



FISCAL PLAN NEEDED NOW

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On behalf of the Resource Development Council, the Alaska Support Industry Alliance, and the Associated General Contractors of Alaska, three of the 19 organizations that recently signed a letter to the Governor and members of the Alaska Legislature encouraging them to develop a long-term fiscal plan, we would like to encourage all Alaskans to become engaged in this important issue.

The complete list of participating business, civic and trade associations are listed at the end of the letter which is reprinted on page three of this publication.

The cooperative work of this diverse group of Alaskans is symbolic of the work that now needs to take place in Juneau. Each organization that signed the letter took a risk by accepting a less than optimal proposal from its individual perspective in order to participate in a larger consensus.

In other words, organizations representing Alaskan businesses, communities, trade associations and educational interests compromised on details in order to achieve a greater goal. We need our elected officials from both parties in both the executive and legislative branches to follow suit.

The tools available to solve the problem are well defined. What we need now is the fortitude to put them into action. Our group plans to work constructively with both the Murkowski administration and the legislature as they strive to solve our state's ongoing fiscal imbalance. We have asked them for leadership, we have encouraged them to work together, and we have promised them our participation and support.

One thing is clear: This is no time for politics. If every interested participant in this debate pursues the most self-centered, politically advantageous course of action, the problem will not be solved and all Alaskans will suffer. Rhetoric must be cast aside in favor of action. Poll-watching must be supplanted by

leadership. Political calculation must be replaced with statesmanship.

Resolving the state's ongoing fiscal imbalance is a challenge greater than one political party or one branch of government. The responsibility of leadership in this instance falls on a broad cross-section of Alaskans.

Republicans and Democrats in the legislature must begin to build a level of trust that will allow them to work cooperatively.

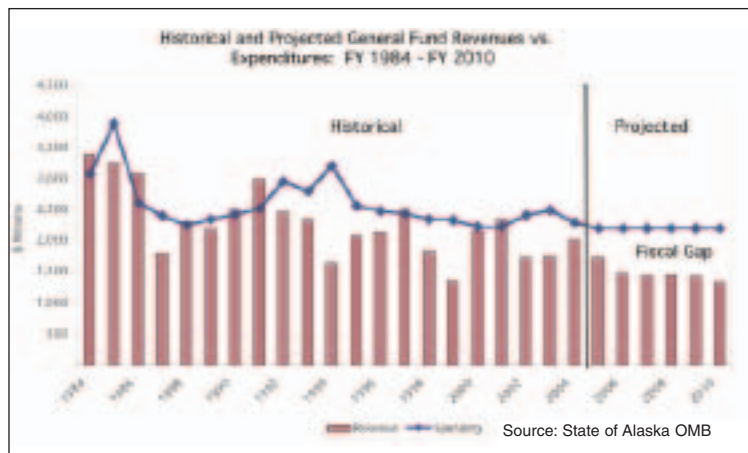
The administration must also cultivate an improved relationship with members of both parties in the legislature.

Business and civic organizations must educate their members and work cooperatively with our elected officials. The media must resist the temptation to pick at wounds from the most recent campaign season, and instead concentrate on the actions of today. Rather than look back, we must all begin to focus on the future.

As we stated in our letter, "With leadership and courage..., a long-term fiscal plan for Alaska can become a reality. The challenge of ad-

ressing our state's fiscal imbalance is daunting, but the successful creation of a sound management plan will provide long-term economic benefits to Alaska."

We have good reason to believe the legislature and the Governor are listening, and intend to work with us and other Alaskans to meet this challenge.



In eleven of the past thirteen fiscal years, the State of Alaska has drawn from its chief savings account, the Constitutional Budget Reserve (CBR), to balance its budget. Based on Governor Murkowski's FY '05 proposed budget, the CBR is projected to run dry between 2007 and 2008. RDC and other organizations will be working with the Murkowski administration and the legislature to develop a long-range fiscal plan for the state.

