



WHO OWNS ALASKA?

THE POLITICS OF ENERGY AND THE ENVIRONMENT

This Edition
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Who owns Alaska? Of the 365.5 million acres that make up Alaska – from the lush rain forests of the southeast panhandle to the flat, barren tundra of the Arctic – federal agencies currently lay claim to 235 million acres – 64 percent of the 49th state.

**Alaska Land Facts Table
See Page 5**

To put Uncle Sam's share in perspective:

- Federal lands in Alaska alone are much larger than the entire state of Texas.
- Federal acreage in Alaska is larger than the combination of 15 eastern states stretching from Maine to South Carolina.
- Federal ownership in Alaska is larger than Oregon, Washington and California combined.

Also of note, Alaska's 58 million acres of "official"

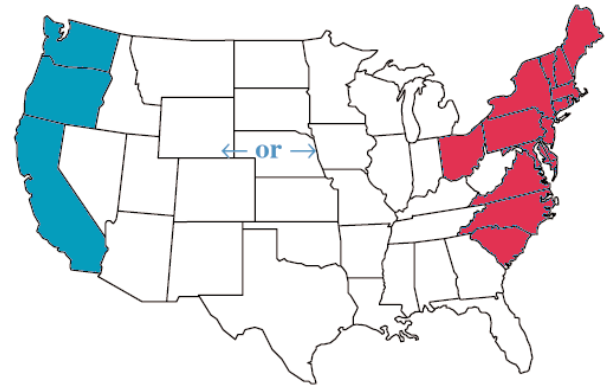
federal Wilderness accounts for 56 percent of the nation's total. In fact, if combined, federal Wilderness in Alaska would create the 11th largest state in America. To put the 49th state's federal Wilderness into another light:

- It is larger than each of the following states: Florida, Illinois, Minnesota, New York and Washington.

- It is larger than the combined size of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware and Maryland.

What's left over outside this massive federal enclave? The state itself owns 90.3 million acres and is entitled to an additional 14 million acres under the Statehood Act. Native corporations own 37 million acres and will receive an additional 7 million acres through federal conveyances.

Once all federal conveyances are completed, the state will own 28.6 percent of



The 235 million acres of federal lands within Alaska, much of it closed to development, is considerably larger than the entire state of Texas, more than the total combined size of California, Oregon and Washington, and bigger than the combination of 15 eastern states as shown below: (States listed in millions of acres)

Maine (21.2)	Pennsylvania (28.9)
New Hampshire (5.9)	Ohio (26.4)
Vermont (6.1)	Delaware (1.3)
Massachusetts (5.3)	Maryland (6.7)
Rhode Island (.7)	Virginia (26.1)
Connecticut (3.2)	North Carolina (33.7)
New York (31.4)	South Carolina (19.9)
New Jersey (4.9)	

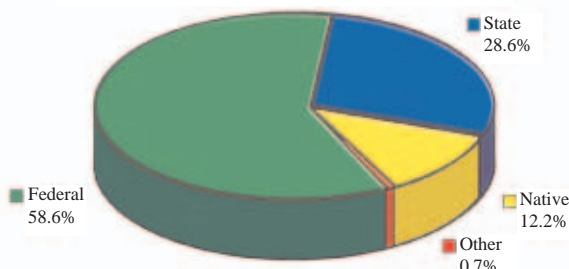
Alaska while Native corporations will hold title to 12.2 percent, leaving 58.6 percent to the federal government and 0.7 percent in conventional private ownership.

such as campgrounds, visitor centers and hotels. Economic development is either severely restricted or prohibited and public access is difficult.

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Forty percent of the federal share is set aside in conservation system units -- national parks, refuges and forests. These units account for 70 percent of America's national park lands and 85 percent of its wildlife refuge acreage. Unlike Lower 48 parks and refuges, the vast majority of the Alaska units have no road access and few visitor facilities

Alaska Land Status
(Pending Full Federal Conveyance)



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IMPROVING ALASKA'S INVESTMENT CLIMATE

With a new Administration and Legislature come new ideas, fresh energy and, in some respects, a clean slate. The political gridlock and partisan politics of the past few years have given way to an all-Republican state government. While progress on important issues may not come any easier, at least its path will not be clouded by partisan finger pointing and scapegoating. With the electoral success of Governor Murkowski and the Republican legislative majority comes great responsibility and accountability.

From the standpoint of the development community, two issues — Alaska's permitting complexity, and the state's continued fiscal uncertainty — rise above the rest in terms of their negative effects on the state's investment climate. Neither of these issues, which present both technical and political challenges, lends itself to easy solutions. Resolution of both issues will require consultation with Alaskans, professional analysis by the government and political leadership from the Legislature and the Governor. Future investment in Alaska and the economic opportunity and quality of life this investment drives are at stake.

In every major development sector — oil and gas, mining, timber, tourism and fishing — Alaska is fighting for capital dollars in a global arena. As the cost of doing business in Alaska continues to rise, we are losing private-sector capital investment. State government does not have control over Alaska's geography or its weather, but it does control the state's permitting system. Over time Alaska's permitting requirements for development projects have evolved into a time-consuming, uncertain and expensive process. In short, they have become barriers to investment.

