

work.) But it is also a prescription for permanent and mounting energy problems. Do we really want energy provided in the same manner as mail and rail service, at the same expense as defense cost overruns, and by the same people whose energy policies have given America the only gasoline lines in the world?"

—Senator Mike Gravel

"Only 8 percent of the 143 workers at the Three Mile Island nuclear plant who answered a questionnaire about stress two weeks after the accident there in April ranked concern about radiation exposure as a major source of tension in their lives. Sixty-seven percent claimed they did not even consider such fears a problem. Since the plant is closed down indefinitely, for decontamination and repairs, the biggest source of tension the

workers reported was the perfectly reasonable fear of losing their jobs."

—Berkeley Rice

Psychology Today, July 1979

"After Carter was inaugurated he brought leaders of the environmental and conservation movements into government. They are the key policy makers on the White House staff, in the Department of the Interior and in other top departments. What creates the problem in taking so many of those people into the federal establishment is that they are unschooled in positive approaches. They have dedicated their lives to opposing developments. The only solution they see to shortages is to stop consuming, stop living."

—Ketchikan Daily News

July 1979

RESOURCE REVIEW  
ANNUAL SUBSCRIPTION  
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 **Resource Development Council**  
for Alaska, Inc.

## RESOURCE REVIEW

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# Resource Development Council for Alaska, Inc. **RESOURCE REVIEW**

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JULY 1979

### MEMBERS LEARN MORE ABOUT WETLANDS

Dr. Max Brewer, Chief of Operations for the USGS in the National Petroleum Reserve, Alaska, addressed the RESOURCE DEVELOPMENT COUNCIL on June 28. The subject was wetlands legislation and its practical application for Alaska.

Wetlands legislation is contained in the Federal Water Pollution Control Act of 1972. Basically, the legislation stated that "waters of the United States" included all waters, navigable or not. Jurisdiction over these lands went to the U.S. Army Corps of Engineers.

Brewer was quick to state that no one really "knew" what a wetlands was since there were at least twenty different definitions used by different governmental agencies and as many as 121 different types including swamps, bogs, estuaries, floodplains and submerged lands. The problem was further complicated by regulations that were changing daily.

Brewer, formerly Alaska's Commissioner of Environmental Conservation, stated there was a tendency to "err on the side of conservation" in reviewing wetlands permits and that often there were those within the bureaucracy who misused the wetlands issue to "accomplish other purposes," notably the preservation of wilderness, "while the Alaskan land situation was in turmoil." Brewer surprised the audience by stressing the uselessness of public hearings. He said public hearings were attended "90% by agency personnel and 10% by the private sector." In the 10%, environmentalists outnumbered the rest of the private sector by "two to one". There was also a problem in Alaska because most of the people doing the protesting had not been in the state for any

great length of time. Newcomers had a tendency to shout down the longer-term residents. Thus public hearings were a "tool of special interest lobbyists." Brewer also noted that public meetings often became a "copout" for the administrator who could throw up his hands in self-righteousness and declare, "Well, that was what the public wanted!"

With the governmental tendency toward layering, Brewer said wetlands could be better managed under current programs, perhaps Coastal Zone Management, rather than creating more bureaucracy. And, any regulations should be applied in "urbanized" and "industrialized" areas rather than willy-nilly throughout the state. Regulations should be based on the logical, rational foundations and not be subject to the whims of political winds of the moment. There should also be flexibility for local conditions. Brewer made it crystal clear that government agencies' myopia often created environmental degradation that was unnecessary. "This," he said, "is too wasteful of resources and too damaging to the environment."

Dr. Brewer recently received a meritorious service award from the Department of the Interior for his work in Arctic Alaska. The award, signed by Cecil Andrus, stated that Brewer was being recognized for his "outstanding contributions to geology and the knowledge of permafrost, their application to environmentally-sound engineering design and practices and for excellence in arctic logistics operations with the Geologic Survey (USGS)."

Dr. Brewer was the Director of the Naval Arctic Laboratory in Barrow for 15 years.

