



ALASKANS SUPPORT PROPOSED ROADLESS RULE EXEMPTION

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King Cove Road Issue Resurfaces

The controversial road link between King Cove and Cold Bay is back on center stage with the release of a draft environmental impact statement (DEIS) and a new round of public hearings.

In September, RDC's Projects Coordinator Jason Brune testified in favor of the DEIS Preferred Alternative which calls for a 17.2 mile, one-lane gravel road with a hovercraft link to Cold Bay's all-weather airport. The option, one of several outlined in the DEIS, is also favored by the Aleutians East Borough.

Another option would eliminate the hovercraft entirely by

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Local communities, Alaskans from all walks of life and businesses representing virtually every industry and economic sector in Alaska responded to RDC's Action Alert in August urging support for an Alaska exemption from the Roadless Area Conservation Rule.

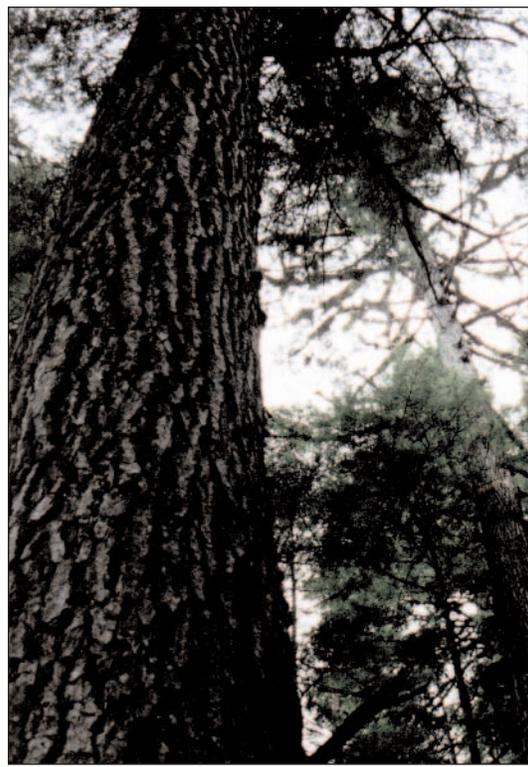
The Alaska Municipal League (AML), a statewide organization of over 140 cities, boroughs and unified municipalities representing over 98 percent of Alaska residents, was one of many organizations across Alaska supporting proposed rulemakings to exempt the Tongass and Chugach national forests from the roadless rule.

"The application of the roadless rule to the Tongass and Chugach would stifle future economic development opportunities in a state that already has more land in protected status than all other states combined," said Kevin Ritchie, Executive Director of AML.

Some of the nation's largest environmental groups made it a top priority to mobilize their members to block the proposed exemption for the nation's two largest forests, despite the fact that both are among the most protected in America and would remain so even with the exemption.

RDC rallied its members to support the exemption in order to preserve multiple use opportunities in the dwindling areas of the Tongass and Chugach that remain open to a variety of activities ranging from public access, transportation, tourism, power transmission grids, recreation, mining, timber harvest and other public uses.

In addition to AML, the City and Borough of Juneau, Ketchikan, Wrangell, Seward, Valdez and the Kenai Peninsula Borough were among Southeast and Southcentral Alaska communities to support the



If Alaska is granted an exemption to the roadless rule, its two national forests will continue to be managed with an emphasis on preserving the wild character of the land. No commercial logging would occur in the Chugach and only 3 percent of the timber in roadless areas of the Tongass would be available for logging exemption.

"We understood that with the passage of ANILCA in 1980, there would be no further land withdrawals," wrote Juneau Mayor Sally Smith in comments to the Forest Service. "ANILCA was meant to strike a balance between protected areas and those managed for multiple use," Smith said. "Application of the roadless rule would destroy that balance, further compromising the economic and social needs of the people of Alaska."

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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.



A MESSAGE FROM THE EXECUTIVE DIRECTOR

TADD OWENS

TWO MAJOR MINING PROJECTS CONTINUE TO MOVE FORWARD

Optimism is growing in Alaska's mining industry as two major projects continue to move toward completion — the proposed Pogo Gold Mine northeast of Delta Junction and the proposed Kensington Gold Mine north of Juneau. Each of these two projects will bring significant new economic benefits to Alaska.

Both projects are nearing the end of comprehensive, multi-million dollar environmental reviews and exhaustive public processes, and both Teck-Pogo, Inc. (Pogo) and Coeur Alaska, Inc. (Kensington) deserve recognition for their outstanding work to move these projects forward.

Pogo is located on state lands about 85 miles east of Fairbanks. It is a high-grade gold deposit which will be developed as an underground mine with a 2,500 tons per day mill. Teck-Pogo is expected to spend between \$200 million and \$250 million in capital costs for the project. Production is estimated between 375,000 and 500,000 ounces of gold per year.