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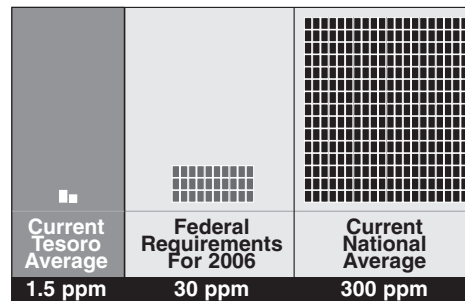


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Resource Review is the official periodic publication of the Resource Development Council (RDC), Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in a responsible manner and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

FISCAL POLICY LETTER TO GOVERNOR FRANK MURKOWSKI AND ALASKA LEGISLATURE

To Governor Frank Murkowski
and the Alaska Legislature

The undersigned business, civic and trade associations, representing hundreds of Alaskan companies and organizations, and tens of thousands of Alaskan workers, urge the legislature to work with the Murkowski administration during the upcoming session to develop a comprehensive, long-range fiscal plan for the state.

While the ultimate decisions regarding Alaska's revenues and expenditures rest with the administration and the legislature, the undersigned associations commit to fully participate in the debate, and pledge to help resolve this issue in a manner that will do the most good for the greatest number of Alaskans over the long term.

Details of any prospective plan will no doubt be both practically and politically difficult to develop. Nonetheless, we believe the following general steps must be taken:

Budget Discipline

Alaska must adjust to the reality of lower revenues just as a family or business would — by controlling spending. Reasonable spending controls should be incorporated into any long-term fiscal plan. However, our organizations do not believe it possible or wise to correct the entire fiscal imbalance through budget cuts alone.

New Uses of Permanent Fund Earnings

We believe appropriating a portion of the earnings from the Permanent Fund to help support state services is a legitimate use of those funds. Furthermore, we strongly support the creation of a "percent of market value" structure for the Permanent Fund. Using some of the Permanent Fund earnings for state government should not preclude the Alaska Permanent Fund Dividend program from continuing and growing.

Institution of a Broad-Based Tax

Spending controls and new uses of Permanent Fund earnings may not be enough to close the state's fiscal gap over time. In light of this fact, we believe it is appropriate for the legislature to consider the implementation of a broad-based, statewide tax. Any discussion of statewide taxes should include a thorough, public analysis of an income tax, a sales tax and any other broad-based taxes.

The fiscal challenges facing Alaska are not new and the tools available to address the problem have been well defined. However, without a sound fiscal management plan there is a growing risk to the state's economic health with every passing year. In fact, uncertainty regarding Alaska's fiscal regime has been mentioned as a primary disincentive to private investment in the state. Fortunately, at this time, Alaska has a wide array of potential options to address this challenge.

Each of the steps outlined above encompasses a multitude of variations. In creating a fiscal package, we encourage the

legislature to incorporate elements from all three general recommendations beginning with spending controls, moving to new uses of the Permanent Fund earnings and finishing with a new broad-based tax, if necessary.

We are eager to support a responsible, committed effort to address this issue during the next legislative session. With leadership and courage from both the administration and the legislature, a long-term fiscal plan for Alaska can become a reality. The challenge of addressing our state's fiscal imbalance is daunting, but the successful creation of a sound management plan will provide long-term economic benefits to Alaska. Failing to address this challenge now risks irreparable harm to future generations of Alaskans.

Sincerely,

Karen Casanovas, Executive Director
Alaska Air Carriers Association
R.B. Stiles, President
Alaska Coal Association
Mayor Kathie Wasserman, President
Alaska Conference of Mayors
Mary Francis, Executive Director
Alaska Council of School Administrators
Dave Tyler, President
Alaska Fire Chiefs Association
Dean Baugh, President
Alaska Government Finance Officers Association
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Carl Rose, President
Association of Alaska School Boards
Rich Heig, President
Council of Alaska Producers
George Lochner, President
Eagle River and Chugiak Chamber of Commerce
Lance Miller, Executive Director
Juneau Economic Development Corporation
John Shively, President
Resource Development Council for Alaska, Inc.

