."*

- Jacob Adams

government, subject to federal legislative moratoria, has managed wildlife on federal land. On October 1, the federal government is scheduled to assume management of fisheries -- commercial, recreational and subsistence -- in all navigable waters in the state. A "dual" federal and state fish and wildlife management policy makes nonsense. Fish and wildlife do not respect land ownership or artificial political boundaries. Management of Alaska's fish and wildlife and the uses of these resources by Washington, D.C., bureaucrats makes even less sense. Yet, absent some sign of positive movement in support of the Governor's Task Force proposal, that is what will happen.

A fish and wildlife management system that originates and works within the state government is, in my judgment, far more desirable than putting management in the hands of the federal government. I serve as President of a large Alaska corporation. I am also an Inupiat Eskimo Whaling Captain. My experiences with the federal government have shown that federal officials in Washington, D.C., are rarely responsive to the needs of real people. Federal officials and their agencies are too easily influenced by external forces that oppose the way of life many Alaskans choose to live.

Alaskans have seen the power of the national environmental groups. Too often they threaten our local and state

decisions about land use and resource policy. I firmly believe that Alaska's citizens will do better under subsistence decisions made by the state and local governments, than we will do under a distant federal government and its environmental and other allies.

Achieving a subsistence policy that works will require that common sense prevail over the inflamed rhetoric of both the left and the right. This means that those Alaskans who make up the silent majority are going to have to go to work and be heard by the state Legislature's majority.

The Governor's Task Force on Subsistence has come up with a proposal that is a good starting point. It needs to be made the subject of public hearings. The proposal needs some fine-tuning and further modification, but it is an important beginning.

As Alaskans, we need to put this subsistence issue behind us. We have other urgent issues which require our attention. We need certainty and finality so that business and commerce can proceed in an orderly manner. We also need to shape our economy so that everyone who wants to work can enjoy the benefits. And we need to improve the quality of our educational systems.

The Task Force proposal provides the basis for a compromise that will allow us to turn our attention to these other issues, secure in the knowledge that our fish and wildlife resources will be available to those who depend on them.

**Resource Review** is the official periodic publication of the Resource Development Council (RDC), Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in an orderly manner and to create a broad-based, diversified economy while protecting and enhancing the environment.

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Carl Portman

## Carbon Mountain

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that will be submitted to the Forest Service this fall.

The planning, permitting and engineering phase of the project will be completed by next year while road construction will begin next summer and be completed by 2000. Timber harvest activities will begin in 2000 and will be concluded by 2011.

Last year CAC contracted with Koncor to conduct the design, permitting and project management activities for road construction and timber harvest on the Carbon Mountain Tract. Koncor, a member of RDC, is well known for its ability to develop complex projects on remote parcels of land in an environmentally-sensitive manner.

Since 1992, Koncor has been conducting timber harvests on CAC's Patton Bay Tract on Montague Island, which is similar to the Carbon Mountain Tract in both its scope and complexity.

### Notable Quote

Environmentalism should be based, "On hope, instead of fear; solution, instead of conflict; education, instead of litigation; science, instead of emotion; and, employing human resources, rather than destroying human resources."

Roger Brown  
Documentary filmmaker

### How gullible are we?

A junior high school student won first prize at the Greater Idaho Falls Science Fair in April. He was attempting to show how conditioned Americans have become to alarmists practicing junk science and spreading fear of everything in the environment. In his project he urged people to sign a petition demanding strict control or

to Whittier, a port town on Prince William Sound that is accessible only by train, air or boat. The road would begin at the Begich Boggs Visitors Center near Portage Glacier and follow the existing rail bed through the Alaska Railroad tunnel into Whittier.

The Trustees argued that federal funds can't be used to build roads through parks and recreation areas if a feasible alternative, such as improved rail service, exists. Construction workers were on site in May when Trustees won an injunction, stopping construction dead in its track.

After reviewing the case and hearing arguments, the 9th Circuit Court of Appeals in July ruled in favor of the State, allowing construction to continue. The State had argued that the road can be built without causing harm to the environment and that trains can't fill the demand for access to Whittier. The State said that long-term economic and social growth prospects for a significant portion of Alaska would be severely impaired if the road isn't built.

While road work has started again on the project, construction of a critical bridge across Portage Creek will have to wait until next summer, the earliest the contractor can get specialized equipment back on the job.

total elimination of the chemical "dihydrogen monoxide." And for plenty of good reasons. It can cause excessive sweating and vomiting, it is a major component in acid rain and it can cause severe burns in its gaseous state. Accidental inhalation of the chemical can kill and it contributes to erosion. It also decreases effectiveness of automobile brakes and it has been



Governor Knowles addresses 100 invited guests at the May 6 ceremonial blast in beautiful Bear Valley.

Construction crews are currently working in Bear Valley, moving toward Portage.

The Whittier Road has been the subject of at least 19 separate studies, including a \$3 million Whittier Access Project Environmental Impact Statement. The EIS supported construction of a one-lane road through the existing railroad tunnel.

