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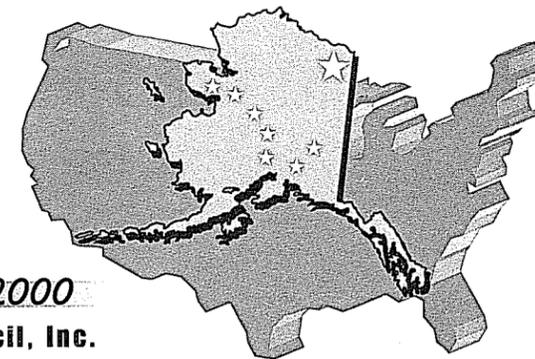
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# Resource Review

August 2000

A periodic publication of the Resource Development Council, Inc.



## No endangered status for belugas

*Federal, state officials say listing is unwarranted*

Cook Inlet beluga whales will not be designated as an endangered species under either the federal Endangered Species Act (ESA) or Alaska statute, federal and state officials have determined.

However, Trustees for Alaska, representing several environmental groups, has filed a sixty-day notice of intent to sue the National Marine Fisheries Service over its determination that an endangered listing is unwarranted.

In a federal rule published in late June, NMFS said an endangered species listing was unwarranted because overharvesting by Native subsistence hunters is the problem and measures are already in place to reverse the decline in the beluga's population. NMFS said oil and gas production, treated wastewater discharges from local communities, shipping and other activities do not appear to be causing the whale's decline. Recent studies show that Cook Inlet belugas contain lower levels of contaminants than other beluga whales found in Western Alaska and in the Arctic.

"These appear to be very healthy animals," noted NMFS biologist Brad Smith.

Research has also shown that Anchorage's wastewater treatment plant is not causing excess sedimentation in the Inlet or buildup of toxins as



Shipping traffic into Cook Inlet ports could be adversely impacted if the beluga whales are listed as endangered under the Endangered Species Act. (Totem Ocean Trailer Express photo)

tidal currents and fluctuations flush out the area.

NMFS also noted that recent surveys indicate a slight increase in the beluga population from an estimated 347 whales in 1998 to 357 in 1999.

NMFS listed the beluga as depleted under the Marine Mammal Protection Act (MMPA) in May, giving the federal agency long-term authority to regulate the Native hunting it cites as the primary cause for the beluga's decline. Prior to the depleted determination, federal authorities controlled harvests over the

past year through a law sponsored by Senator Stevens and passed by Congress in 1999 that banned hunting until a co-management agreement with Native groups is reached.

A co-management agreement was finalized recently and it will allow for the harvest of one whale this summer.

Beluga whales became a major issue when environmental groups petitioned NMFS in March 1999 for the Endangered Species Act listing. By law, the Secretary of Commerce should have

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# Stiles to lead RDC in 2000



Members of the RDC Board of Directors attending the Year 2000 Annual Meeting in Anchorage pause for a photo at the Sheraton Anchorage Hotel. At front and center is Bob Stiles, RDC's new President. Stiles thanked outgoing President Jim Branch for his outstanding efforts in leading the organization over the past year.

**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.

### Executive Committee Officers

President ..... Robert B. Stiles  
 Sr. Vice President ..... Charles W. Johnson  
 Vice President ..... Mark Hanley  
 Secretary ..... Uwe Gross  
 Treasurer ..... Stan Foo  
 Past President ..... Jim Branch

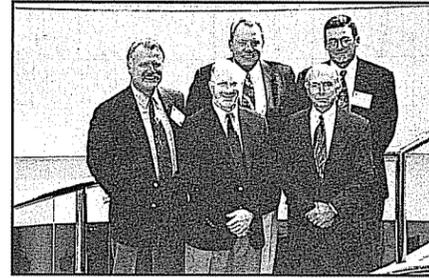
### Staff

Executive Director ..... Ken Freeman  
 Deputy Director ..... Carl R. Portman  
 Projects Coordinator ..... Tadd Owens  
 Finance/Membership ..... Billie Rae Gillis

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RDC's e-mail address:  
[resources@akrdc.org](mailto:resources@akrdc.org)  
 RDC's web site address:  
[www.akrdc.org](http://www.akrdc.org)

Writer & Editor  
 Carl Portman



RDC's new officers from left to right in back row are Uwe Gross, Secretary, Bob Stiles, President, Stan Foo, Treasurer. In front row are Mark Hanley, Vice President and Chuck Johnson, Senior Vice President.