On the web: [Governor Murkowski's proposed FY 2005 budget
www.gov.state.ak.us/omb/05_omb/budget/](http://www.gov.state.ak.us/omb/05_omb/budget/)



Mark Sexton, President of Evergreen Resources Alaska Corporation, stands in front of one of his company's drilling rigs. At left, an Evergreen production location in the Mat-Su Valley is dwarfed by fall foliage. (Photos by Judy Patrick)

EVERGREEN LOOKS TO THE FUTURE IN ALASKA

By Mark S. Sexton, President and CEO
Evergreen Resources Alaska Corporation

Evergreen determined recently that our initial shallow gas pilot wells in the Mat-Su Valley are not economically viable at this time. Technically the project is encouraging, since the wells are capable of sustained natural gas production. Since then, many have asked us what our plans are for Alaska. Some have even asked if Evergreen plans to leave Alaska. The



Evergreen's Stromberg production facility in the Mat-Su Valley includes a 400-barrel production tank and meter shed. The facility has containment berms with impermeable liners. (Photo by Judy Patrick)

answer to that is "Evergreen expects to be here for a long time." Here's why.

Alaska has a tremendous resource and opportunity in shallow natural gas. With an estimated 1,000-plus trillion cubic feet of coalbed methane resource across the state, Alaska is prime for this kind of environmentally-friendly development. The more remote regions of the state particularly need this type of long-lived, reliable, clean-burning energy supply. Southcentral Alaska faces a potential shortfall in natural gas supply later in this decade.

Toward the end of 2003 we began the drilling of five "core holes" (geologic tests) across the Valley to gain more information on the depth and quality of the coals and coal bed natural gas we might develop. We expect that coal deposits to the north and

west of the existing Pioneer Unit will have higher commercial potential than those to the east and south. We need to complete these tests and analyze the results, then review the results with the regulatory agencies, before we move ahead with any firm plans for additional pilot programs or extended development.

As in our previous drilling activity at our pilot sites, Evergreen remains committed to low impact operations with care for the environment and nearby residents. These are the principles we live by:

- Always be honest and straightforward.
- Never promise what you cannot deliver and always deliver what you promise.
- Always consider the environment while finding, developing and producing the clean-burning natural gas that consumers need.

Environmentally-responsible development is not just a desire, it is our personal and corporate philosophy, as demonstrated by our actions and our mission statement.

- Ensure that limiting surface disturbance is a priority.
- Be consistent in determining when and how to compensate a landowner regarding use of his surface.
- Provide direct access to Evergreen personnel responsible for operations on a landowners property.

Our presence will enrich the communities where we conduct business.

While these principles guide our operations, we understand that a formal regulatory regime is required to provide certainty to all stakeholders — surface owners, mineral owners, regulators and elected officials. Safeguards must be in place so that legitimate concerns

“You have our commitment that we will do it right and uphold the high standard that industry has set in Alaska.”

are addressed.

We are committed to a responsible regulatory environment, and we support the state and borough processes now underway for developing shallow gas guidelines, not just for Evergreen, but for all future operators.

In fact, we are probably the best source for technical information relating to such regulations as we have deep and broad experience in one of the most successful coal bed methane developments in the U.S., the Raton Basin of southern Colorado.

The geology, hydrology, rock mechanics and industrial archeology of the Raton Basin is remarkably similar to the Mat-Su Valley, and the development of this basin is the best analogue for prospective shallow gas development of the Mat-Su Valley. Our record in this area speaks for itself:

- We have drilled more than 1,000 shallow natural gas wells in southern Colorado, none of which has adversely impacted residents’ drinking water. NONE of our Alaska wells will adversely impact Alaskans’ drinking water either. Period. Our business ethics and Alaska’s regulations will guarantee NO impacts.

- We have not drilled under anyone’s house, and we NEVER will.

