



NATURAL RESOURCES

KIDS ARE A PRECIOUS RESOURCE TO INDUSTRY, WHICH INVESTS IN PROGRAMS TO TEACH THEM ABOUT NATURAL RESOURCES AND THE ENVIRONMENT

BY JIM LEMONDS

This Edition
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Editor's Note: This is a condensed version of a feature story published in Northwest Education Magazine. The original version can be read at www.nwrel.org/nw edu/

In September 1969, U.S. Senator Gaylord Nelson announced from Seattle that the first Earth Day would be celebrated come springtime. That same month, a thousand miles away in Anchorage, the State of Alaska took historic bids from the world's oil companies for the right to drill in Prudhoe Bay.

These two events radiated from their Northwest epicenter into a national furor that continues, 34 years later, between environmental activists and those who push for development of the nation's natural resources. But a decade into the debate, during the litigious 1970s, many began to refine their approaches to the issue.

On the part of industry — timber, mining, and oil companies — this meant investing considerably in creating educational programs to teach the public about natural resources and their beneficial uses.

While it's unlikely that the person on the street would single out BP, ExxonMobil, Boise-Cascade, or Weyerhaeuser as major contributors to education today, that is precisely the case. Natural resource industries are laying out philanthropic dollars to develop and disseminate environmental education materials, student learning activities, and teacher training.

Skeptics might assume that the materials they create are merely propa-



A student in Minto "mines" a cookie, an activity that is part of a resources kit produced by AMEREF.

ganda aimed at influencing future voters and consumers. However, the materials are used enthusiastically by many teachers, and workshop participants surveyed are overwhelmingly positive, saying that the materials are objective, engaging, relevant, and tightly connected to state academic learning requirements.

Moreover, supporters of the curricula point to the close partnerships that industry associations have formed with state and district education leaders, collaborating on the development of curricula to ensure that materials meet the learning needs of students.

While detractors say such industry-sponsored curricula must be inherently biased, written with the intent to sway young minds in favor of development, others say that school materials and textbooks, in general, overwhelmingly favor an environmentalist point of view.

Paul T. Hill, director of the Center on Reinventing Public Education at the University of Washington, observed that "value-laden areas" of the school curriculum, such as environmental education, reproductive health, and civics, are inevitably going to be tugged this way and that by politics.

(Continued to page 4)

INSIDE



AMEREF Program	1, 4-5
Gas Pipeline Perspective	3
State Fiscal Solution	3, 7
Fisheries Policy	6
South Denali Project	7
TAPS Reconfiguration	8
Yellow-Billed Loon	9
Pogo Permit Appeal	10
RDC News Digest	11

How do you move a two thousand ton dragline?

Very
slowly.

Clean Energy for Alaska's Future

After 24 years of mining at Poker Flats, Usibelli Coal Mine moved operations to Two Bull Ridge. That's two miles away, and the Bucyrus-Erie Dragline "Ace-in-the-Hole" had to make the move too. Traveling at a blistering speed of seven feet per minute the journey was made in 29 hours over a period of four days.

Challenges like this are just par for the course for Usibelli Coal Mine. For over 60 years, UCM's production has been supported by the most modern mining equipment and state-of-the-art engineering.

At least "Ace-in-the-Hole" shouldn't have to take any more long strolls for another 20-30 years.



USIBELLI COAL MINE, INC.

P.O. Box 1000, Healy, AK 99743
Marketing Office (907) 452-2625

e-mail: info@usibelli.com
www.usibelli.com

Resource Development Council

121 W. Fireweed, Suite 250
Anchorage, AK 99503
Phone: (907) 276-0700
Fax: (907) 276-3887
E-mail: resources@akrdc.org
Website: www.akrdc.org

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Writer & Editor Carl Portman

Executive Committee Officers

President	John Shively
Vice President	Mark Hanley
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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.



ALASKA GAS HASN'T BEEN SITTING IDLE

Commercializing Alaska's North Slope natural gas has been an elusive goal for nearly thirty years. Today RDC's membership includes companies and local communities evaluating a wide array of different projects designed to bring Alaska's gas to market.

An incredible amount of talent and money has been invested in trying to identify an economic means of delivering Alaska's gas to consumers. The North Slope producers, various pipeline companies, Alaska's Native corporations, the State government and local communities have focused on this project for years.

The producers and several pipeline companies have each spent several hundred million dollars on pre-feasibility, permitting and engineering work. The fact that this collective investment has not resulted in a plan acceptable to the market highlights the magnitude of the project's risks. Alaska's high cost environment and distance to consumers, as well as historically low natural gas prices have combined to keep a project from moving forward.