In addressing this issue, the distinction between environmental standards/permit stipulations (the amount and type of discharge allowed into the state's air and water from an industrial activity, for instance) and obtaining a permit (the process and timelines companies must follow before receiving authorization to move forward with a specific project) needs to be made clear. Furthermore, permit stipulations must be directly based on applicable statutes and regulations. Companies doing business in Alaska are willing and able to meet the state's environmental standards, but if the process for receiving state approval for a project requires too much time and money, they look for investment opportunities elsewhere.

Streamlining the state's complex and cumbersome permit-

ting requirements will provide businesses making investment decisions with two important advantages — predictability and lower costs. These changes can be made without sacrificing the commitment Alaskans have made to protect our natural environment. Working closely with the regulated community and other Alaskans, the Legislature and the Murkowski administration can make significant headway in reducing the time and cost of receiving permits.

In addition to reform of the state's permitting system, Governor Murkowski and the Legislature must continue to focus on the state's fiscal health. Alaska's fiscal gap has been the subject of ongoing debate and discussion over the past decade. Whether it has reached the point of crisis is open to interpretation, however, the bottom line is that a state continuously spending more money than it takes in is not the model of fiscal stability.

Why is fiscal balance important? Without it, firms looking to make capital investments in Alaska face significant uncertainty regarding the costs of doing business. Throughout the past year, top oil and gas industry executives have stated in the clearest of terms that without long-term fiscal stability, investment in Alaska will lose out to more attractive, less risky opportunities across the globe. New taxes on the oil and gas industry at this time will have a chilling effect on long-term investment in the state. If you were the president of an oil and gas company, would you invest in Alaska fearing you might well be paying a much higher tax bill in the next five years?

Growing Alaska's oil patch can have meaningful positive revenue implications for the State treasury. Whether this

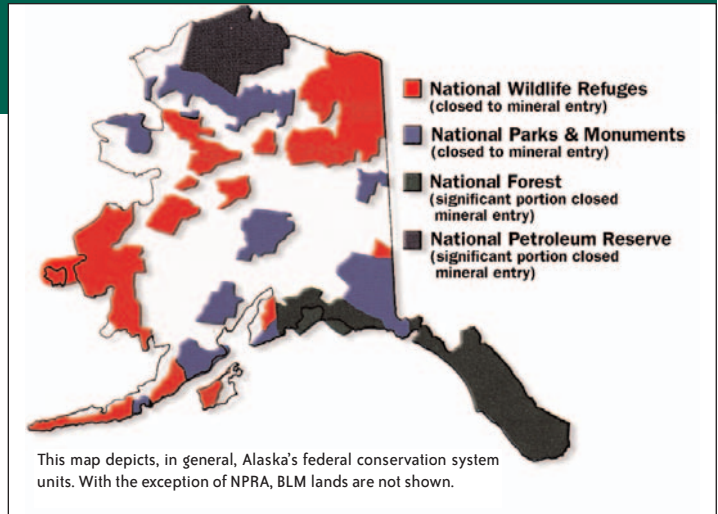
revenue will be adequate to close the fiscal gap or come online soon enough is unclear. To be successful, this plan for revenue generation must be supported by other measures. Budget discipline, new uses of Permanent Fund earnings, and broad-based taxes should all remain part of the analysis.

Governor Murkowski and many newly-elected legislators campaigned on the promise of growing Alaska's economy through increased natural resource development. Alaska's economy needs this type of development, but in order for its benefits to be maximized, the state's permitting and fiscal systems need to be addressed responsibly. RDC looks forward to doing all that we can to assist the State in dealing with these critical issues.

State government does not have control over Alaska's geography or its weather, but it does control the state's permitting system. Over time Alaska's permitting requirements for development projects have evolved into a time-consuming, uncertain and expensive process. In short, they have become barriers to investment.

ALASKA WILDERNESS PERCEPTION DRIVES FEDERAL DECISIONMAKING

(Continued from Page 1)



In addition, Alaska itself has a vast state park system, the largest in the nation.

While portions of the federal domain are considered among the "crown jewels" of America's wild lands, beneath some of these conservation units lies much of the future wealth and security of Alaska and the nation. Although the estimates vary according to the source, Alaska could hold 30 percent of America's oil reserves and nearly 20 percent of its natural gas. Its coal resources are immense and other mineral deposits of zinc and gold are world class.

With such a rich endowment of natural resources comes great potential and opportunity for Alaska and its economy. However, remoteness, climate, and tremendous geological diversity translate into high costs for industry to tap the massive resource deposits of the last frontier. Moreover, political considerations pose even a greater challenge.

Alaskans strongly support resource development and expanded access opportunities, but Washington calls the shots on nearly two-thirds of Alaska's lands. And even with Republicans in control of Congress and the White House, a powerful national environmental lobby contin-

ues to dominate congressional proceedings on Alaska resource issues. Key decisions on the biggest issues, such as oil development in the arctic and logging in the Tongass National Forest, have been driven largely by mis-perception.