Stiles has more than 25 years experience in natural resource development and environmental service industries. He also has significant political, commercial and technical experience in Japan, Korea and Taiwan.

Since 1989, Stiles has been the President and Owner of DRven Corporation where he provides contract management and marketing services for natural resource development projects.

He is an active participant in state and local issues and organizations, including the Alaska Coal Association, where he serves as President, the Alaska-Korea Business Council, the Alaska State Chamber of Commerce, the Alliance, Arctic Power, the Alaska Miners Association, the Alaska World Trade Center and the Anchorage Chamber of Commerce. Stiles is also the Vice Chair of the Anchorage Planning and Zoning Commission.

Elected to RDC's 78-member statewide board of directors were Mayor Dale Bagley, Kenai Peninsula Borough, Soldotna; John Barnes, Marathon Oil Company, Anchorage; Al Burch, Alaska Dragers Association, Kodiak; Richard Cattanch, Associated General Contractors of Alaska, Anchorage; Paul Laird, BP Exploration, Anchorage; James Mery, Doyon Limited, Fairbanks; Michael O'Neill, Security Aviation, Anchorage; Bob Pawlowski, Racial Pelagos, Inc., Anchorage; Representative Gail Phillips, Homer; Dennis Roper, North Slope Borough, Anchorage; Vincent Tutiakoff, Sr., Aleut Corporation, Anchorage, and Eric Yould, Alaska Rural Electric Cooperative, Anchorage.



RDC Board members discuss top priorities at the Annual Meeting in Anchorage June 8.

## What RDC members had to say ...

*"Shame on President Clinton for playing election year environmental politics with Alaska lands. Our national forests were created to provide multiple-use benefits to the public, including recreation, habitat for fish and wildlife, and production of resources such as timber and minerals that are vital to our nation. The proposed roadless policy will close many areas to multiple use opportunities because road access will be denied."*

Dennis Stacey

*"The roadless policy is not based on science, not based on public input and not based on local needs and desires, but instead on pure politics."*

John Sturgeon  
 Konkor Forest Products

*"National forests are mandated by Congress to be managed for multiple use. The roadless policy will close off 92 percent of Alaska's national forest lands to roads whether they are for campground access, recreation, fishing, subsistence harvest or sightseeing."*

Rick Rogers  
 Chugach Alaska Corporation

*"Forest roads are part of America's outdoor recreation fabric. Today's access roads link national trail systems, whose exceptional hiking experiences are world renowned."*

Don Follows  
 Terragon North

*"I find it amusing that environmentalists supporting the proposed roadless ban in the Chugach and Tongass say it's needed to reach a balance between development and the environment. Such an argument is so outrageous since the vast majority of the Tongass is already closed to development."*

Uwe Gross  
 Koniag, Inc.

## Alaska Coal Classic 2000



The recent Alaska Coal Classic Golf Tournament in Anchorage raised more than \$10,000 for the AMEREF program. Some 34 teams participated in the tournament, which was sponsored by the Alaska Coal Association. Pictured from left to right are Mark Hanley, Anadarko Petroleum Company, Mike Abbott, Special Assistant to Governor Knowles, Representative Norm Rokeberg and House Speaker Brian Porter.

## Strong opinions heard at forest road ban hearings

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that his family loves Alaska and spends much of its free time outdoors.

"I absolutely hate the road ban proposal," MacDowell testified. "My reason is simple: I like the access that roads provide. They help my family get to places that would otherwise be difficult for us to see. But the proposed ban eliminates choices, removing any opportunity for discussion about access in the future."

Fellow board member Frank Brown took exception to arguments that the ban is needed to restore balance in the Tongass and Chugach. Brown noted that the balance in both forests is already weighted heavily toward preservation. He pointed out that the vast majority of Alaska's 13 national parks have no roads.