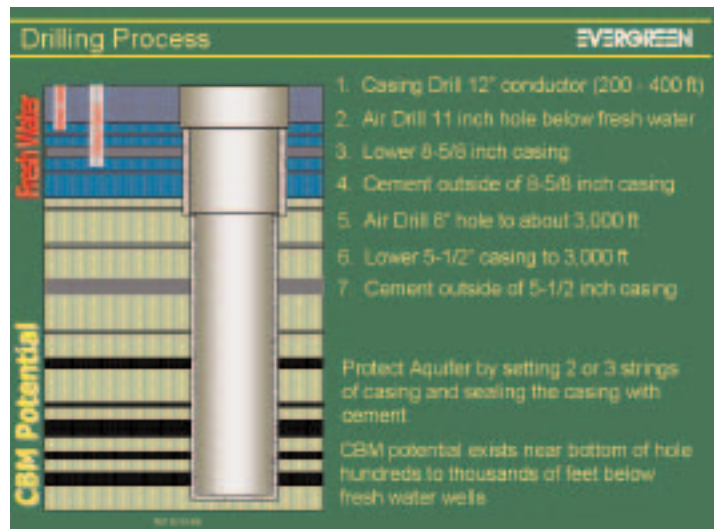
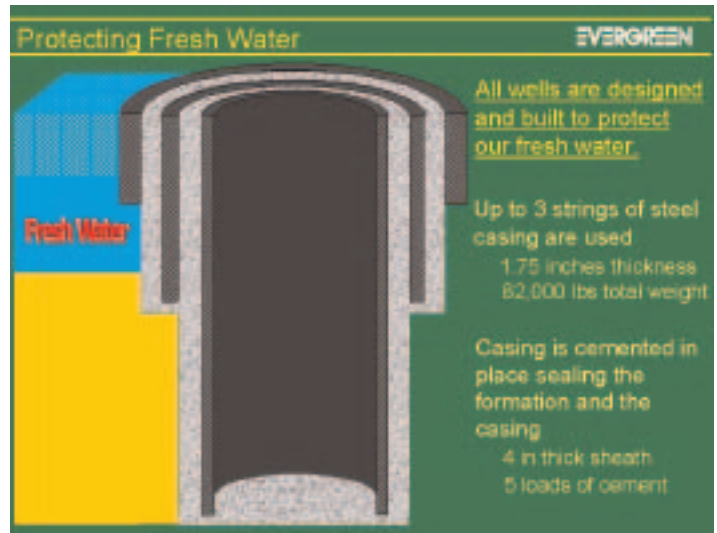
- We respect surface owner rights. More than 99% of all the wells we have drilled were done with a signed surface use agreement with the surface owner, regardless of mineral rights ownership. No one has ever had to seek

reclamation under a surface bond as a result of our operations.

- We have hired experts to provide constant input regarding potential impacts of our operations in the Valley, including the concerns of Valley residents, split estate issues affecting surface owners, mitigation of impacts of our operations by use of existing infrastructure, and improving the Valley’s economy and job base, while leaving the smallest possible footprint.

Our focus going forward is to bring the economic benefits of shallow gas development to Alaska as we did to southern Colorado — hundreds of high quality, long-lived higher paying jobs, prosperity and growth for Valley contractors and service industries, tax revenues that will fund needed infrastructure and Valley services, and a long-term secure supply of the cleanest-burning of fossil fuels. A base of operations in the Valley will allow us to assist Alaska in solving its challenges of supplying power to rural villages.

We plan to continue providing tours of our operations in Alaska and Colorado. Just last month, Reps. McGuire and Joule joined the long list of those who have toured our Colorado operations. Among others that includes Lt. Gov. Leman, Sen. Dyson, regulators from the Division of Natural Resources, the Alaska Oil & Gas Conservation Commission and a number of press



The illustrations above outline the drilling process for an Evergreen coalbed methane well and the measures taken to protect fresh water.

representatives and private citizens.

In Alaska, numerous local and state elected officials and private citizens have toured our pilot operations in the Mat-Su. We are proud of our operations and our operating record with regulatory agencies, as well as the minimal impact of our environmentally responsible operating methods. Coloradans and Alaskans do not have to choose between the positive quality of their outdoor-oriented lives and coexistence with environmentally responsible energy supply. We can and must have both.