While the public and policy makers have become frustrated by the seeming lack of progress, the good news is the North Slope's gas reserves have not been idle. The gas has been used to help extract an additional three billion barrels of crude oil. This additional production contributed massive revenue to the State and helped build the Alaska Permanent Fund. Utilizing the gas for enhanced oil recovery means Alaska will benefit twice from the North Slope's natural gas.

Industry has invested billions of dollars in gas handling facilities, flowlines and wells on the North Slope. This investment has been a driving force in Alaska's economy and has helped develop Alaska's strong support industry sector — companies that now export their services globally. This type of capital-intensive investment is precisely what we need to grow our private-sector economic base.

Only recently have gas prices in the North American market sustained levels high enough to give hope to a gas pipeline project. In the 1970s and 1980s the producers, with Foothills Pipe Lines Ltd., studied a project that would have cost \$4-\$4.50/mcf to transport the gas to market. Fortunately, such a project was never built, as gas prices have languished near

\$2.00/mcf for much of the past two decades.

The only thing worse than never commercializing our gas reserves would be to build an uneconomic project. Building the wrong project would be disastrous. Not only would it be devastating to investors (whether private, public or both), it would undermine future attempts to bring the gas to market, thereby hurting future generations of Alaskans.

It is in the State's best interest, as well as current and future gas owners, to strive to develop the lowest cost transportation system that yields the highest value to Alaskans. The lowest cost system will result in lower tolls and higher netback prices, meaning more revenues to the State. Higher netback prices will have the ancillary benefit of encouraging new exploration and development of fields that would otherwise be uneconomic.

Fortunately there is great interest in Alaska's gas. The three producers have submitted an application under the Stranded Gas Development Act and their application has been accepted by the State. TransCanada Pipelines recently signed a memorandum of understanding with the State that provides TransCanada will make an application under the Stranded Gas Development Act, and the state will resume processing of TransCanada's long-pending application for a right-of-way lease.

In addition, the Fairbanks/Valdez Port Authority has submitted an application, and Enbridge, a Canadian pipeline company, intends to do so. Also, the Alaska Natural Gas Development Authority has indicated an interest in conducting discussions with the State on moving its proposal forward. The State continues to work with all the parties to evaluate commercial structures that would lead to further progress. Alaska will benefit from the ideas and ingenuity of all interested parties — excluding any of them now would be a mistake.

Developing our stranded natural gas will be a challenging job to say the least. RDC will continue to work with our members and Alaska's policy makers to educate Alaskans on this important issue. With patience and prudence our elected officials can ensure that investors, whomever they may be, build a high value, low-cost project — not a project at any cost.

RDC PRESSES JUNEAU FOR FISCAL SOLUTION

As the Legislature moved into its closing weeks of the 2004 session, intense debate took place on a fiscal plan. At press time, legislators were considering both a constitutional spending limit and using Permanent Fund earnings for essential public services and dividends.

These proposals are consistent with RDC's long-term position regarding how best to resolve the state's fiscal gap — enforce budget discipline, use Permanent Fund earnings to support essential public services, and institute a

broad-based tax, if necessary, to balance the budget.

“Action this session to address our fiscal imbalance will help avoid a financial crisis and ensure a stable economy.” RDC Executive Director Tadd Owens told House and Senate members in numerous meetings during the session. “Doing nothing and waiting until the Constitutional Budget Reserve is exhausted

(Continued to page 7)

AMEREF

Alaska's Resource Education Program

(Continued from page 1)



Above, AMEREF Director Jason Brune gives an overview of the Trans-Alaska Pipeline crossing of the Tanana River to a group of teachers that use the AMEREF curriculum. At left, students in Minto participate in an AMEREF exercise.

“It isn’t true that business [alone] is feathering its nest and others are just acting in the public interests—they’re also feathering their own nest,” he said. “I think there’s no way around it, it’s going to be turbulent.”

These are also turbulent economic times for schools. By directing corporate philanthropic dollars and expertise to the development of education programs, industry is providing full-service environmental education curricula to K-12 classrooms and many grateful teachers.

Alaska's Program

In 1982, the Alaska Mineral and Energy Resource Education Fund and the state’s education department formed the Alaska Mineral and Energy Education Program. Its mission: “to provide Alaskan teachers and students with the knowledge and skills to make informed and objective decisions relating to minerals, energy, and forest resources.” It’s also the aim of the organization to help students meet state standards in science, math, geography, civics, government, language arts, and technology.

Industry members contribute most of the funding for the organization’s environmental education materi-



als and teacher training programs. The Alaska legislature, until recently, allotted \$50,000 per year toward the salary and travel expenses of a liaison from the state’s education department. In 2003, that allocation was axed because of a state budget shortfall (but partially reinstated in the FY ’05 budget).

Alaska is the only state in the union that has neither a sales tax nor an income tax—oil revenues generate 80 percent of funding for state government. But oil production dropped from about 2 million barrels a day in the early 1990s to 1 million barrels a day today. The state’s deep reliance on oil revenue raises the question: How beholden is it to give industry unhindered access to the state’s classrooms—to the hearts and minds of students?