**COMPLIMENTS FOR THE COUNCIL**

Theodore Barrington, Senior Editor for the Oil & Gas Journal, Tulsa, wrote this month to tell us he enjoyed the Resource Review. Thanks, Mr. Barrington.

Another compliment was directed to our membership in general and to the Thursday morning gatherings, in particular. A visitor from California sitting in on the agricultural presentation by Ed Kern, noted the diversity of the

membership and the intensity of its interest. In a conversation with staff afterward she stated, "I thought all intellectuals were associated with universities. This is refreshing. With business and labor interests and civil servants talking about agriculture there is hope for the world!" We're pleased to pass along the compliment to those who earned it, our membership.

**GOLFERS HAVE MORE FUN**

The Walter Hagen Memorial Golf Tournament will be held August 5 at Elmendorf Air Force Base, and you're invited. Best ball scramble. Entry fee

\$20 plus green fee. Sponsored by the American Cancer Society. Sign up by calling 277-8696.

**FOOTBALL NOT EARTHBALL IS THE GAME**

**SEPTEMBER 15 IS THE DAY**

Seward, Alaska is the site for the All-Star Coed Touch Football Game between the Alaska Legislature's Budget Busters and the Council's Resource Raiders. And, in this game, anything goes! Yes, we did plan to play Earthball, but one practice game was enough to convince us otherwise. Only if you have been mauled by a five foot ball can you appreciate why Earth-

ball was scratched. Even football gets rough, so the men and women on both teams will be encouraged to be affectionate rather than aggressive.

There is still time to sign up for either team through the Council office, 278-9615. Experience is discouraged; the less you have, the better you'll be able to cope with the World's Worst Referee.

**CLANDESTINE CULT DISCOVERED IN ANCHORAGE SPEAKEASY**

Upstairs at Pierce Street Annex a mysterious group is meeting after work these days.

They're plotting. Brainstorming. Conniving. Cajoling.

Cult leader Bill Purrington is Chief Cajoler, responsible for melding 600 people and 6,000 details into a fine-tuned event. And that ain't easy!!

The plotters — Judy Rolle, Dan Aberle, Grace Pleasants, Hameed Ahmad, Gloria Winn, Jinnie Holley, Harry Moening, Liz Letts, Jeane Macri,

Colleen Moening, Gloria Toker, Charlene DeWees, Kelly Gay, Chuck Thomas, Joan Henneman, Linda Good, Jackie Lindauer, Pat Bonney, Laurie Herman, Doug Earley and COUNCIL staff... are making certain the ROARING TWENTIES EXPRESS to Seward (for the big football game) will be full of surprises for you.

There's room on the committee for brilliant thinkers and organizers such as you. Give Bill Purrington a call at 274-3586.

**WHITE HOUSE OFFICIALS TALK WITH ALASKANS**

COUNCIL President James G. "Bud" Dye, in a meeting with Presidential aide Tim Kraft, gave Kraft a letter for President Carter. In the letter Dye noted that "Alaska's coal resources are as great as those of the continental states combined. Much of this coal has an astonishing low sulphur content — less than 0.2 weight percent. Also, a considerable amount of the coal is near tidewater which gives Alaska an important advantage in shipping to Pacific Rim countries, especially Japan and Korea. With research and development directed toward the properties of our low-BTU coal, we believe an economic breakthrough is possible that could have a significant impact on our nation's energy crisis and the balance of trade"

And in Fairbanks, labor union officials made plain their dissatisfaction with Carter's policies. In a meeting between Tim Kraft and the Joint Crafts Council, labor officials stated with alarm that Fairbanks was suffering a depression. Kraft heard that Alaska was a very small state with extremely large mineral reserves that could not be touched because of the uncertainty of land status. High rates of unemployment have caused apprenticeship programs to be closed; youth were no longer being trained for jobs because jobs did not exist. Bob Aaron, Democratic State Party Secretary, told Kraft that "in the non-construction trades we have 25% unemployment and in construction it averages 60 to 75%. If we're going to be responsive

influencing the decision. (It is interesting to note that the first ship built on the West Coast of America, the Phoenix, was

built by the Russians and launched from Tonsina Point, Resurrection Bay, in 1794.)