Evergreen is grateful for the support of RDC and the

Alaska Oil & Gas Association. Alaska is fortunate to have the best group of oil and gas operators of any producing state, as evidenced by the positive coexistence of industry with the wilderness in world-class scenic areas.

We join with these highly capable organizations, further joining with regulators and elected representatives, in moving toward a sustainable, environmentally-friendly model for shallow natural gas development that will make all of us proud.

You have our commitment that we will do it right and uphold the high standard that industry has set in Alaska.

JUDICIAL RESPONSIBILITY AND ENVIRONMENTAL DECISION MAKING



James Burling

An unprecedented debate raged in the Senate recently over President Bush's nominations to the federal appellate courts. Advocacy groups have come out in force to support or oppose a substantial number of nominations. Even the lower level trial courts are not immune to intense scrutiny. In December, a former PLF attorney was invested as a judge on the Court of Federal Claims—but only after he was subjected to blistering—and unfounded—criticism from the environmental left.

The politicization of the nomination process is a natural consequence of the politicization of the judiciary. No longer content to sit on the sidelines of legislative debate, many courts have become de facto legislators, crafting and modifying laws at a dizzying pace. Congress has not helped. Rather than passing clear and unambiguous statutes, the work product of that body is often marked by vague and contradictory mandates, with the details left to be filled in by administrative agencies and the courts. Nowhere is this more evident than in environmental legislation on wetlands and endangered species.

The Clean Water Act says that it is unlawful to “discharge dredge or fill materials into navigable waters” which are defined to include “the waters of the United States, including the territorial seas.” After a series of lawsuits in the 1970s and 1980s, that was eventually interpreted by the Corps and the courts to include wetlands, or at least wetlands that were “inseparably bound up with the ‘waters’ of the United States.” In time, the Corps saw its duty to regulate not only wetlands adjacent to navigable waters, but also to isolated and remote wetlands, with no connection whatsoever to navigable waters.

Since Congress has jurisdiction over interstate commerce, and because some birds are hunted, and because there is commerce in hunting, the Corps ultimately decided that it could regulate any isolated wetlands in the United States so long as a bird might someday decide to stop at a wetland for a drink. This

“glancing goose” theory of wetlands jurisdiction was at first accepted as gospel by a number of lower federal courts. Finally, in 2001, the Supreme Court had had enough. In a case out of Illinois it ruled that the Corps could not regulate a wetland at the bottom of an abandoned rock quarry merely because it was visited by birds. The notion that drinking ducks gave the Corps jurisdiction over the quarry was, the Court held, for the birds.

But that is not the end of the story. Since its defeat in the Supreme Court, the Corps has been arguing all across the nation that any physical connection, no matter how attenuated, to a navigable waterway, is enough for it to claim jurisdiction over an isolated wetlands.

Thus, if a wetland is next to a drainage ditch, which flows into an intermittent tributary of a tributary to a navigable stream many miles away, the Corps claims jurisdiction. In Alaska, the Corps has even been asserting jurisdiction based on groundwater connection to a distant stream. While some courts have rejected the Corps' creativity, others have embraced it. As a result, PLF is engaged in a number of lawsuits challenging the Corps refusal to adhere to precedent. Another showdown in the Supreme Court is inevitable.

The Endangered Species Act has the same story of agency expansionism abetted by judicial activism. Most legislators rightly lauded the goal of the act in 1973 as a means to protect rare and large animals. But the courts, at the behest of the environmental community, have transmogrified the law into an all-encompassing statute that freezes land use wherever any one of even the most obscure plants or insects is found.

Congress, paralyzed at the thought of offending an environmental constituency, has withered in the face of any meaningful proposals for reform. Into the breach stepped a plethora of environmental bounty hunters, led by the Center for Biological Diversity, which file suit after suit to force compliance with requirements for listings and

“Congress, paralyzed at the thought of offending an environmental constituency, has withered in the face of any meaningful proposals for reform. Into the breach stepped a plethora of environmental bounty hunters, led by the Center for Biological Diversity, which file suit after suit to force compliance with requirements for listings and critical habitat designations.”

critical habitat designations.