Jason Brune, director of AMEREF said emphatically, “We pride ourselves on the

objectivity of our materials and training. Even if the public decides to oppose resource development in certain situations, at least their decisions will be based on facts, not just pure emotion.”

It's About Strategies And Resources

The cornerstone of the AMEREF program is the Alaska Resources Kit, developed in cooperation with the state. The kit contains maps, curriculum modules, videotapes, charts, specimens, and pamphlets.

Although hundreds of Resources Kits are distributed each year to schools across the state, Brune noted that effective teacher training is the real key to the program’s success. “Giving teachers a huge kit of supplies is one thing. Giving them strategies for using that kit effectively is something else.”

Three curriculum modules were developed in the mid-1980s: Alaska’s Mining History, Alaska’s Geology, and Alaska’s Minerals and Mining. Since then, three more modules have been added: Ecology/Economy, Energy and the

Environment, and Alaska’s Forestry. Teachers who request a Resources Kit or take the AMEREF training receive the kit, worth \$300, at no cost; AMEREF members pick up the tab. Thus far, the materials have reached nearly 300,000 students.

AMEREF program director Jennifer Coggins has been instrumental in making sure the curriculum addresses current needs of teachers.

“Some of the materials are being revised for the third time,” Coggins said. Each revision makes the materials adhere more closely to the state’s recommendations for assessments, standards, and grade-specific materials. While focused on science, the materials include connections to reading, writing, and math. This integration allows teachers to address multiple objectives with a single instructional unit.

“It’s imperative that we focus on state education standards,” said Jason Brune. “If our curriculum doesn’t help prepare students for the math, language arts, and science tests they must pass as a result of the No Child Left Behind legislation, we can’t

(Continued to page 5)

TAKING IT TO ALASKA'S VILLAGE SCHOOLS

(Continued from page 4)

consider ourselves effective.”

The majority of the state's future resource development proposals will involve rural Alaska, Brune says, so it is especially important that students in those areas are well informed about the pros and cons of development regarding their environment, economy, and culture. “Teachers in rural Alaska are ecstatic when we fly experts in to provide training and materials, since this is something they don't typically have access to,” he said.

Michelle Roller is one of the people Brune relies on to train rural teachers in the use of the materials. Roller visits villages all around Alaska, taking the AMEREF curricula to such remote places as Unalakleet, south of Nome; Huslia and Nulato on the Yukon River; and Dutch Harbor in the Aleutians.

Roller involves students and teachers in hands-on lessons. She points out to teachers how specific activities correlate with state standards and how reading, writing, math, and history can be integrated with AMEREF science lessons. She said teachers are often



Whit Hicks of the Delta Mine Training Center (DMTC) provides a tour for teachers participating in an AMEREF sponsored field trip. DMTC is training local residents seeking employment at Pogo and other mines throughout the state.

surprised that the AMEREF materials aren't biased. “I tell them that we're not interested in teaching kids what to think. We're interested in teaching them to think.”

One of Roller's most popular lessons for very young students is “mining a cookie.” The main concept of this activity is the importance of protecting watersheds and restoring land that has been mined.

After distributing chocolate macadamia nut cookies, she coats them with frosting and tops them with sprinkles. She gives each student a pair

of toothpicks. Their assignment: “Mine” the chocolate chips and nuts that represent silver and gold.

But, because they are surface miners, they must avoid the blue sprinkles that stand for waterways and the green sprinkles that signify protected land. And, she tells her miners, once those chips and nuts have been extracted, they will need to restore the cookie's surface to its original state.

Because teachers at small, rural schools are often called on to teach out of their field, it is common for science lessons to be taught by teachers with no science background. “The teachers without science training are usually the most happy to see me,” Roller said, noting that the number of teachers enrolling in AMEREF training sessions each year continues to increase.

One such teacher is Joy Hamilton, who teaches Athabascan students at the Innoko River School in Shageluk on the Iditarod Trail. The village of Shageluk

has a population of 130 and is accessible only by plane, snowmobile, four-wheeler, or dogsled.

“The AMEREF training changed my teaching life,” Hamilton said. When she first began using the Resources Kit, she anticipated that it would supplement her earth science textbook. However, she has had so much success with the kit that the textbook is now the supplementary material.

Because textbooks are too expensive to replace regularly, they often become outdated and irrelevant. Conversely, AMEREF materials are constantly revised to provide students with current information about resource development and the environment. They are also free.

“The Resources Kit encourages kids to be curious about earth science and the rich history of mining here where we live, close to Iditarod, Flat, and Donlin Creeks,” Hamilton said. Because the AMEREF materials are integrated, they provide students with extension activities in reading, writing, and math. And because the materials are specific to Alaska, students can relate concepts and issues to their own lives.