RDC Executive Committee member Marilyn Crockett, responded to testimony that echoed the sentiment of the Clinton-Gore administration that the road ban is the last opportunity to protect America's last remaining wilderness. "I don't know if that's true for the Lower 48, but I can assure you it is absolutely NOT true in Alaska," Crockett said. "The fact is almost half of Alaska is already set aside in federal conservation units," Crockett added. "To put things in perspective, it's too bad we don't have a map here showing the huge areas of Alaska already set aside in wildlife refuges, national parks,

monuments, preserves and national forests. Alaska doesn't need more areas put off-limits -- we need fewer of them."

RDC would like to thank those members who took the time this summer to either testify at a public hearing on the roadless issue or submit comments on the policy. Many also submitted letters to the editor of their local newspaper as part of an effort to educate the general public and to counter misleading statements supporting the policy.

RDC would also like to thank the Alaska Forest Association for its efforts in Southeast Alaska in rallying opposition to the road ban. AFA not only was instrumental in getting large numbers of people to local hearings, it coordinated a yellow-ribbon campaign throughout Ketchikan to demonstrate Alaskan opposition to the policy.

Meanwhile, environmental groups orchestrated a major post-card campaign asking Americans to save the Tongass and Chugach from loggers and miners. The simple emotional appeal has unfortunately resulted in large numbers of well-meaning, but ill-informed Lower 48 residents supporting the policy in the belief that Alaska's national forests are vanishing and have no protection without the policy.

The public comment period closed July 17. Administration officials will draft a final rule and they expect to unveil it in late fall or winter, before Clinton leaves office.

# Alaskans pack hearings on proposed road ban

RDC and other groups supporting multiple use management on public lands rallied hundreds of Alaskans to rise up in opposition to President Clinton's policy to ban road building in roadless areas of our national forests.

With the exception of Juneau and Sitka, most residents in Southeast Alaska attending a series of public hearings held across the region opposed the policy. For now, a decision to include the Tongass in the policy has been deferred for four years, and many testifying at the hearings would like the Tongass permanently exempt.

In Anchorage, RDC members made a strong impact at a June 28 hearing where 35 people voiced strong opposition to Clinton's plan.

If the road ban is applied to both the Chugach and Tongass, it would severely limit access to both forests for all commercial activities from recreation and tourism to timber and mining. Unlike the Lower 48, where most forests have a network of roads crossing through them and where public access is relatively simple, the policy would have a disproportionate impact on the Chugach and Tongass where the road system is extremely limited.

The policy would apply to only one-fifth of national forest land in the Lower 48, but would close off 92 percent of Alaska's national forest lands (98% of the Chugach) to new roads, whether they are for campground access, recreation, fishing, logging or sight-seeing. With so much of the Chugach already roadless, the policy would make it nearly impossible to disperse recreation as Alaska and its tourism industry grows.

RDC President Bob Stiles denounced the policy as an end run around Congress since the plan will be implemented with administration action only.

"This policy represents a mandate that has come from the top down," Stiles testified. "One of its major flaws is that it is a one-size-fits-all approach which doesn't work in Alaska or many

other places."

Executive Director Ken Freeman pointed out that even without the policy applying to the Tongass, 84 percent of all old growth trees in the forest would remain uncut, only 10 percent of the forest's commercial timber would be available for harvest and that only 7 percent of Tongass' roadless areas would be harvested over a 200-year rotation.

Yet Freeman's focus on the facts had little impact on those expressing emotional arguments supporting the policy. Several people testified that the policy must go forward, otherwise they claimed there would be no trees left in the Tongass. A school teacher proudly noted that she refuses to distribute seedlings from Koncor Forest Products to her students, fearing it would give children the impression that it is okay to cut trees in a national forest.

Others called for a ban on all logging while some even urged that existing roads be ripped out of the forest. One activist claimed "roads are not a problem, it's people who pollute and destroy." He said fewer roads would bring fewer people to the forest. Still others spoke of the Tongass and Chugach as if they were the last quiet and wild places left in America.