When the Fish and Wildlife Service began to make wildly generous critical habitat designations, a number of landowners, some represented by PLF, stepped in to sue because of the Service's failure to conduct meaningful economic analyses of the critical habitat designations. Likewise, on the illegitimate designation of species ranging from salmon to snakes, PLF has stepped in to ask the courts to correct agency error. Once again, the courts are in the center of the thicket to the point that the Fish and Wildlife Service claims its entire regulatory agenda is now established entirely by court injunctions—meaning it is critical that landowners have a place at the judicial docket.

Courts are not the ideal forum to make critical policy decisions on the environment. Yet, so long as Congress passes broad mandates full of force but deficient in clarity, and so long as federal agencies shirk their duty to properly interpret the law, the courts will have a tremendous role to play.

In Alaska, issues ranging from critical habitat to wetlands to access across federal lands will be played out in the courts. It is no wonder that the process of judicial nominations has become so politicized.

RDC News Digest

Marshall Honored For Land Selection

In the history of Alaska, there have been many decisions made by courageous people who have helped shape Alaska as it now exists. Frequently these decisions have been made in the absence of complete information and often the benefits flowing from such decisions have only come to be fully appreciated many years later.

In November, at the RDC annual conference, geologist Tom Marshall was publically recognized for his courage and foresight more than 40 years ago in selecting North Slope lands as a portion of the state's land selection entitlement. Marshall's selection was considered a wasted part of the state's land entitlement by some who at the time called it "Marshall's Ice Box."

In 1964 the state issued oil and gas leases covering the newly selected lands; and 13 successive dry holes were subsequently drilled on those lands



Norman presents Marshall with a plaque containing oil from the first barrel of crude to flow through the Trans-Alaska Pipeline. Marshall was the state's land selection officer in the 1960s.

before one more well was drilled at Prudhoe, resulting in the discovery on state lands of the largest oil field in North America.

"Had it not been for his foresight, Alaska might today be a quite different place," said RDC Board member John Norman, who honored Marshall on behalf of RDC. "Tom Marshall's foresight and courage should serve as an inspiration and example to those who are called upon today to make important decisions about the development of Alaska's natural resources under circumstances, where the benefits may not be fully appreciated until some distant date by Alaskans yet unborn."



Alaska's newest resource developer, Nolan Thomas Owens, was born Nov. 11, 2003 to the proud parents of RDC Executive Director Tadd and Amy Owens. Baby Nolan's first words were "open ANWR."

Madsen Leads North Pacific Fishery Management Council

Juneau resident and RDC Treasurer Stephanie Madsen was elected to lead the North Pacific Fishery Management Council by a unanimous vote of her Council peers. She took up the reins of the 15-person Council in October.

The NPFMC manages Alaska fisheries, the biggest in the nation with 900,000 square miles of territory in the North Pacific that provides about half the ocean protein caught in the U.S.

The first woman to lead the Council, Madsen has been a Council member since 2001. She started serving on the Advisory Panel of the Council in 1993, and was Vice Chair of that panel from 1995 until 2001.

Madsen is currently Vice President of the Pacific Seafood Processors Association and formerly worked for the Aleutian Seafood Processors Association.



Call For Technologies

The Prince William Sound Regional Citizens Advisory Council is inviting manufacturers and vendors to submit technical information on crude oil spill prevention and response equipment in order to develop a database of best available technology equipment for the State of Alaska. Information may be considered by the state during BAT determinations. Please go to www.pwsrcc.org/BAT4all.html.

RDC Supports Timely Issuance Of Pogo Permits

In comments submitted to the Corps of Engineers, RDC strongly supported immediate issuance of the Clean Water Act Section 404 Permit for the Pogo Gold Mine Project in Interior Alaska. Timely issuance of the permit would allow the company to move forward with construction operations this winter.