The AMEREF teacher advisory board has been very receptive to making the materials culturally appropriate for Alaska Native students, said Hamilton. “They've been very open to integrating information about Native issues, Native corporations, tribal concerns, and traditional stories.”

AMEREF's web site at www.ameref.org hosts an abundance of information on the program. AMEREF Director Jason Brune can be reached at jbrune@akrdc.org or by calling 907-276-0700.



AMEREF kits are provided free to Alaskan teachers. Kit contents include mineral and rock specimens, videos, CDs, books and standards-based Alaskan-specific curriculum modules on geology, mining, energy, and forestry.

A NEW MODEL FOR ALASKA FISHERIES POLICY DEVELOPMENT



Steve Minor

“Throughout Alaska’s history, major fisheries policy decisions have been made in the complex environment of biological, economic, social, cultural, regulatory and/or political factors, and are almost always made in response to a crisis. Those mostly crisis-driven policy decisions ... often result in disruption to participants – the coastal communities, harvesters and processors who invest in and have a dependency on the fishery resource itself.”

So begins the recently released McDowell Group (Juneau) study, “Towards a New Model for Alaska Fisheries Policy: Evaluating Interdependence and Long-Term Impacts.” Undertaken by the McDowell Group at the request of Waterfront Associates LLC and sponsored by a cross-section of fishing and community interests, the study attempts to identify all of the stakeholders, as well as economic and biologic impact criteria that should be evaluated in the development of sustainable Alaska fisheries policy.

Alaska fisheries policy has evolved from a jobs-driven exclusionary philosophy towards a more sustainable, inclusive approach; but there have also been severe disruptions along the way, particularly to coastal communities.

The study analyzes several unintended consequences of past policy efforts including (a) the shift in fishing quota ownership from rural coastal communities to urban communities; (b) how the local loss of high-value or high-volume fisheries often leads to a domino-like collapse of other fisheries and severe disruption to local economies and (c) how previous attempts to maximize jobs have eroded Alaska’s competitive position in the market, with often severe economic consequences for the entire industry and fisheries-based communities.

The study recommends a framework for future Alaska fisheries policy development; analyzing the impacts on coastal communities, harvesters, processors, the resource itself and the marketplace. In addition, the study

<p>COASTAL COMMUNITY IMPACT CRITERIA</p> <ul style="list-style-type: none"> Employment enhancement Employment displacement Employment loss Municipal revenue impacts Industry infrastructure impacts Species interdependence impacts Ownership of local harvesting and processing assets Scarcity of appropriately-zoned waterfront
<p>HARVESTER IMPACT CRITERIA</p> <ul style="list-style-type: none"> Economic efficiency of the harvesting function Species interdependence impacts Harvesting asset ownership impacts Distribution of product value Market access
<p>PROCESSOR IMPACT CRITERIA</p> <ul style="list-style-type: none"> Economic efficiency of the processing function Species interdependence impacts Processing asset ownership impacts Distribution of product value Market access
<p>RESOURCE IMPACT CRITERIA</p> <ul style="list-style-type: none"> Biological impacts Management system impacts Economic utilization impacts
<p>MARKET IMPACT CRITERIA</p> <ul style="list-style-type: none"> Market access and product form Market timing Competitive opportunities
<p>INTERDEPENDENCE IMPACT CRITERIA</p> <ul style="list-style-type: none"> Sector interdependence impacts Species interdependence impacts

STUDY RECOMMENDATION

The McDowell Group study recommends a structure for examining future fisheries policy decisions in advance of implementation. The categories above are recommended for examination of any major policy proposal. Each category of impacts should include research and analysis of impacts and unintended impacts.

recommends that policy makers also analyze the interdependence of each stakeholder group and the unique mix of fisheries in each region.

The study comes on the heels of the recently authorized Alaska crab industry rationalization program which for the first time analyzed and attempted to address the interdependent interests of

harvesters, coastal communities and processors, and at a time when the same debates are taking place from Scotland to Eastern Canada to the Gulf of Alaska.

Editor’s Note: The McDowell study can be downloaded by the public at www.sustainablecoasts.org or by contacting Steve Minor at Waterfront Associates, LLC at steve@wafro.com. Waterfront Associates is a long-time Alaska seafood industry consulting firm specializing in coastal issues.

TIME TO MOVE SOUTH DENALI PROJECT FORWARD

After decades of studies, planning and compromises, it is time to move forward with South Denali tourism and recreational development, RDC said in comments to the National Park Service last month.

RDC has reviewed and commented on previous South Denali initiatives spanning the last two decades and has consistently supported improved access to the majestic region north of Talkeetna and south of Denali National Park.