Teck-Pogo is working with the Department of Natural Resources (DNR), the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers among other agencies for the proper permits. A final environmental impact statement (EIS) for the Pogo project is expected late this year allowing construction to begin as early as 2004. Nearly 50 state and federal permits and approvals are required for project approval.

Approximately 500-700 employees will be needed during the mine's construction. Once completed, the Pogo Gold Mine will employ 300 workers during operation for an estimated 11 years. Teck-Pogo is working aggressively with local agencies to train Alaska residents for these jobs.

Kensington is also a high-grade gold deposit which will be

developed as an underground mine with a 2,400 tons per day mill. Coeur Alaska expects to produce an average of 175,000 ounces of gold annually for 10 years. Kensington is located in the Tongass National Forest about 45 miles north of Juneau. Coeur has already invested \$150 million in the project — more than \$25 million has been spent on environmental studies and permitting alone.

Coeur Alaska is working primarily with the U.S. Forest Service, EPA and DNR on permitting. The draft supplemental EIS will be available in early November of this year and the public comment period will run through early 2004. If final permitting goes well, with continued strong gold prices and a positive feasibility study, Coeur Alaska could begin construction as early as 2004.

Based on Coeur Alaska's most recent development plan, Kensington will employ 325 people during construction and 225 during operation. Coeur Alaska estimates approximately 180 indirect jobs will be created by the project. Annual payroll from the mine will be approximately \$16 million and annual taxes are estimated to be

\$1 million.

Pogo and Kensington will be significant additions to Alaska's private sector and will provide vital diversification to the Interior and Southeast regional economies. These projects generate wealth for Alaska and increase our state's valuable exports. Teck-Pogo and Coeur Alaska deserve applause for their commitments to responsible development, local hire and investment in Alaska.



Coeur Alaska is proposing to develop the Kensington gold mine in the Tongass National Forest near Juneau.



The work camp at the proposed Pogo mine is located 85 miles southeast of Fairbanks.

ALASKA MINING LEGEND, CHUCK HERBERT, PASSES AWAY IN KONA, HAWAII

Former RDC President Charles F. Herbert passed away at the age of 93 on September 3 in Kona, Hawaii.

Herbert earned a bachelor's degree in mining from the University of Alaska Fairbanks in 1934 and worked as a miner in Interior Alaska from 1928-37. He was supervising engineer for the division of mining of the Reconstruction Finance Corporation from 1937-40, and after serving in the Legislature, was in the U.S. Navy from 1942-46. From 1946-61 he worked as a miner and consultant in Anchorage and



Fairbanks, served as deputy commissioner of the Department of Natural Resources, 1963-67, and as commissioner of DNR, 1970-74.

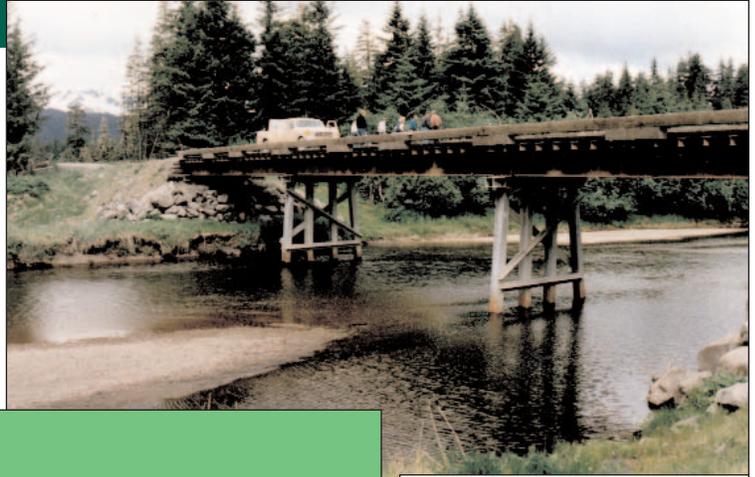
While attending college in Fairbanks during the early 1930s, Herbert hiked between the Interior city and Anchorage on snow shoes and back again, delivering mail. During World War II, he was commissioned by the

Navy Seabees and rose to the rank of lieutenant commander while building camps, airfields and landing docks throughout the Pacific.

Herbert was a long-time board member of RDC and served as its president in 1981 and 1982. He was a major force in Alaska mining circles as he not only prospected all over Alaska, Canada, South America and Africa, but ran a number of successful gold operations. He was truly dedicated to the responsible development of Alaska's natural resources.

“Unlike many of the other restrictions, which directly damaged the timber industry then rippled through the rest of the economy, the roadless rule has been more of an equal opportunity destroyer.”