Wilderness

The average American is likely to define wilderness as land in which one can enjoy

private recreational facilities, including campgrounds, backcountry lodges, visitor centers and motor tours. With few exceptions, roads, as well as new hiking trails and cabins are banned.

In addition to Alaska's 58 million acres of federal Wilderness, millions of other acres are under Wilderness consideration. And tens of millions of acres are wilderness in the general sense, but

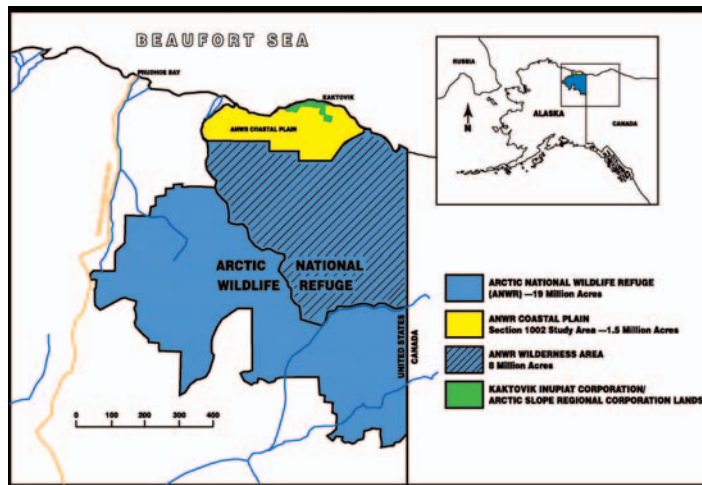
land without entering at least one restrictive conservation unit. While the extensive network of conservation units has preserved a great portion of Alaska, the cumulative overlay of federal and state land withdrawals poses a mounting challenge to efforts aimed at growing the state's economy.

While the parks and refuges have attracted adventure-seekers to the state, an extremely limited road system and fierce opposition from national environmental groups to expand it is likely to keep a heavy cap on a seasonal tourism industry.

Wilderness and Energy

For more than 20 years, North Slope oil fields have been supplying America with 20 percent of its domestic oil production. Many of these fields, however, are in steady decline and overall production is less than half of its 1988 peak. The oil industry is struggling to offset the decline with new technology to enhance recovery, and several new smaller fields have helped stabilize production.

However, the best opportunity for boosting Alaska production and reversing the nation's increasing reliance on foreign crude lies 65 miles to the east of the giant



natural conditions and leave the concerns of city life behind. However, few are aware that most human activity is virtually eliminated in areas that are formally designated as federal Wilderness. Formal Wilderness bans not only all types of resource development, it prohibits the construction of public and

lack the official designation. Some of these lands are wild places that are easily accessible and useable by the general public, but most are just as inaccessible as those areas with the official designation.

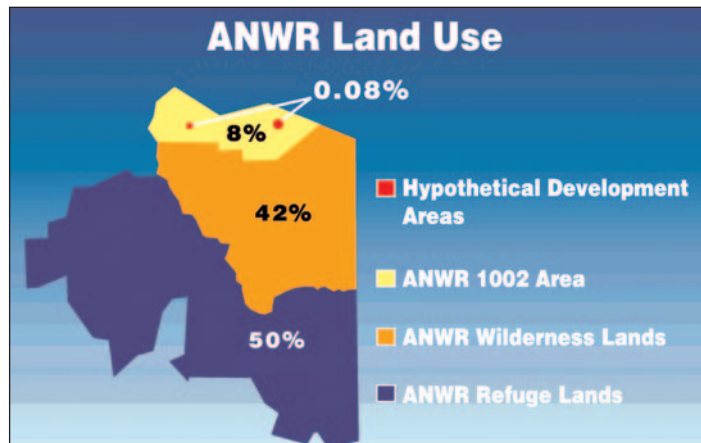
With the exception of the narrow trans-Alaska pipeline corridor, it is impossible to cross the vast Alaska main-

Prudhoe Bay field – the Coastal Plain of the Arctic National Wildlife Refuge (ANWR). The State and the oil industry are not seeking to open any designated Wilderness areas in ANWR to exploration. In fact, the targeted prospects are all located inside an area set aside by Congress in 1980 for potential oil and gas development. However, that area, known as the “1002” lands, will require congressional authorization before exploration can move forward.

But like other big Alaska resource issues, the perception in Washington and across the Lower 48 is that development would destroy America’s “last remaining” wilderness for a “six-month” supply of oil. In reality, not one acre of federal or state Wilderness would be touched in or outside ANWR.

A factual look at the refuge

reveals that nearly half of its 19 million acres is permanently closed to development under a federal Wilderness designation. When combined



with similarly managed lands inside the refuge, some 92 percent is off-limits to development, leaving the remaining 8 percent – the “1002” coastal lands - available for exploration.