RDC members and staff rebutted each argument and emphasized that national forests in Alaska should not be managed as national parks where preservation is the prevailing management emphasis. Both the Chugach and Tongass are multiple use units where logging, mining, recreation, commercial fishing and other activities are provided by law. Multiple use management is particularly critical in both forests since Alaska contains 70 percent of all national park lands, including 62 percent of all federal Wilderness.

RDC member Dave MacDowell told those attending the Anchorage hearing

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## What RDC members had to say ...

*"This policy represents a mandate that has come from the top down. One of its major flaws is that it is a one-size-fits-all approach which doesn't work in Alaska or many other places."*

RDC President Bob Stiles  
Drven Corporation

*"I absolutely hate the road ban proposal. My reason is simple: I like the access that roads provide. They help my family get to places that would otherwise be difficult for us to see. But the proposed ban eliminates choices, removing any opportunity for discussion about access in the future."*

Dave MacDowell  
BP Exploration

*"The fact is that almost half of Alaska is already set aside in federal conservation units. Alaska doesn't need MORE areas put off limits--we need fewer of them."*

Marilyn Crockett  
Alaska Oil & Gas Association

*"We should keep our options open and consider each road on a case-by-case basis."*

Stan Foo

*"With a growing population in Southcentral Alaska, why should reasonable access be limited to only two percent of the Chugach. The time will come when people will need to be dispersed into new areas of the forest."*

Frank Brown

*"Further roadless designations are not fair, not legal and not in the best interests of Alaskans."*

Scott Thorson  
Network Business Systems

*"Multiple use is not an archaic phrase, it is sound management policy. It is also the law."*

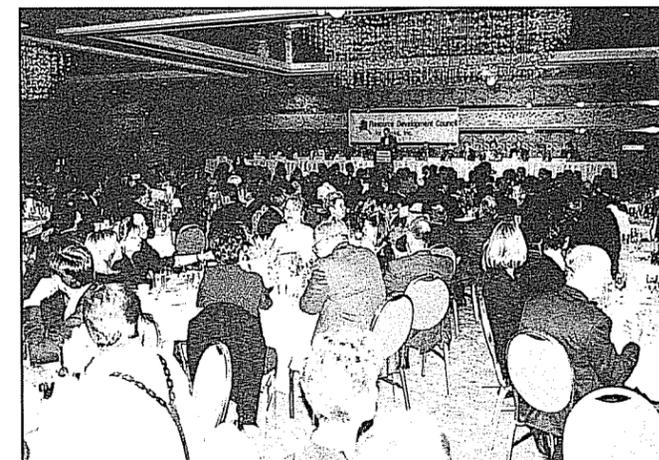
Paul Glavinovich

## RDC celebrates 25 years

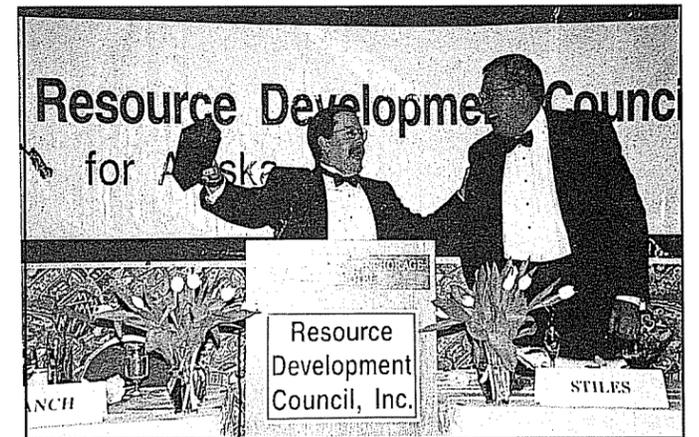
### Reflecting on the past, celebrating the future



Keynote speaker Jim Mulva, President and Chairman of Phillips Petroleum Company, noted that "In good times and bad, one of the strongest advocates for our industry has been the RDC." In discussing his company's strategy for growth, Mulva said Alaska will be the cornerstone of his company's plans. "Over the next ten years we intend to significantly increase our presence in your state. We see enormous upside potential for increasing oil production and for developing our gas reserves."



Nearly 500 people attended RDC's 25th Anniversary banquet at the Sheraton Anchorage Hotel June 8.