The Whittier Road is one of RDC's top transportation priorities. RDC's President and staff attended the ceremonial first blast in Bear Valley May 6, marking the beginning of road construction. At that ceremony, Governor Knowles told 100 invited guests that "highways are the arteries that invigorate local and state economies. They provide access for residents and visitors alike to Alaska's spectacular vistas and productive fishing holes. Completion of this road means more convenient and economical access to Whittier and Prince William Sound and new opportunities for development."

found in tumors of terminal cancer patients.

He asked 50 people if they supported a ban of the chemical. Forty-three said yes, six were undecided and only one knew that the chemical is water.

The title of the prize-winning project was, "How Gullible Are We?"

The conclusion is obvious.

*Editor's Note: This story was submitted by Bill Hopkins, former Executive Director of the Alaska Oil and Gas Association.*

## Completion of Whittier road is pushed back one year

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### Thoughts from the President by Allen Bingham

## Legislation would convey federal lands to University

Senator Frank Murkowski has introduced legislation that would convey federal lands in Alaska to the University of Alaska to provide for the continuation of higher education.

The University has received less than one-third of the more than 370,000 acres it was entitled to receive as a land grant college. Denial of the University's full land grant entitlement is an unfair and unintended consequence of the unique circumstances that surrounded Alaska's entry into the union.

In order to fulfill its mission, the University needs an independent and stable source of revenue. Federal legislation that would provide the University its land grant as intended by Congress would rectify past inequities and make the University whole.

The University has received only 112,000 acres, less than one-tenth of one percent of the 375 million acres that make up Alaska. Its current land entitlements place Alaska near the bottom of the list of land grant colleges. Only Delaware and Hawaii received fewer acres dedicated to higher education institutions.

The proposed legislation would grant the University the

right to select and receive up to 250,000 acres of federal public land in Alaska. The University's right to new land would be subject to certain conservation restrictions and would not apply to national parks, refuges, designated Wilderness and Wild and Scenic Rivers.

RDC has endorsed the Senator's legislation, S. 660. RDC believes the legislation is both necessary and appropriate, especially when one considers the University of Alaska is the only land grant college in America today that is virtually landless. S. 660 would fix this problem, fulfill past promises and put the University on an equal footing with other land grant colleges. It would help establish the University as one of the premier land grant colleges in America.

One of the oldest and most respected ways of financing America's educational system has been from the land grant system. With the passage of S. 660, the University would be finally able to act fully as a land grant college and select lands that can provide it with stable revenue sources. The University could then look forward to a bright future, as well as the many Alaskans who receive an education there.

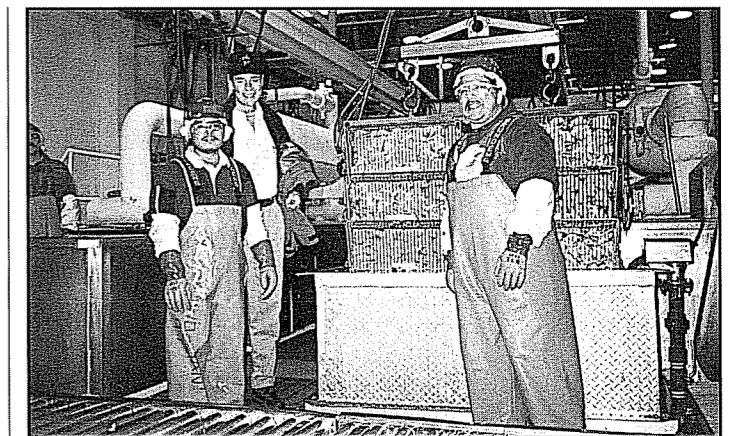
## Fisheries council to make key decision

(Continued from page 2)

as salmon as they cannot offset losses in salmon with profits in a shrinking pollock fishery.

The Alaska shore-based fishing industry is the state's largest private employer. It contributes hundreds of millions of dollars to Alaska's economy in wages, taxes and the purchase of services and supplies, particularly in Alaska's coastal communities. In order for it to prosper and continue its major contribution to Alaska's economy, there must be a full analysis and exploration of alternatives by the NPFMC to ensure that Alaskan fishermen, processing plants and communities receive their fair share of this valuable and important fishery.

*Stephanie Madsen, a member of RDC from Unalaska, is Executive Director of the Aleutian Seafood Processors Association, an association of the major seafood processors*



Onshore workers take a break from processing crab at the Westward Seafoods plant located on Unalaska Island -- Dutch Harbor.

*onshore in Unalaska. Ms. Madsen has lived in Unalaska for 17 years and Alaska since 1974. She is currently Chair of the Aleutians West Coastal Resource Service Area and Vice Chair of the Advisory Panel to the North Pacific Fisheries Management Council. She serves on the board of directors for a number of Southwest Alaska organizations, including the Southwest Alaska Municipal Conference.*

# Creating a new forest

Forested lands previously covered with dead and dying trees are being reforested by Homer-based Circle DE Pacific Corporation as a result of ongoing timber harvests

Almost a million new spruce seedlings are rising from the earth at what is considered "ground zero" of the world's largest spruce bark beetle infestation. While reaching only several inches above the soil today, these tiny seedlings are stretching skyward and will transform recently-logged areas of the Kenai Peninsula into the healthy, green forests of tomorrow.