Even under a full leasing scenario and assuming devel-

opment of several major prospects, petroleum operations would directly affect only several thousand acres, leaving 99.9 percent of

ANWR untouched.

As for the “six month” supply perception, such an argument is based on a scenario where all oil consumed in America would come from one field – an impossible assumption. With advances in technology resulting in a

smaller development footprint, America can produce perhaps up to one-quarter of its future domestic production from less than one-tenth of one percent of ANWR.

The U.S. Geological Survey estimates ANWR could contain from 5.7 billion to 16 billion barrels of recoverable oil. If a mean average of 10 billion barrels is recovered, that would be enough to replace imports of Saudi oil at current rates of consumption for nearly 30 years.

Although 74 percent of Alaskans support oil development, Congress will have the final say on the Coastal Plain. A decision authorizing development could revitalize the state’s economy, but the outcome is far from certain as environmental groups, fostering a perception of Alaska far removed from reality, gear up to influence public opinion and the national media.

Alaska Land Facts

Total Lands In Alaska	365.5 million acres	
Federal	235.1 million acres	(64.3 percent)**
State	90.3 million acres*	(24.7 percent)*
Native Corporation	37.4 million acres**	(10.2 percent)
Conventional Private	2.7 million acres	(0.7 percent)



Photo by Frank Baker

Federal Lands In Alaska	Total	Designated Wilderness
Bureau of Land Management	85.0 million acres	
Department of Defense	2.3 million acres	
National Park Service	52.9 million acres	33.5 million acres
Fish & Wildlife Service	72.4 million acres	18.7 million acres
Forest Service	22.5 million acres	5.8 million acres
Federal Wilderness - Alaska		58.0 million acres (56 percent of U.S.)
Total Designated Wilderness in U.S.		105.7 million acres



Photo by Carl Portman

- Total Conservation System Units in Alaska: 148,375,000 acres (includes 575,000 acres of BLM WSR)
- More than 60 percent of federal lands in Alaska and 40 percent of total acreage in the state are set aside in Conservation System Units. These lands severely restrict development and public access is minimal.

* Alaska’s entitlement under the Statehood Act is 104.5 million acres. After final conveyance, State ownership will increase to 28.6%.

** Total Native allotment under Alaska Native Claims Settlement Act and subsequent amendments is 44.5 million acres. BLM lands will be reduced as the federal government moves to meet its obligations under the Statehood Act. Federal share of Alaska will fall to 58.6%.

Source of land statistics: U.S. Bureau of Land Management, Division of Conveyance Management, September 2001

ARCTIC POWER NEEDS YOUR HELP

GUEST OPINION



Kim Duke, Executive Director
Arctic Power

Recent news stories on the outlook for Alaska's economy have been a mixed bag. North Slope oil production was up 5 percent in 2002, the first gain since 1991, and the price of oil has increased in recent months, but five Kmart stores will close in the next two months, resulting in 850 lost jobs.

UAA economist Gunnar Knapp says recent projections for Anchorage's economy show continued, slow growth; however, the longer-term outlook for Anchorage and the state is uncertain because of the international situation and political uncertainty in Washington and Juneau.

A big part of that uncertainty is the still-undetermined future of oil and gas development on the Coastal Plain of ANWR. Oil and gas production in Alaska currently funds over 80 percent of the state's budget. Congressional approval of Coastal Plain exploration and development would bring an estimated \$1.5 billion in lease sale revenues and could lead to doubling current oil production to the 2 million barrel capacity of the Trans-Alaska pipeline.

Alaskans may be growing weary of the battle in Congress to open the Coastal Plain, but the outlook for legislation passing has never been better. Not only is there majority support in both the U.S. House and Senate, but Alaska now has a President willing and anxious to sign authorizing legislation into law. Standing at his side is Secretary of Interior Gale Norton, a long-time supporter who has made several trips to the North Slope. Secretary Norton is a realist who acknowledges that this country runs on petroleum and understands the importance of increasing domestic production to our national security.

The Energy Department predicts that net imports of oil will reach nearly 70 percent of U.S. consumption by 2025. Due to the shortage of refining capacity, refined products are expected to reach 34 percent of petroleum imports, doubling today's rate. The sources of these imports include Iraq.

Before the crisis that has virtually shut down its oil industry, Venezuela was exporting 1.5 million barrels a day to the U.S., 14% of our crude oil imports. It is obvious to see how this affects the nation's security, and why increasing domestic production is a priority for Congress and the President.

This is not to say that the administration is not looking to enhance renewable sources of energy. Its energy policy proposes \$5.3 billion in incentives to develop and use renewable energy sources and efficient products aimed at reducing the nation's dependence on fossil fuels.

Those with a truly global environmental perspective would be first in line to support oil and gas development on the Coastal Plain. Most Americans have no idea that Alaska has been producing oil and gas cleaner and with more environmental protection than anywhere in the world. Those opposing ANWR development have chosen to ignore the fact that increased production in Russia, while serving as a buffer to this country's dependence on oil from the Middle East, still brings into America oil from a country with lower environmental standards than the U.S.