RDC also supported the use of site-specific criteria at Pogo in water quality regulations. RDC noted that such an approach at Pogo makes sense as it would allow for existing water quality regulations to be applied to the project. The proposed action would allow natural conditions to be used when establishing the applicable water quality criterion.

Group Gives Alaska Economy Poor Marks

In its annual economic report card, the Corporation for Enterprise Development says Alaska's economy lags behind most of the nation. The Washington, D.C.-based nonprofit gave Alaska "Ds" in three broad categories: what the state offers its residents, its business vitality and its capacity to grow.

On the plus side, Alaska businesses have been investing in more equipment, and technology employment has grown. However, low marks also came in economic diversity and public funding sources for new business. The state was rock bottom in unemployment.

Merten Bangemann-Johnson with the Anchorage Economic Development Corporation noted that natural resource development was not weighed as heavily as it could have been, something that would have boosted Alaska's scores.

"They're saying it's a bad thing to be overly dependent on one thing, which is true," Bangemann-Johnson told the Anchorage Daily News. "But that is a tough task for small states with economies that began in natural resources." To see the report cards for all 50 states, go to www.drc.cfed.org.

**RDC's 24th Annual Conference - Alaska Resources 2004:
NEW FRONTIERS, EXPANDING OPPORTUNITIES**



“We’ve still got billions of barrels of known oil and gas resources in our Alaskan portfolio -- more than anywhere else in the world,” Steve Marshall, President of BP Exploration (Alaska), Inc., told several hundred business executives attending RDC’s annual conference in November. “It’s enough to sustain production at current levels for the next 20 years,” Marshall said. But developing those reserves will require billions of dollars in new investments. Marshall warned that uncertainty over present, future and even past fiscal and regulatory issues could discourage investment.

At top, Bill Armstrong, founder and president of Armstrong Oil and Gas, and Unocal’s Chuck Pierce (above) credited the Murkowski administration and the Legislature with regulatory reform and streamlining efforts that have encouraged oil and gas exploration in Alaska.



RDC members participated in the conference trade show which was expanded by popular demand. At center, RDC President John Shively visits with Kristen Nelson of Petroleum News. At right, RDC board member Steve Connelly and Susan Bramstedt from Alaska Airlines meet.

**Coal Donation,
Matching
Grants Help
Out AMEREF**



Bob Stiles, president of the Alaska Coal Association, presents a check for \$15,000 from the Coal Classic Golf Tournament to AMEREF president Stan Foo. AMEREF had several successful fundraisers at the end of 2003, including a raffle which netted nearly \$8,000. In addition, over \$25,000 was raised through private and corporate donations to the Wells Fargo and Rasmuson Foundation matching grant drives.

RDC conference PowerPoint presentations and speeches available at www.akrdc.org/membership/events/conference/2003/presentations/



"The Denali Commission is a big part of making a difference in Alaska," said Lt. Governor Loren Leman. "We know communities will not be able to count on state or federal government funding alone for sustenance. That's why the Commission's work to maximize the efficiency of government services and to assist with needs like health care clinics and bulk storage facilities is so important." Leman added that the Commission plans to move beyond just building infrastructure to ultimately assisting rural communities in becoming self-sufficient.



At top, John Garner of Norquest Seafoods pointed out that Alaska must compete on the world market against both wild and farmed seafoods. Above, John Barnes of Marathon Oil said he foresees a busy 2004 with 8 to 12 new natural gas exploration and development wells planned for the Kenai Peninsula, but he warned that permitting and regulatory costs are a burden on new industry initiatives.



Jacob Adams, President of Arctic Slope Regional Corporation, noted that the new ASRC/BP Strategic Alliance holds promise for ASRC to become an oil and gas operator in its backyard -- the North Slope.



Helvi Sandvik, President of NANA Development Corporation, spoke of the vital importance of the Red Dog Mine to the Northwest Alaska economy.



Matthew Nicolai, President of Calista Native Corporation, spoke of new frontiers and expanding opportunities in Southwest Alaska, along with Hjalmar Olson, President of Bristol Bay Native Corporation.