Due to budget constraints, mixed local support and other challenges, the scope of South Denali infrastructure has been steadily scaled back. Of late, some have proposed reducing it further so virtually all infrastructure is confined to the Parks Highway corridor.



The view is stunning from the South Denali Implementation Plan Study Area, where improved access and visitor facilities have been proposed.

RDC believes limiting development to the highway corridor would be a mistake. Moving ahead with such a proposal would undermine the long-standing objective of providing Alaskans and visitors with a new destination that could relieve pressure on the front-country of the Denali National Park and in other areas of the state.

While RDC believes tourism development should be encouraged, it should move forward with the clear understanding that mining has been a part of the area's past and should continue to be a part of its future. RDC told the Park Service that tourism should occur in such a way as to minimize conflicts with the rights of current mining claims and future

mineral development in the district.

RDC supports improved access, campgrounds, trails, and a nature center on the south side to provide for a variety of visitor experiences and help accommodate future visitor demand in the region. RDC recommended the Park Service focus its efforts on the Petersville Road corridor and an overlook at Long Point which has a commanding view of Mt. McKinley.

The South Denali project is needed in a state where most conservation units are remote and difficult for the general public to access. Only four of Alaska's 15 national parks have any road access and Denali itself has only several hundred camp sites in an area larger than the state of Massachusetts.

RDC URGES LEGISLATURE TO FIND FISCAL SOLUTION THIS SESSION

(Continued from page 3)

would severely limit the state's options and increase the prospects of severe budget cuts or excessive taxes," Owens said.

In an Action Alert, RDC encouraged its members to send emails to Juneau encouraging the legislature to resolve Alaska's fiscal gap this session. RDC supports the percent of market value (POMV) as a management tool for the Permanent Fund and has endorsed use of some earnings from the Permanent Fund for essential state services.

The POMV proposal is a good step toward fiscal certainty and is better than doing nothing. Creating a more predictable and steady source of income will facilitate better financial planning by state and local governments. Moreover, a stable fiscal regime would build business confidence and encourage new investment in Alaska.

Polls show 93 percent of Alaskans support a resolution this year to the state's chronic fiscal shortfalls. Anchorage residents voted by a 2-1 margin in April for a resolution this year.

RDC encourages its members to contact their senator and representative to let them know the time is now to rectify the fiscal situation to avoid a crisis that would otherwise require massive budget cuts and/or new significant taxes.

ON THE WEB

WWW.AKRDC.ORG

- RDC Technical Comments On Essential Fish Habitat
www.akrdc.org/alerts/efhdeiscomments.html
- Alaska Coal Classic Golf Tournament
Benefiting AMEREF, June 9th, Anchorage Golf Course, 7 a.m.
www.ameref.org
- RDC Annual Meeting Featuring EPA Administrator Mike Leavitt, June 10th, Sheraton Anchorage, Noon
www.akrdc.org/membership/events/annualmeeting/2004/
- Recent RDC Action Alerts
www.akrdc.org/alerts/
- RDC Past Events And Breakfast Meeting Presentations
www.akrdc.org/membership/events/
- RDC Newsletter Archive
www.akrdc.org/newsletters/

TRANS-ALASKA PIPELINE RECONFIGURATION



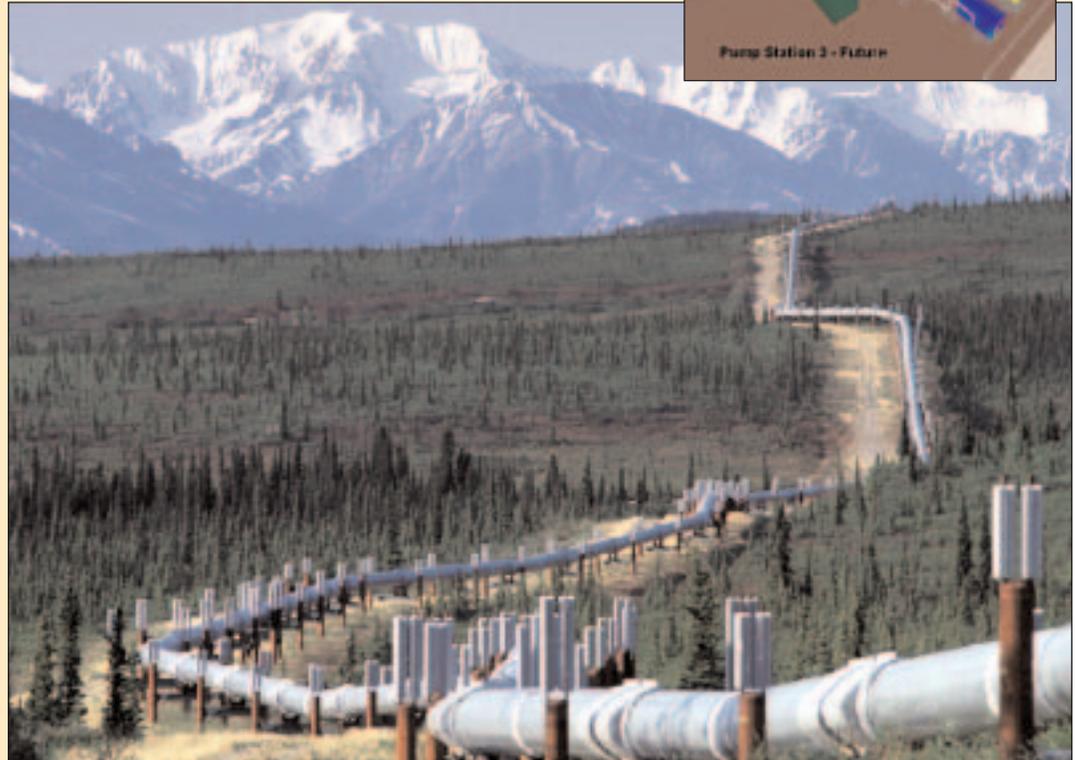
Recent approval from the owners of the Trans-Alaska Pipeline to upgrade the system's pump stations is the single biggest investment in the 800-mile pipeline since its construction, according to Alyeska Pipeline Service Company officials.