**DOING IT WASHINGTON'S WAY**

For the past decade the Usibelli Coal Mine in Healy has worked to reclaim as much mined land as it possibly could. In fact, its efforts have been so rewarding that 2,300 acres have been turned into farming areas. Dall sheep have begun moving onto the reclaimed land, moose are frequent visitors and caribou — "for the first time in recent memory" — have been spotted on the reclaimed areas. Trees have been planted and fast-growing grasses have taken over the spoils piles. The RESOURCE DEVELOPMENT COUNCIL was so impressed with Usibelli's reclamation work that it was given the Council's first Environmental Enhancement Award.

However, new federal regulations threaten to stop the Usibelli reclamation effort. The regulations, which may fit other states but have little applicability for Alaska, say, for instance, that embankments in mined areas must be removed. These "highwalls" are used to

advantage by Dall sheep to break the wind and serve as high ground to watch for predators. For cattle the removal of embankments is a legitimate concern. Their removal would eliminate the Dall sheep from the Healy area.

Another regulation states that blasting can only be done during the day-time. This means that all blasting would be limited to about 90 minutes in the winter but could be done 24 hours a day during summer.

And yet another regulation is that all water returned to a river must contain no more than 35 milligrams per liter of suspended particles. The problem, however, is that the Nenana River ALREADY carries 3,000 to 11,000 milligrams per liter. In other words the Usibelli Coal Mine must clean up the water of an already dirty river.

Rest assured your COUNCIL will not sit still for this latest example of distressing legislation affecting an Alaskan industry.

**NOTABLE QUOTES**

"One goes so far as to wonder whether, really, it was in Alaska's interest to join the union."

— William F. Buckley

"Senator Ted Stevens has a point when he warns that closing the haul road would look like cooperation in the lock-up war by, of all people, Alaskans."

—James L. McClelland  
Letter to Anchorage Times

"Diplomatese: When they speak of a situation as being "fluid," they mean the whole thing is about to go down the drain."

— Philip Pastoret

"I jokingly call Washington Disneyland East because it's a makebelieve world of averages and statistics. But averages and statistics don't say that much about the people you are affecting and the way they live."

—Alex Mercure  
Asst. US Secretary of Agriculture

"Philosophically, being a Republican I'm concerned that there's too much of a socialistic trend among the legislators and the government and the

bureaucracy."

—Bob Bettisworth

"Diplomatese: A concrete agreement is one in which both sides have hardened their positions and can't be budged."

—Philip Pastoret

"The day before the vote [on the Udall Bill], people began wearing caribou and bear buttons, which were white with a color picture of the animal. That's when we said "We need some people buttons."

—Helen Finney  
Alaskan Women in Timber

"I have been conducting hearings on the so-called "wind-falls" tax. In fact, it's not a profits tax at all, but an excise tax — a revenue measure for the federal government. Deregulation as proposed by President Carter is actually RE-regulation... As the Wall Street Journal says, this is a DE FACTO nationalization of the energy industry. The JOURNAL says: "The future currently being sketched out in Congress is cushy for the politicians (who can dole out energy project money), and perhaps comfortable enough for some of the oil giants (who will get government contract

Continued next page

## THE GREAT GAS CRUNCH

In an effort to get to the bottom of the story of who is responsible for "The Great Gas Crunch," the Los Angeles Times assigned two dozen reporters and staff members to investigate the energy crisis generally and the gasoline shortage specifically. Their report appeared in the Los Angeles Times on Sunday, May 20, 1979.

What the reporters discovered was a painful, step-by-step scenario that might happen any moment anywhere in the United States. It began months before the actual appearance of gas lines. At that time businesses, large and small, rushed to stockpile their gas tanks. Anticipating higher fuel prices later, it seemed an economic move. But, when the oil companies looked at the sudden bulge in industrial purchases they based their marketing analysis on what turned out to be inaccurate information. Then, during the spring, as supplies of gasoline were running low, the White House quietly called oil industry leaders to Washington to convince them to reduce gasoline supplies in favor of heating oil.