Forested lands previously covered with dead and dying trees are being reforested by Homer-based Circle DE Pacific (CDEP) as a result of ongoing timber harvests on land owned by the State of Alaska and the University of Alaska near Ninilchik. The largest timber operator on the Peninsula, CDEP produces wood chips for the Japanese paper market from beetle-killed timber. The company sells higher-quality logs to other producers, chips the rest and loads those chips into Japan-bound ships at its state-of-the-art facility on the Homer Spit.

But for Terry Nininger, co-owner of CDEP, planting is the next step in a five-year harvest reforestation process.

"Our mission statement includes being a responsible resource development company and intrinsic to that statement is our desire to replant areas that we selectively logged," said Nininger. "By the close of 1997, Circle DE will have planted almost a million



A quality control crewman follows the mechanical-planting process to make sure seedlings are properly planted and to add extra ones where needed.

trees on the Kenai Peninsula," Nininger revealed. "Our worst fear, not only as business people but as community members, is that with the beetle infestation raging on as it is, 20 years from now the only green trees on the Kenai Peninsula will be the ones that industry has planted."

After the trees are cut, sold or chipped, the forest floor is prepared for regrowth by scarifying the soil to expose mineral-rich soil, thereby encouraging natural regeneration. The company then moves to the next step by



A Circle DE Pacific Corporation contractor plants seedlings on logged lands south of Clam Gulch.

having a subcontractor plant seedlings, guaranteeing that two years from now, when state officials inspect the harvest zones, there will be sufficient regrowth.

State logging contracts require that a timber harvester go back over a cut, clear off grass and plant seedlings.

"We either do it now or do it later and fight the grasses," said Nininger. Lutz seedlings, grown from cones gathered from the Peninsula, are planted every ten feet, winding around existing trees and brush to avoid transforming the forest into an orchard of even rows.

A mechanical system operated by a five-man crew moves along the land at a quick pace, planting as many as 8,000 trees in a 10-hour day. Where the terrain is too steep, workers resort to hand-planting with a Johnny Appleseed-style seedling bag tied across their chests.

Last summer CDEP planted some 300,000 seedlings on University of Alaska land at a cost of \$115 an acre. The 750-acre tract was once covered with beetle-ravaged timber. This summer the company began planting in May, hoping to get up to 400,000 seed-



The reforestation crew loads seedlings into a V-plow which is used in the mechanical planting process.

lings into the ground by late August. The company, which is planting 200 to 250 seedlings per acre over a 2,000 acre expanse, is once again concentrating its 1997 efforts on State and University land. It is also doing experimental planting on lands owned by Cook Inlet Region, Inc., that were burned in the Crooked Creek fire.

Nininger and his wife, Joan, feel good about their company's logging and reforestation efforts because logging reduces the fuel load in the forest, cutting the danger of hot burning fires that are hard to extinguish and hamper regeneration. Waist-high grasses often sprout in areas scorched by hot fires or where the forest has been ravaged by the beetle. Nininger



The beginning of a healthy forest.

knows that with no sunlight getting through the grass and no nearby source of seeds, it could take decades before a new forest grows back.

While Circle DE Pacific is in the logging business, one fact that has been overlooked is that the company has planted more trees than it has cut, providing the beginnings of a new evergreen forest on the southern Kenai. If future State timber sales survive challenges from environmental groups and move forward, an additional 6,700 acres will get planted over the next several years by CDEP and other timber operators.

## Carbon road development underway

Chugach Alaska Corporation (CAC) and its contractor, Koncor Forest Products Company, are in the early stages of building an access road into the Carbon Mountain area of Chugach National Forest.

The tract, located 60 miles east of Cordova and 20 miles north of the Gulf of Alaska, encompasses 73,000 acres, 8,000 acres of which contain stands of merchantable timber. The tract is owned by CAC.

Development of this area had previously been limited by the lack of surface access to the property as the only road in the region, the Copper River Highway, passes some 25 miles to the west.

For the past two years, CAC and Koncor have been working to access the best route into the Carbon Mountain Tract from the existing road system. Road access to the tract is guaranteed to CAC under the terms of the Alaska Native Claims Settlement Act, the Alaska National Interest Lands Conservation Act and the 1982 Chugach Natives, Inc. Settlement Agreement.

Developing access to the Carbon Mountain area will be a major milestone for CAC.

"We are very excited about the opportunities this development project brings to Chugach Alaska Corporation and the community of Cordova," said CAC President Michael Brown. "The Carbon Mountain Project will go far in achieving the promises of employment, training and land stewardship envisioned by the Alaska Native Claims Settlement Act. Once we gain road access to the property, the potential for the Corporation is enormous."

Besides timber, the area is rich in minerals and is near potential oil deposits.

This summer CAC and Koncor are conducting resource evaluations to be included in an environmental document

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