Now is truly the time for all Alaskans to stand up for our state and economy, national security and jobs. Send the message to Congress that we're ready to safely and responsibly develop a portion of the Coastal Plain of ANWR.

How can you help? You've heard it all before, but please take the time to encourage your family, friends, and business associates Outside to write their congressional delegation. They can do so easily by signing on to Arctic Power's website at www.anwr.org.

If you have not done so already, join Arctic Power today. We are gearing up for the 108th Congress, but we need your help. Every dollar will count and the stakes have never been higher. Join Arctic Power at its luncheon rally February 14 featuring Gov. Murkowski. Call 274-2697 for more information.

Take Action Now!

Please encourage business associates, family and friends outside Alaska to send an e-mail and letter to their member of Congress expressing support for responsible oil and gas development on the Coastal Plain of ANWR. For a fast, convenient and effective way to send an automatic or customized message to Congress, log on to www.anwr.org. For a personal letter on your letterhead, use the addresses below. For a list of all senators and congressmen, log on to www.anwr.org/links.htm

Honorable (Senator's Name)
United States Senate
Washington, DC 20510-2203

Honorable (Representative's name)
United States House of Representatives
Washington, DC 20515-1101

It is especially important to contact the following key senators:

NAME	PHONE (202)	FAX (202)
Sen. Blanche Lincoln D - AR	224-4843	228-1371
Sen. Mark Pryor - D - AR	224-2353	228-0908
Sen. Zell Miller D - GA	224-3643	228-2090
Sen. Daniel Akaka D - HI	224-6361	224-2126
Sen. Peter Fitzgerald R - IL	224-2854	228-1372
Sen. Mary Landrieu D - LA	224-5824	224-9735
Sen. Norm Coleman R - MN	224-5641	224-1152
Sen. Susan M. Collins R - ME	224-2523	224-2693
Sen. Olympia J. Snowe R - ME	224-5344	224-1946
Sen. Mike DeWine R - OH	224-2315	224-6519
Sen. Gordon Smith R - OR	244-3753	228-3997
Sen. Ernest F. Hollings D - SC	224-6121	224-4293



Steve Borell receives Distinguished Service Award.

Steve Borell Recognized For Distinguished Service

At a reception kicking off the 108th Annual Meeting of the Northwest Mining Association (NWMA) in early December, Steve Borell, Executive Director of the Alaska Mining Association, was presented with a Distinguished Service Award.

Laura Skaer, Executive Director of the NWMA, presented the award to Borell in recognition and appreciation for his work on behalf of the industry, including both large and small miners.

“Steve has championed the rights of the exploration industry,” said Skaer. “He looks out for the interests of the small miner and has been a strong supporter of the Mining Law.”

Borell has an extensive background in mining. He began his career as a pit foreman for Velva Mine in Velva, North Dakota more than 25 years ago. Before becoming a full-time consulting engineer, he worked in various positions in the mining industry, including Maintenance Supervisor, Valdez Creek Mining Co. Inc., Cantwell, Alaska; Project Manager, Arch Minerals Corporation, Percy, Illinois; and ten years with Consolidation Coal Company.

RDC NEWS DIGEST

Idaho Seeks Roadless Rule Review

Idaho and other parties to the federal roadless lawsuit have asked the U.S. Ninth Circuit Court of Appeals to reconsider its recent decision that bans logging and road building on vast areas of national forest lands.

The petition requests that the full eleven-member court rehear the case which was decided December 12th by a three-member panel of judges that split 2-1 in their decision.

The panel lifted a lower court’s ruling that temporarily suspended the Clinton-era roadless rule which prohibits road building and other development in roadless parcels of 5,000 acres or more.

“This is yet another example of judicial activism by the 9th Circuit Court of Appeals,” said Idaho Attorney General Al Lance.

The original rule was to take effect in May 2001, but it was stopped by U.S. District Judge Edward J. Lodge in response to a lawsuit filed by the State of Idaho and other interests.

The roadless rule, if fully implemented by the Forest Service, would severely impact multiple use activities in the Tongass and Chugach National Forests where most acreage is considered roadless.



At the January 16 RDC breakfast forum in Anchorage, President Chuck Johnson presents Mano Frey, Executive President of the Alaska AFL-CIO, with a special gold pan in recognition of his outstanding efforts to advance responsible resource development in Alaska. Frey, who has served on the RDC Executive Committee since 1981, is leaving Alaska in February to accept a high level labor position in Seattle.

Katalla Given Green Light From State, Forest Service

The State Division of Governmental Coordination has found the proposed Katalla oil and gas project to be consistent with the Alaska Coastal Management Program. The DGC finding follows a decision in December by the U.S. Forest Service approving a plan of operations for the project.

The project involves drilling three oil and gas exploration wells near Katalla, 56 miles southeast of Cordova. Katalla is the site of Alaska’s first commercial oil production in 1902.