As a result there was a reduced amount of gasoline at service stations throughout the nation. California was hit hard by this reduction as the shortages were allocated evenly; but recent population gains had not been accounted for. Southern California was forced to

## SEWARD LOOKS AT DEVELOPMENT PROSPECTS

Results of a recent land-use survey conducted by the Kenai Peninsula Borough indicated strong support for industrial growth in Seward. And Seward may well have it if plans for a major shipbuilding and repair facility materialize.

In the survey, thirty percent of the 550 households within the Seward City limits responded. Sixty-three percent indicated they had been there longer than six years. Of those polled, only 13 percent wanted to see the town remain the same size. Fifty percent wanted to see the city grow to a population of 5,000. Thirty-four percent preferred a more modest growth to 3,000. When asked about development, 91 percent favored more. Given a list of possible industries, the survey respondents favored industrial development as follows:

Boat servicing and repair . . . . .	85%
Fish processing . . . . .	84%
Light manufacturing . . . . .	76%

share a disproportionate share of the burden. Then the squeeze became even tighter. Dealers, in an attempt to keep against their next months' quotas. Although this temporarily eased the problem, it only put off the inevitable. By late April gasoline dealers suddenly realized that their stocks of gasoline were running "perilously low." In an effort to curtail any waste of the commodity, major oil companies cut back on allocations. At the same time, some oil companies stopped the practice of borrowing against the next month's quotas. This was the fatal factor. The first week of May brought gasoline lines and very hot tempers.

In concluding their report, the Times staff noted there was no clear road to tomorrow. The outlook for California and the rest of the United States was far from rosy. There was indeed a petroleum shortage and would be for some time to come. Though supplies of gasoline for the moment are stabilizing, there is a question of what will happen when winter comes and some petroleum must be diverted from gasoline production to home heating oil production.

The energy crisis is here to stay and Americans had best be part of the solution rather than part of the problem or, as the saying goes, this winter there just might be some Americans "freezing in the dark."

Lumber manufacturing . . . . . 73%  
Results of the survey indicate that the shipbuilding and repair proposal will find a receptive city. In its initial phase the shipyard will be concerned with vessel repair and conversion of existing boats to fishing craft. It will also provide fabrication and repair services to offshore oil rigs and their supply boats. Eventually the shipyard will be engaged in new vessel construction. Three firms involved in the project are Northern Offshore, Inc., Denconsult and Burmeister and Wain. Burmeister and Wain is one of Denmark's three largest corporations and has been shipbuilding since 1943.

Seward was selected as the site for the shipyard after months of research and analysis by consultants to the two contracting firms. Besides its central location and natural deep water harbor, the presence of the Alaska Skill Center was cited as an important factor

to the federal government, I think in this one case, this is a depressed area, this is a severe depression, we need some employment here. If we are importing up to 80% of our strategic minerals from over-

seas, some from unstable countries, why preclude mining and exploration throughout the state?"

We suspect Mr. Kraft returned to Washington a bit older and wiser.

## UPDATE ON BOTTOMFISHING

Governor Hammond recently adopted a comprehensive plan for the development of Alaska's bottomfish industry. The report was the product of the Bottomfish Task Force which Hammond appointed in April of 1978. It is to be the guideline for fullscale development of the industry and is designed to bring together key state agencies and their resources to assist the private sector in developing a viable and profitable bottomfish industry.

Governor Hammond said the "state's role in development of the bottomfish industry may be likened to that of the World Bank which assists and capitalized development in newly-emerging nations. Alaska, to some extent, is similar to . . . third world nations. We need docks, ports, roads, and community facilities, and other support facilities to encourage expansion into this renewable resource industry. The plan puts us on

the road to accomplishing these objectives.

With the development of our own bottomfish industry, said Hammond, Alaskans will be harvesting the ground fish crop that foreign fishermen have traditionally taken.