The \$250 million upgrade, known as pipeline reconfiguration, represents a giant technological leap that will enhance safety, operational integrity and environmental performance. The project includes the installation of electrically-driven pumps at four pump stations, as well as upgrading and automating control systems.

The goal of the project is to extend the economic life of the pipeline through increased efficiencies, while maintaining safety and environmental performance standards. The project will position the pipeline well into the future with new systems that are used all over the world and proven in the pipeline industry.

Alyeska's use of modern technology and automation will allow the company to maintain current pipeline reliability at a lower cost. It is estimated the project could reduce the cost of operating the pipeline by approximately 10 percent annually and eliminate maintenance costs for equipment and facilities that will no longer be required.

A more cost efficient



Commissioning and startup of the new pump stations, shown in inset, is expected in 2005.

transportation system will better position Alaska to compete for investment capital in a highly competitive global oil market. Long-term, the reduction in transportation costs could create opportunities by improving the economics of current and future oil development on the North Slope.

Pump Stations 1, 3, 4, and 9 will be reconfigured and controlled and operated remotely. The newly manufactured pump station units will be modular and scalable to more easily accommodate changes in pipeline throughput. The new configuration will be capable of supporting current and projected oil

flow rates and can be modified within two years to accommodate significant increases in throughput – well in advance of any significant new field development.

Alyeska said the project will enhance maintenance and oil spill response effectiveness by establishing maintenance and spill response centers and field offices. Some will be located near pump stations and others will be in pipeline corridor communities.

Alyeska will pre-position oil spill response equipment at critical points along the pipeline. Currently it has some 220 strategically located containment areas that

would mitigate damage by keeping spilled oil behind berms or in natural features such as gullies or basins.

Pipeline reconfiguration is expected to reduce air emissions by two-thirds, eliminate pump station fuel hauling and storage risks and reduce the impact of day-to-day operations, such as noise and waste water handling.

The next step in the project will be conducting detailed engineering and ordering long-lead materials.

Alyeska is owned by BP Pipelines Alaska, ConocoPhillips Transportation Alaska, ExxonMobil Pipeline Company, Koch Alaska Pipeline and Unocal Pipelines.

Listing of the Yellow-billed loon under the Endangered Species Act may result in additional areas of NPR-A (at right) being put off-limits to oil and gas development, including some of the highest prospective lands. The loon (pictured below) does not appear to be impacted by industry activity in the area.



Photo by Greg Lasley



ENDANGERED LISTING SOUGHT FOR YELLOW-BILLED LOON

In a move seen as yet another attempt to close broad areas of the National Petroleum Reserve-Alaska (NPR-A) to oil and gas development, a coalition of environmental groups have petitioned the U.S. Fish and Wildlife Service (USFWS) to list the yellow-billed loon under the federal Endangered Species Act (ESA).

The groups say the primary breeding grounds in the U.S. for the loon are located inside NPR-A. They contend the Bureau of Land Management's (BLM) plan to open the reserve to oil leasing would result in destruction of habitat and threaten the species.

The petition follows a recent lawsuit filed by seven environmental groups over a BLM decision to open the northwest section of NPR-A

to leasing. Exploration efforts are currently underway in the northeast section of the oil reserve, where an earlier decision was also challenged.

BLM has conducted a thorough review leading up to its decisions to open the reserve to exploration. Sensitive habitat areas have been put off-limits for ten years pending further studies and extensive measures have been outlined to preserve habitat and protect the environment. Permanent surface structures are prohibited along coastal areas, deep-water lakes and rivers.