Anchorage-based independent Cassandra Energy Corporation proposes to drill on private lands owned by Chugach Native Corporation. An existing 2.5 mile access road will be used to transport equipment, supplies and materials to private lands where a new crew camp and drill site will be located.

Drilling could begin later this year, according to Rick Rogers of Chugach Alaska Corporation.

Notable Quotes

Permitting



“It took over four years to get the permits...to permit this project within an oil and gas development area and where the facilities were built on private land. This shouldn’t happen. And I wish you better luck on the North Slope... I won’t go into any detail...except to note that if the Legislature had not been in session and willing to react to these issues, there would have been another year lost in trying to get a return on the over \$200 million that Forest Oil has invested in this project.” -- Gary Carlson, Forest Oil Corporation, RDC Conference, November 2002

Lawsuits

“This is not about the environment. The Trustees for Alaska in court just recently said that they object to air, boat traffic, tanker traffic that would result in new development. This is about stopping new development, period. And guess who pays their salaries? Yes, you do! We pay, the taxpayer pays an average of \$500,000 a year for these special interest litigants to sue the State. There’s something wrong with that system. It needs to change.”

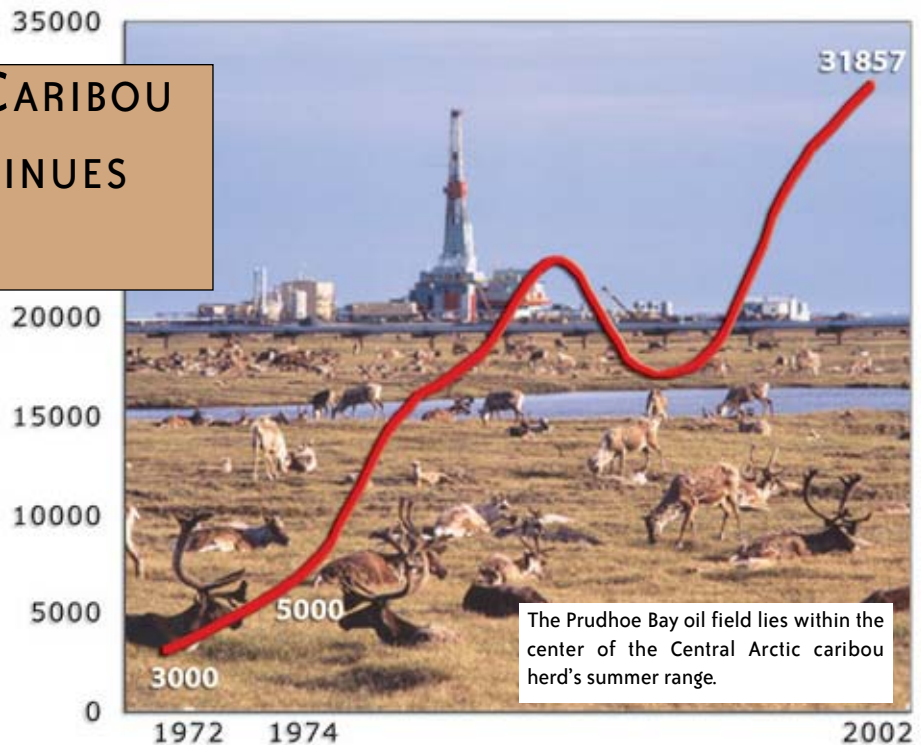
-- Gary Carlson, RDC Conference, November 2002

CENTRAL ARCTIC CARIBOU POPULATION CONTINUES TO RISE STEADILY

The Central Arctic caribou herd that spends much of the summer grazing and feeding in the Prudhoe Bay oil fields continues to thrive, according to the latest annual survey of the Alaska Department of Fish and Game.

The 2002 survey estimated the herd has grown to 31,857 animals, an increase of 17 percent from the 27,128 counted in 2000. The survey is taken in July, the climax to the short Arctic summer when the caribou bunch into huge groups along the Arctic coastal plain seeking relief from pestering swarms of insects. In the winter the herd migrates to the south side of the Brooks Range.

Most operating North Slope oil fields are within the range of the Central Arctic herd. The trans-Alaska oil pipeline and the Dalton Highway servicing the oil fields snake southward through the center of the herd's range.



The Prudhoe Bay oil field lies within the center of the Central Arctic caribou herd's summer range.

Biologists reported that a healthy pregnancy rate and high calf survival contributed to the herd's healthy population increase. The greatest challenges the herd faces on the North Slope are bugs and an occasional bear, but inland they face predation from wolves.

The herd has grown from 5,000 animals in 1974, when oil development was

just getting underway on the North Slope, to nearly 32,000 today -- an increase of 537 percent.

The Central Arctic herd shares the North Slope with three other larger herds, including the Porcupine in ANWR.

There are more caribou in Alaska than people.

RDC OPPOSES CHANGES TO LTF GENERAL PERMIT

RDC has submitted a letter to the Environmental Protection Agency opposing proposed changes to the federal General Permit (GP) for Alaska Log Transfer Facilities (LTFs).