Recently the Carter Administration unveiled a major new policy for the developing commercial fishing industries in the United States. The most welcome news to Alaskans was the release of \$1.45 million to the Alaska Fisheries Development Corporation. Sara Hemphill, Executive Director of the Corporation told the COUNCIL June 14 that there were hundreds of possibilities now open to fishermen. And, with the larger packing vessels that can handle a progression of fish rather than one species a season, bottomfishing can turn into a fulltime industry rather than a seasonal occupation.

## SO YOU THINK YOUR VOTE'S NOT WORTH MUCH?

John Bush, Vice President, Governmental Affairs for United States Gypsum Company, has played with voting statistics and reached some interesting conclusions. He says:

"If each Congressional district were statistically even (and of course they are not) there would be 478,000 constituents in each. Of the total, 331,000 would be old enough to vote and 220,000 would be registered voters. Only 37.9% or 125,000 would have voted in the last Congressional election.

"In the 1978 Congressional election 27 percent of all seats in the House of Representatives were decided by a margin of 1.8 percent or less. In the Senate over 50 percent of all seats were decided with the victor getting 54 percent or less of the vote.

If 125,000 people actually voted in the "average" district, that means 118 seats in the House were actually decided by less than 2,150 votes.

"When most politicians' primary interest is getting reelected, they can hardly afford not to be responsive. Thirty or forty letters and phone calls on any one issue is considered a good indication of interest by a representative.

"If 2,150 votes or less decided the fate of 118 Congressmen, you can bet grass roots action pays off. Can you afford not to participate in the democratic process?"

With these thoughts in mind, Bush urged that we write or phone our Congressmen and Senators today about issues that concern us. Good advice.

## CONFERENCE ON ALASKAN ECONOMIC POTENTIALS

The Alaska Growth Policy Council will hold a conference on Alaskan Economic Potentials on July 31. The panel discussion will key on resource options to dependence on oil as the mainstay of Alaska's economy. Mining, agriculture, timber, tourism and fishing

will be discussed as well as technologies appropriate to Alaska. Beginning at 8:30 a.m., the conference will be held in the Easter Island Room of the Captain Cook Hotel. For reservations call Harold Pomeroy, 272-7375.

**NECESSITY,  
THE MOTHER  
OF  
INVENTION**

With skyrocketing fuel prices, Americans are becoming ingenious in their search for new forms of energy. One such example is being demonstrated by Mr. R. Charles Vowell of Unalaska. Vowell recently won a \$12,100 grant from the Department of Energy's Appropriate Technology Small Grants Program. His idea: to operate a 10,000 gallon capacity bio-gas generator which will use crab wastes from the community's canneries as fuel. About 50 percent of the crab catch is considered waste and is presently ground up and dumped into the ocean. Vowell will use the shells to produce methane and the gas will be distributed to the residents of Haystack Hill. This, in turn, will reduce the neighborhood's dependence on propane and

diesel heating oil. And the sludge will be utilized as fertilizer.

There is also a move afoot to convert farm products, notably barley, oats, corn, wheat, potatoes and sugar beets, into alcohol which is mixed with gasoline. This new blend of "gasohol" is not exactly new. It was marketed in the 1930s under the name of "Agrol" but could not compete with cheaper petroleum. Several other attempts have been made to market the product, but it has only been with the Iranian crisis and continued OPEC price increases that gasohol has appeared economic.

Who knows, perhaps some day soon America's cars will be run on corn from Kansas, sugar beets from California and potatoes from Idaho.

**SYNTHETIC FUELS:  
NEW OPTIONS  
FOR ENERGY**

The term "synthetic fuels" covers a wide range of oils extracted from coal, tar sands, shale, heavy oil and farm crops. Coal is the most abundant source of energy in the United States. Deposits of shale are found in the South, the Midwest and the West. Tar sands are in Canada and the Midwest. Farm crops could produce alcohol to be mixed with oil to enlarge supplies.

Much of the technology is already available, in one stage or another. The Germans had synthetic fuel from coal in World War II and South Africa has been making it since 1955. Brazil intends to get 2- percent of its automotive fuels from alcohol by the mid-1980s. But so far the economics have worked against developing commercial production of synthetic fuels, which generally cost about 20 percent more than the world price of oil.