The BLM plan designates special study areas of more than a half million acres each for waterfowl and caribou. It also reserves habitat for the study of eiders and sets restrictions to minimize loss of foraging habitat for raptors.

However, environmentalists would like to see permanent Wilderness protection of coastal areas of the reserve, as well as other areas. These same areas hold the highest potential for oil and gas development.

The ESA gives the government 30 days to acknowledge receipt of the petition, and 90 days after that to decide whether there is merit enough to continue the review. The government has one year from the date it received the petition to make a final decision of whether to list the species and designate critical habitat.

The yellow-billed loon is considered a low-population species, but its numbers do not appear to be in significant decline, according to government surveys. Listing the species may have little beneficial impact on its population since activities on the

North Slope do not appear to be having a negative impact.

Although USFWS counts from aerial surveys conducted across the entire Arctic Coastal Plain have varied annually, long-term population trends have been slightly positive. Nest and brood counts on the Colville River Delta in 2003 — five years after the Alpine oil field was developed — were the highest since surveys were conducted there in 1983.

Nest counts in the adjacent portion of NPR-A were likewise high in 2003, although surveys have only been conducted since 2001.

Yellow-billed loons nested in the Alpine area before its construction, and the number nesting there during construction and operation of that oil field has not declined.



POGO MINE — THE FAILURE OF PROCESS

About five years ago when I was still commissioner of the Department of Natural Resources, Karl Hanneman, the project manager for Teck-Cominco's Pogo prospect, attempted to fly me to their exploration camp. Unfortunately weather conditions prevented us from reaching the site, but Mr. Hanneman was able to give me a comprehensive briefing on the prospect, including some of the challenges they might face in permitting the project. He discussed their approach to working with citizens and interest groups in Delta and Fairbanks.

Teck-Cominco's approach seemed reasonable to me. I have followed the progress of the project from a distance since that time and was pleased when it was announced all the permits for the project had been issued and construction was underway. I considered the announcement to be a positive step for the state's struggling economy and a credit to the way Mr. Hanneman and Teck-Cominco have worked through a permitting process which took four years.

All of that good work may have been for naught. As many Alaskans now know, Teck-Cominco had to shut down the project because of a last minute appeal by the Northern Alaska Environmental Center (NAEC) to the Environmental Protection Agency (EPA) against issuance of the mine's wastewater permit. Without this permit the mine cannot operate, nor can the construction camp, because of its need to discharge wastewater. NAEC is one of the groups that Teck-Cominco has worked with as part of its inclusive approach to the public process.

Not only are 300 people being laid off, but another 200 workers required for construction will most likely not be going to work any time soon. Unless the NAEC, EPA, and Teck-Cominco can negotiate a resolution in the short run, the appeal itself could take a year or more. After the appeal process, there is the risk of litigation that could go on for years.

As I understand the appeal, NAEC wants to require the mine treat its wastewater BEFORE it is treated. This dispute is based on the EPA approved plan for the mine to have wastewater placed in a holding pond before it enters the treatment plant. The plan requires all wastewater to be treated prior to discharge which must meet stringent EPA and state clean water standards.

NAEC is claiming the holding pond is part of "the waters of the United States" and therefore cannot receive untreated water. The group claims seepage could impact surrounding waters. The EPA determined in its thorough review of the project that the treatment system, including the pond, is properly designed to capture seepage and runoff. The plan ensures

there will be no unregulated activity on the site and no adverse impacts to surrounding waterways.

According to Ed Fogels, lead person at the Department of Natural Resources for the project, there is no viable alternative to meet the demands of NAEC. He stated in a recent column in the Fairbanks Daily News Miner that the four-year permitting process for Pogo was the most extensive he has been involved with, and that the mine would meet the highest environmental standards.

NAEC seemed surprised that its appeal caused construction to be shut down. However, the final terms and conditions of the permit are essential to determining project design and economics. Perhaps NAEC is completely ignorant of the economics of a project of this magnitude. The other option is that NAEC is misrepresenting the truth because it doesn't want to take responsibility for its actions.

But why should NAEC take responsibility? Unfortunately, the permitting process allows them to proceed with no risk to themselves and places all the risk on Teck-Cominco, who would be foolhardy at best and in violation of its fiduciary responsibility at worst to proceed when a major permit is held up and whose conditions could be in limbo for years.

I suspect that the decision may also have been influenced by a "citizen" lawsuit brought against Teck-Cominco concerning the Red Dog Mine by a San Francisco-based environmental group. That suit demands \$63 million in fines be paid to the government and legal

fees and costs be paid to the environmental group.