RDC warned that the proposed changes would make

permit requirements much more burdensome, reduce the availability of the permit to the forest products industry and the Forest Service, and greatly increase the likelihood of litigation by third parties. The changes, if adopted, would shift much of the discretion for overseeing the permits from the Alaska Department of Environmental Conservation to EPA.

In its comments to EPA, RDC said it does not believe an adequate scientific case has been made to justify EPA's proposed changes to the GP. RDC said the changes are a very significant departure from current and historic regulatory practices.

Under the EPA proposal, an arbitrary one-acre limit on

continuous bark accumulations would be established, forcing many LTFs into non-compliance. Under the existing permit, the one-acre requirement is considered a "threshold" that, if reached, requires a permittee to prepare a remediation plan. However, one acre of continuous bark accumulation does not by itself constitute a violation of the current permit.

The one-acre limit has no regulatory precedent because it was never intended as anything more than a trigger for site-specific analysis. Nor is there any direct evidence that one acre of continuous bark accumulations has any ecological, technical or practical significance.

A second change to the

permit would require scuba-diving monitoring to 100 feet of depth rather than 60 feet. Industry believes this change will result in added risk and cost without a corresponding environmental benefit.

Another new requirement would force revisions to a permittee's Pollution Prevention Plan when continuous bark accumulations exceed three-quarters of an acre. RDC noted there is no scientific or technical basis for this requirement and it will result in many more remediation plans being prepared at the expense of the permittee.

RDC also disagreed with a proposal to eliminate all permits in impaired waterbodies.

RDC's comments are available at www.akrdc.org.

RDC SUPPORTS SITE-SPECIFIC STANDARDS FOR RED DOG MINE



“The proposed regulation for the site-specific criterion is the product of sound science and common sense management. It will allow Alaska’s mineral resources to be developed while protecting the natural environment.”

- Tadd Owens
RDC Executive Director

RDC is supporting site-specific standards the Alaska Department of Environmental Conservation (ADEC) has proposed for the Red Dog Mine.

“The proposed regulation for the site-specific criterion is the product of sound science and common sense management,” said Tadd Owens, Executive Director of RDC. “It will allow Alaska’s mineral resources to be developed while protecting the natural environment.”

The federal Clean Water Act allows states to manage unique circumstances and project conditions through a variety of mechanisms, including site-specific stan-

dards. In the case of Red Dog, the site-specific standards allow for both protection of the area’s fish and common sense operating parameters for the mine.

Due to the unique conditions present at Red Dog, it is impossible for the mine to comply with the statewide Total Dissolved Solids (TDS) criterion. The volume of water involved and the climatic and geologic conditions have made deep well injection, reverse osmosis and land application unsuitable as treatment options.

At the same time, Alaska Department of Fish and Game studies have documented an expansion of fish

habitat in the area due to the effectiveness of the mine’s water treatment facility in removing naturally occurring metals.

In light of these circumstances and the results of extensive laboratory research conducted by ADEC, RDC strongly believes site-specific criterion is appropriate for Red Dog’s water treatment and discharge.

Ironically, if the statewide total dissolved solids criterion were to apply directly to Red Dog without consideration of site-specific conditions, the mine would not only be unable to comply with those standards, it could be forced to shut down the discharge. This would have a devastating economic impact to the region and would cause downstream waters to revert to their original toxic state.

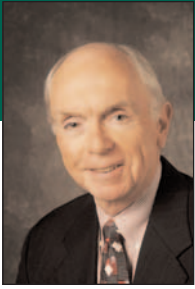
RDC applauded ADEC for its work on the proposed

site-specific standards and recommended the agency finalize them as soon as possible.

The Red Dog Mine, the largest zinc producer in the world, is the major economic pillar in the Northwest Alaska economy. Nearly 60 percent of the 400 full-time jobs at Red Dog are held by local residents. The mine pays more than \$2.5 million in local taxes.



The Red Dog Mine produces 9% of the world’s annual zinc consumption.



ARCTIC ECONOMIC SUMMIT CONVENES IN KOTZEBUE

The Arctic Economic Development Summit 2003, to be held February 4-6 in Kotzebue, will bring together local residents, regional and state government officials, and business leaders to discuss current and future economic issues in the Alaskan Arctic. Preserving Values in Changing Times, the 2003 Summit is hosted by the Northwest Arctic and North Slope Boroughs, and is presented with statewide sponsorship support.

One of the most important aspects of this year's event will be an update on the resolutions identified at the 2001 Summit supporting the goal of economic sustainability. Presentations will feature speakers of statewide and national significance discussing issues identified from the resolutions. Topics include the outcome of regional project assessments, such as the Northwest Transportation Study; an overview of the resource development projects identified; updates on joint planning efforts by the two boroughs; strategies for job development and training; and action steps to build village sustainability. Initiated in 1999 from a discussion

between the two Boroughs, the Summit has progressed from idea to implementation planning. The Call to Action meetings following the last Summit have produced numerous examples of the regions joining forces to share resources for greater economic stability. George Ahmaogak, Mayor of the North Slope Borough, said, "The effort is already succeeding because the Summit is well on its way to creating action plans that will make an important difference in all our villages and towns."