Jim Branch exchanges some laughs with RDC's new President Bob Stiles. Branch presented Stiles with the traditional President's gavel.

## RDC Trivia

### 25th Anniversary

**What was the original name of RDC?**

OMAR, the Organization for the Management of Alaska's Resources.

**Who were OMAR's two chief founders?**

Robert Penney and Robert Fleming

**When did OMAR change its name to RDC?**

1978

**Who received the first barrel of oil from the Alaska Pipeline?**

The Valdez Chamber of Commerce and RDC

**How many numbered commemorative plaques did OMAR make out of the first barrel of oil?**

798, for each mile of the pipeline



Paula Easley shared memories from RDC's early years. Easley served as Executive Director from 1975 to 1987.

# Federal, state officials say belugas not endangered

(Continued from page 1)

decided by March 3 of this year whether to list Cook Inlet belugas as endangered. When the determination was delayed, environmental groups sued in May to force a decision. On May 31, NMFS listed the belugas as depleted under the MMPA and several weeks later it ruled that an ESA listing was unwarranted.

On the state front, Fish and Game Commissioner Frank Rue also refused to list the belugas as endangered. He said the whales are not threatened with extinction, a condition that must be met before declaring an animal endangered under state statute. Rue noted that state law does not allow him to list individual stocks or populations as endangered unless the scientific community has formally recognized them as a bona fide subspecies. This is not the case with the belugas in Cook Inlet.

"While we share Trustees' concern about the health of this important population, we believe the restrictions which are now in place under the federal Marine Mammal Protection Act will enable the population to recover," Rue said. The Fish and Game Commissioner said he believes NMFS is on the right track and is optimistic the Cook Inlet population will rebound.

Federal officials believe the Marine Mammal Protection Act is the best and most appropriate tool for reversing the beluga's decline. The MMPA focuses heavily on harvests, the primary cause of the beluga's decline while the ESA is much broader and takes habitat into account.

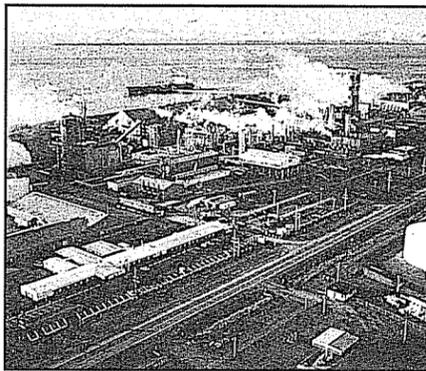
Environmentalists want an ESA listing as such a determination would lead to additional scrutiny of virtually every activity in Cook Inlet, as well as the establishment of critical habitat areas spanning much of the Inlet. Local communities and RDC have strongly opposed such a move since commerce, commercial fishing, oil and gas development and other activities have not played a role in the beluga's decline and should not be penalized with additional oversight and costly permit stipulations.



Commercial fishing would be one of several industries which could be affected by an endangered species listing. A Seattle judge recently ruled to ban commercial fishing of bottom fish in critical habitat areas for the Steller sea lions, a species considered endangered.

Moreover, once critical habitat areas are established, environmental groups are likely to file suit to stop any activity they don't like in these areas. A glaring case example is currently playing itself out in the Gulf of Alaska and Bering Sea where environmentalists have filed suit to force an end to commercial fishing in critical habitat areas established for the Steller sea lions.

In late July, a federal judge's ruling banned commercial fishing for pollock, cod and other bottom fish in the vast chunks of ocean designated as critical habitat for the Stellers. The judge's



Industrial operations along Cook Inlet have not played a role in the beluga's decline, yet could be impacted if the whale is eventually listed under the Endangered Species Act.

ruling pushes boats out of the richest fishing grounds and will force the smaller Alaska-based fishing vessels further out into dangerous waters. If the ban sticks, it will cost the fishing industry \$93 million over this year's remaining season and \$160 million next year. Borough and city governments in the region will suffer from lost taxes on fish landings and local businesses will see a big drop in revenues since fishing is the mainstay of most communities.