Rick Harris, Sealaska Corporation, addressed economic trends in Southeast Alaska. He noted that although logging has fallen sharply, lawsuits against timber sales continue to be filed at a high rate.



New technology which further reduces the impact of oil and gas development in sensitive areas such as wetlands was showcased at the conference trade show.



State Department of Natural Resources Commissioner Tom Irwin joined Commissioner Edgar Blatchford from the Department of Community and Economic Development in keynote addresses.



A GREAT LADY AND A GREAT ALASKAN

Courage, compassion and competence almost always lead to character. In November, Alaska lost someone with outstanding character when my friend Ramona Barnes succumbed to her long battle with a variety of illnesses. Those of us in the resource community lost a vigorous and outspoken advocate for responsible development of our state's natural assets.

Courage – Ramona would never back away from something in which she believed strongly. Political affiliation, friendship, and popularity all took a back seat to Ramona's passion for setting the world right. To have Ramona on your side was akin to bringing an army into your battle.

Compassion – As fierce as Ramona could be at times, anyone who knew her felt a sense of commitment to and understanding of people and their needs that may have been born of her Bible-belt upbringing, but was nurtured to lofty heights in her political and personal life. To have Ramona call you a friend was to bask in an unrestrained and powerful outpouring of emotion, with hugs that were almost as bone-crushing as they were affectionate.

Competence – She did not arrive here with a degree from Harvard, but she never stopped learning. She had an innate intelligence that country folk like to use to surprise (and often confuse) the more urbanized and formally educated among us. She understood that to succeed she needed a full understanding of the issues before her, and she never shied away from the hard work and dedication it took to learn what she needed to know. It was no accident that Ramona became the first female Speaker of the Alaska House of Representatives.

Ramona and I got to know each other when I was Chief of Staff to Governor Sheffield and she was Majority Leader in the House. Coming from different political parties, it is not surprising that we had some differences on issues of the day. However, we found we had one thing in common – we both believed that giving your word meant keeping your word. On that simple foundation was built 20 years of friendship and affection.

When I was nominated by Governor Knowles to be Commissioner of Natural Resources, there was a certain amount of controversy over the appointment. During my confirmation hearing before the House Resources Committee I was being questioned somewhat aggressively when

Ramona walked in and took her assigned seat at the committee table. She listened for a bit and, when given her chance to speak, she said something to the effect of: "Mr. Chairman, I would just like to say that I know John Shively and I know that he will make a damn good commissioner...And, if he doesn't, I will break both of his legs."

That pretty much ended the debate, and, when the House voted on my confirmation later that session, all 40 members voted to support my nomination. I know that some of those votes were there only because Ramona gave me her unqualified support, the kind of support she gave all of her friends, no matter what their calling in life.

Whether I made a "damn good commissioner" or not, I will leave for others to decide. However, I am pleased to report that I did not spend any of my time as commissioner on crutches.



During my tenure as commissioner, Ramona and I had many opportunities to work issues of mutual interest. On some, like subsistence, we just agreed to disagree. On others we forged the kind of bipartisan working relationship that this state could use more of.

But one issue stands out in my mind as a prime example of Ramona at her finest. That issue was the renegotiation of the Northstar oil leases with BP. The Department of Natural Resources had renegotiated the royalty regime for these oil leases and had submitted the new regime to the legislature for their approval. The issue immediately became a political football. Opposition sprang up from some who just didn't like the oil industry and from others who, for largely partisan reasons, didn't like to see the Knowles administration help develop a new oil field.

After viewing this acrimony for a bit, Ramona decided that she needed to fix the problem. She got the bill authorizing the changes referred to her International Trade Committee (not a committee which would ordinarily claim jurisdiction), where she made major improvements to the work DNR had done. Ramona didn't care whose idea the bill was or which party might get credit. What she wanted was development of our resources and jobs for Alaskans, and that is what she got.

Some say Ramona was one of a kind. Perhaps she was, but, if we are really lucky, there are a few more like her headed our way.

RDC's 24th Annual Conference

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