Since the North Slope and Northwest Arctic Borough are home to current and potential premier resource development projects, those of us who do business in the Arctic have a vested interest in this event. The two previous summits have given industry and business an excellent opportunity to network with local residents, public officials and other leaders of the community. This year's event will encourage fresh dialogue with local residents and the business community on current and future projects, as well as set the stage for building and strengthening relationships.

Those attending the Kotzebue meeting will aim to establish guidelines for future development that protects the cultural, subsistence and economic needs of residents of the two boroughs. By working together at the Summit, Alaskans will have an opportunity to bridge the urban-rural divide in our state, resulting in a better understanding between rural residents and those in urban Alaska whose livelihoods are tied to the resources that are developed in rural Alaska.

Summit organizers in Kotzebue and Barrow are truly genuine in their efforts to build relationships with the resource development community. They want to work with industry and form partnerships based on local priorities. In so doing, they will strengthen the economies of the two boroughs and the state.

RDC is actively participating in the Summit as part of its effort to bring urban and rural Alaska closer together and encourage new economic initiatives and responsible resource development in the Arctic. Our membership, as well as Alaska's economy, is best served by prosperous and healthy rural communities. It's in our state's best interests to work together toward this goal.

For complete details about the Summit, go to www.northwestarcticborough.org and click the Summit link. Log on to this site for special summaries and to order proceedings.

RDC has no doubt this will be another successful and productive event.



Preserving Values in Changing Times is the theme of this year's Arctic Summit in Kotzebue. (Photo by Chris Arend)

RDC NEWS DIGEST

NovaGold Finds More Gold

NovaGold Resources says it has found four million more ounces of gold in its Donlin Creek gold exploration project about 250 miles west of Anchorage. The new estimate increases gold resources at the mine to 23.2 million ounces.

The company's ongoing drilling efforts have shown a significant expansion of the mineralized zone. NovaGold will release a new estimate of gold reserves in February.

BLM Offers Four Alternatives for NPR-A

The Bureau of Land Management has released a draft proposal for leasing up to 8.8 million acres of the 23-million acre National Petroleum Reserve-Alaska (NPR-A) for oil and gas leasing. BLM has had two lease sales in NPR-A since 1999.

The BLM proposal includes four alternatives, including a No Action option. Three other alternatives would open lands to leasing, but under various restrictions to protect the environment. One alternative would open the entire lease study area while another would make less than half the area available for leasing. A third option would make 96 percent of the land available while providing various protective measures.

Public comments are being accepted up to March 18.

WHAT IS RDC?

RDC is the Resource Development Council for Alaska, Inc., a statewide nonprofit, membership-funded organization made up of individuals, local communities, Native corporations, organized labor and businesses from all resource sectors, including oil and gas, mining, fishing, timber and tourism. Through RDC these interests work together to promote and support responsible development of Alaska's resources.

RDC was formed in 1975, originally as the Organization for the Management of Alaska's Resources (OMAR). Today RDC is a consensus building organization linking diverse interests. It has become a leader in resource education from the classroom to the newspaper.

Get involved and help RDC advocate and educate for today, for the future.

MEMBERSHIP APPLICATION

Resource Development Council for Alaska, Inc.
121 W. Fireweed Lane, Suite 250, Anchorage, AK 99503-2035
Phone: (907) 276-0700 Fax: (907) 276-3887

Name: _____

Title: _____

Company: _____

Mailing Address: _____

City/State/Zip: _____

Phone/ Fax: _____

E-mail Address: _____

Website: _____

ANNUAL MEMBERSHIP CATEGORIES

	CORPORATE	INDIVIDUAL
PLATINUM	\$3000 or more	\$500 or more
GOLD	\$1500	\$300
SILVER	\$750	\$150
BASIC	\$500	\$75

PLEASE CIRCLE 1 OR 2 TOPICS OF MOST INTEREST:

Oil & Gas	Transportation	Water
Timber	Agriculture	Tourism
Mining	Energy	Land (Wetlands)
Fisheries	Labor	Education/AMEREF

METHOD OF PAYMENT: Enclosed is a check for \$ _____ or

MC/VISA/AMEX # _____ Exp. Date: _____

The Resource Development Council for Alaska, Inc. is classified a nonprofit trade association under IRS Code 501(c)(6). Membership dues and other financial support may be tax deductible as an ordinary and necessary business expense, however, 15.9% of the dues are non-deductible. Dues are not deductible as charitable contributions for federal income tax.



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For over 50 years, Era Helicopters have been advancing the aviation industry in Alaska. At the forefront of our mission is safety and service. From assisting with the Northstar Oilfield project on the North Slope, to providing sightseeing opportunities on Juneau's Icefield our helicopters are always ready. Even though the precious cargo may vary, our commitment to aviation excellence never will.



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RESOURCE DEVELOPMENT COUNCIL

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