"An ESA listing for beluga whales could be a disaster for Southcentral Alaska communities and the economy because in part it would open the door to third-party lawsuits from non-development interests," said RDC's Executive Director Ken Freeman. "All we need to do is look to the Steller sea lion issue," Freeman warned. "We don't want to go there."

Bill Pope, President of the Kenai Peninsula Borough Assembly, warned an endangered species listing "could prevent any kind of industry that in any shape, manner or form impinges on Cook Inlet belugas." Freeman agreed, noting that even the mere perception of an impingement could make a project or activity more costly and therefore uneconomic. Already a number of tracts in Cook Inlet have been removed from



Most ground cargo for Alaska's two largest cities, Anchorage and Fairbanks, moves up Cook Inlet to the Port of Anchorage. An endangered listing for the Cook Inlet beluga whales could potentially impact most activity in Cook Inlet. (Totem Ocean Trailer Express photo)

potential oil and gas leasing because of perceived conflicts with beluga whales.

In addition, Anchorage wastewater utility officials fear that an endangered species listing could force the Municipality to make substantial upgrades to its facilities, ultimately resulting in steep utility rate hikes.

Representative Gail Phillips recently thanked RDC for its continuing efforts on the issue.

"Together, we worked almost two years to make sure that correct and factual information was presented to NMFS and that all users of Cook Inlet would be considered in NMFS' final

decision," Phillips said. "RDC continues to do a thorough job of bringing this issue to the forefront through public meetings, educational opinion pieces and inclusion of all users that stand to be affected," Phillips added. "The Legislature cannot do this type of outreach alone; it certainly has benefited Alaska to have RDC as the lead organization in this sensitive issue and others of a similar nature."

Even though NMFS and state officials have decided not to list the beluga as endangered, RDC will remain in the forefront as there is still much work to do on the issue.

## RDC offers \$1,000 reward

The Resource Development Council, in conjunction with the National Marine Fisheries Service and Era Aviation, are offering a \$1,000 reward to the first pilot to report a stranded beluga whale in Cook Inlet on which a satellite tag is successfully placed.

Throughout the summer and early fall, beluga whales occasionally become stranded in Turnagain Arm and at the mouth of the Susitna River. In an effort to better understand the health, diet and migratory patterns of the beluga whales,

NMFS monitors individual whales with satellite beacons. The best opportunity to safely affix a satellite tag to a whale is during a stranding.

If a stranded beluga is sighted, please call NMFS at 1-877-462-6625 and report the number of whales stranded, the time of the sighting, the physical location of the stranding and the status of the tide.

For additional information, call RDC at 276-0700 or the National Marine Fisheries Service at 271-5006.

# ASRC is top exporter

A Forbes 500 company based in Barrow and with business ties to Russia, Asia, Europe, Mexico, and Canada and engaged in business around the world, has been named Alaska's Exporter of the Year. Governor Tony Knowles presented the annual award to Arctic Slope Regional Corporation (ASRC) at the Export Council banquet in late May.

"One of 13 regional corporations created in 1971 by the Alaska Native Claims Settlement Act, ASRC has come a long way since," Knowles said. "They started out with \$44 million and five million acres. Now they are number 246 on the Forbes 500 list of the largest private companies. With 30 subsidiaries, they are on line to reach \$1 billion in revenues in 2001. As Vice President Charlie Brower put it the other day, 'Not bad for a company out of Barrow'."

ASRC's subsidiaries represent a cross-section of industries - oil field service, petroleum refining and distribution, construction, engineering, base operation services, and even plastics. Several are exporters. Natchiq builds pipelines and provides oil field services and module fabrication and engineering, and has activities stretching from Sakhalin Island to the Gulf of Mexico.

ASRC has been a good corporate citizen to Alaska. Because of its Inupiat heritage, sharing its profits is an important part of the corporate culture. Not just with its 7,800 shareholders - but with all the communities in Alaska in which they do business, including Anchorage, Kenai, Valdez, and, of course, the North Slope.

Named as runner up was VECO, Inc., an Alaska-owned company that exports expertise in engineering, construction, operations, and maintenance. Community-based but with a global outlook, VECO is doing business in Alaska, the Lower 48, and 23 countries providing training, education, and investment in technology and project management.