What is wrong here is the balance of risk. There is none. A process which extended four years and resulted in numerous government agencies issuing a plethora of permits should not be derailed at the last minute by groups whose only goal seems to be to oppose any form of resource development. NAEC's claim of supporting the mine is a hollow public relations placebo possibly designed to camouflage its ultimate ambition of making the project uneconomic.

It is way past time to place some risk on those organizations that use the processes of government to negatively impact the economics of a resource development project. After all, delay itself is a tool that can easily drive the economics of prospects in the wrong direction.

It is time for government to insist that those organizations that extend the process through drawn out appeals take some responsibility for their actions. The way to accomplish this feat is to require the organization to post a bond to reimburse the project, if the appeal fails. It is an idea that our legislature and congressional delegation should pursue. It won't help the Pogo Mine, but it may save other projects in the future.



One-hundred Alaskans gather outside the Fairbanks headquarters of the Northern Alaska Environmental Center to protest the shutdown of the Pogo Mine project.



George Schmidt sold many winning tickets at RDC and AMEREF raffles.

RDC WILL MISS BOARD MEMBER GEORGE SCHMIDT

RDC board member George Schmidt died March 31 at Providence Extended Care Center in Anchorage.

George was a great father, a dedicated scholar, a caring humanitarian and a true gentleman. He focused his efforts on others and valued friendship above all things.

“Among his many contributions to Alaska was his tireless support for balanced education about mining in Alaska through the AMEREF program,” said Lt. Governor Loren Leman, a longtime friend and West Anchorage neighbor of George.

George was born at the El Rosario Mine in Honduras where his father worked as a mining engineer. In 1943, George joined the U.S. Army and served in Europe until the end of World War II. He married in 1947 and moved to Alaska in 1948 to work for the Civil Aeronautics Administration, now known as the Federal Aviation Administration.

George continued his edu-

RDC NEWS DIGEST

cation and graduated from the School of Mines at the University of Alaska Fairbanks in 1952 with a bachelors of science in mining engineering. He worked in Nome for the F.E. Company and the Bureau of Land Management in Anchorage before returning to school where he earned a graduate degree in mining engineering.

He later retired from the BLM in 1985, but pursued his interests with the Alaska Miners Association, RDC and other organizations. He especially enjoyed teaching gold panning to novice prospectors at the Alaska State Fair and was the all-time champion of raffle ticket sales for AMEREF.

ENVIRONMENTAL GROUPS LITIGATE TONGASS TIMBER SALES

A new lawsuit has been added to the growing basket of timber sales under litigation in the Tongass National Forest, bringing the total volume of timber in jeopardy to 266 million board feet. The latest suit targets the Woodpecker timber sale near Petersburg where the Forest Service is preparing 16.3 million board feet of timber for sale.

“This leaves less than 50 million board feet of economic timber under contract,” said Owen Graham, Executive Director of the Alaska Forest Association.

“That is only enough timber for the three remaining small family-operated sawmills to run a single shift for part of this year,” said Graham.

Higher lumber prices are a driving factor in the sawmills desire to purchase sufficient timber to operate two shifts. If enough timber is made available, the Ketchikan veneer plant could reopen, using 33 million board feet annually.

Environmental groups routinely litigate timber sales across the Tongass and have recently launched campaigns to discourage potential timber manufacturers from logging on the national forest.

In the 1980s, environmental groups fought large-scale logging in the Tongass, but said they would not oppose annual harvests to supply a small regional forest products industry emphasizing value-added processing. Despite the closure of more than 85 percent of old-growth timber to logging over the past decade, a seemingly-endless litany of litigation continues to target timber sales critical to the survival of the few remaining small sawmills in the region.

KETCHIKAN VENEER PLANT TARGET OF CAMPAIGN

Environmental groups have organized a telephone campaign aimed at keeping an Oregon forest products company from reopening the shuttered veneer mill in

Ketchikan.

Timber Products Company of Springfield, Oregon has received scores of telephone calls from members of environmental groups urging the company to stay out of Alaska, especially the Tongass National Forest. Timber for the mill would come out of the Tongass, as well as from private and state-owned lands.

Ironically, the mill would use only smaller diameter logs from the forest, not the larger old-growth timber at the center of logging debates. Moreover, much of the timber would come from second-growth stands along existing roads – trees environmentalists have advocated cutting while arguing against logging in roadless old-growth areas.

RDC has written the company welcoming it to Alaska and pledging to support its efforts to responsibly develop timber resources from the six percent of the Tongass that remains open to timber harvesting.

EPA ADMINISTRATOR MIKE LEAVITT TO ADDRESS RDC

EPA Administrator Mike Leavitt will be the keynote speaker at RDC's 29th Annual Meeting Luncheon Thursday, June 10th at the Sheraton Anchorage Hotel. Doors will open at 11:30 and the program will begin at noon.

The luncheon has sold out four years in a row. For additional information, call RDC at 276-0700 or go online at www.akrdc.org.

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