Today, with soaring energy costs, production of synthetic fuels, known as

"synfuels," is becoming more feasible. In fact, by the year 2000 some energy experts expect as much as 50% of the nation's energy needs to be satisfied by synfuels. But it will be expensive.

For years private industry has tried to develop an economically feasible production process for synfuels. Synthetic fuel from compressed coal seems to be the most promising. The government is building two conversion plants and two more are on the drawing board. Soon, in the nation's first large test of coal-based synfuels, New York's Consolidated Edison Power Company will burn 5,000 barrels of the fuel.

Although the price for synfuels is high, often about \$30 per barrel, it may not be long before synfuels are used for conventional power generation. A flurry of new bills to promote synthetic fuel development have been introduced in Congress. Some may pose interesting options for economic ventures in Alaska.

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**IT'S YOUR  
TURN TO  
GRIPE**

Mark Twin remarked "Everyone talks about the weather but no one DOES anything about it!" If he were here today, he could say the same thing about government regulations.

The Department of Environmental Conservation and the Department of Commerce and Economic Development have been charged with uncovering those regulations that are UNNECESSARY, EXCESSIVE, RESTRICTIVE, or DUPLICATE other Federal or local regulations.

Because of our members's experience ind dealing with regulations, we are soliciting IDEAS from you to help GUIDE the state in this effort. Please take a few minutes to think about and list the problems you have had with regulations. Ask your accountant and othe employees for ideas. Please be specific and cite the regulations involved if possible. Actual case incidents will be very helpful for illustrative purposes.

EXAMPLES OR PROBLEM AREAS:

\* Do you know of similar reporting

**57 MILLION  
ACRES UP  
FOR GRABS**

The RESOURCE DEVELOPMENT COUNCIL has protested the Department of Interior's proposed withdrawal of 57 million acres. In reviewing Interior's explanatory document, staff was alarmed to discover that the Susitna Hydroelectric project, previously thought to be untouched by these proposed withdrawals, had been included. Another alarming development was that the U. S. Fish and Wildlife proposal was not consistent in acreates. In the news release total acreage was listed as "57 million acres." In the 204(c) withdrawal information the total acreage was listed as "69 million acres." At presstime for the Resource Review and after the deadline for comments on the proposal this matter had not been resolved.

The COUNCIL's letter of protest, six pages long, said there had been inadequate prior announcement and that the subject lands had been, in many cases, either unidentified or environmental impact studies had not been made for them. In specific references the COUNCIL pointed out that of 2,400

**COUNCIL  
OFFICERS  
CONDOLENCES**

We are deeply saddened over the tragedy that has struck two of our members -- Troy Air and Parker Drilling

requirements required by two separate agencies on separate forms and/or at different times?

\* Is there a regulation that is difficult to follow?

\* How about contradictory regulations?

\* What about regulations that are extremely restrictive or excessive?

\* Are there any that place extreme financial burden on your business?

This is your opportunity to help on a project the Council totally supports. If we don't cooperate in this study the government will not give much credence to future complaints concerning over-regulations.

Your responses will be compiled for Bill McConkey, Executive Director of the Regulatory Review Program.

proposed withdrawal sites for Alaska Marine Resources, only 41 had been listed on the map. With regard to hydroelectric power projects, the COUNCIL noted that the proposed withdrawals restricted the Susitna Project, hampered the Bradley Lake proposal, put the Wood River and Chackachamna Lake projects in jeopardy and placed the fate of the Kisaralik River and Agashashok hydroelectric projects in doubt. Transportation, transmission and access corridors were discussed as were specific studies the Department of the Interior was supposed to have done on the social and economic impacts of the withdrawals. (We know of no one who has seen such data.) Petroleum exploration, production and transportation proposals were discussed in site specific manner including the Haines pipeline right-of-way, proposed Northwest Pipeline right-of-way, NPRA, access to tide-water ports and truck transport of petroleum to pipeline connections.

The COUNCIL's letter of protest is available on request.

Company. Our sympathies go to the families and friends of victims of the July 12 plane crash.