- Skip Reierson, Harbor Enterprises



Unlike most Lower 48 forests, there are few roads in Alaska's national forests providing public access for recreation and other activities.

ALASKANS SUPPORT EXEMPTION

(Continued from page 1)

Smith warned the roadless rule would “further drive a stake in the heart of opportunity” for communities struggling to sustain local economies in a region where 73 percent of the land is designated national forest and only 22 percent of the forest itself remains open to limited development.

Kenai Peninsula Borough Mayor Dale Bagley told the Forest Service the “exemption will assure that citizens of the Kenai and the State of Alaska will continue to enjoy the traditional multiple uses of the Chugach National Forest that have been in place for generations.” Bagley warned “only bad results for our economy and communities” will occur if the forests are not exempt from the rule.

Valdez Mayor Bert Cottle noted that even if an exemption is provided, the Chugach and the Tongass will continue to be managed by existing forest plans that were developed through an exhaustive public planning process based on years of scientific review. Cottle explained that

under these plans, management emphasis would continue to focus on preserving the wild character of the forest. Cottle said the exemption is vital to communities adjacent to the forests as it “will assure that the people of Alaska will have the opportunity to grow and develop responsibly” on lands intended for multiple use.

Governor Murkowski, in a August letter to the Forest Service, warned that application of the roadless rule in Alaska would essentially dictate management of 99 percent of the Chugach and 90 percent of the Tongass as wilderness and essentially closed to development. Murkowski said the Clinton-era rule violates state and federal laws, but the exemption would resolve state concerns.

Many Alaska businesses from across the economic spectrum voiced strong support for the exemption. The president of Alaska's largest independent petroleum marketer and distributor listed the roadless rule among the “most destructive and egregious” land restrictions ever.

“Unlike many of the other

restrictions, which directly damaged the timber industry then rippled through the rest of the economy, the roadless rule has been more of an equal opportunity destroyer,” said Skip Reierson of Seward-based Harbor Enterprises and Petro Marine Services. “By virtually prohibiting access, it effectively eliminates recreation, tourism, mining, power transmission and any other multiple use activity,” Reierson wrote the Forest Service. “Not coincidentally, these are among the new economic mainstays of the communities adversely affected by the slow and steady strangulation of the timber industry.”

Comments supporting the exemption were also filed by the Alaska Power Association, the Anchorage Chamber of Commerce, Chugach Alaska Corporation, Usibelli Coal Mine, Holland America Lines and scores of other organizations, companies, and individuals.

While many Americans believe Alaska's two national forests have little or no protection and are threatened by

wide scale industrial clear-cutting, even with the exemption, logging would be banned from 95 percent of national forest lands in the state. Even then, any new development would be subject to comprehensive environmental review and a laborious public process.

To review RDC's comprehensive comments on the issue, go to: www.akrdc.org/alerts/roadlesssexemptioncomments.html.

“The exemption will assure that citizens of the Kenai and the State of Alaska will continue to enjoy the traditional multiple uses of the Chugach National Forest that have been in place for generations.”

- Mayor Dale Bagley,
Kenai Peninsula Borough

Alaska Exports Rise, Reverse 2002 Decline

The total value of Alaska's exports surged 13 percent in the first half of 2003, compared to a 1 percent decline for the same period last year.

"Double-digit export growth is an amazing accomplishment for any economy in the world, and is especially gratifying for a Pacific Rim state like Alaska," said Governor Frank Murkowski. "We should all be proud of this significant achievement," Murkowski said. "I believe that our efforts to improve and expand access to resources in our state will help continue this kind of economic progress."

The state's January to June 2003 trade figures show the value of total Alaska exports for the first half of the year at \$1.15 billion — \$130 million higher than in the first half of 2002. At the same time last year, total exports had declined by 1 percent from the first six months of the previous year.

Alaska's increase in exports was led by seafood, which increased \$56 million, or 9 percent. Exports of fertilizers increased 25 percent, wood products rose 50 percent and precious metals soared 278 percent in the first six months of 2003 compared to the same time period in 2002.

Japan remains Alaska's number-one trading partner, with seafood exports reaching \$278 million in the first six months of 2003. In that same period energy sales increased \$13 million, or 14 percent; wood products climbed \$18 million, or 94 percent; and minerals rose \$5 million, or 95 percent.

"Seafood continues to drive our export numbers," said Margy Johnson, director of the Department of Community and Economic Development's Division of Trade and Development. "Japan remains critically important to our export picture."

The state's active promotion of trade with South

Korea is also bringing positive results, she said. Exports to South Korea led all countries in terms of dollar increase at \$117 million, or 57 percent. Seafood exports to South Korea improved \$85 million, or 68 percent. Fertilizer exports climbed \$14 million, or 57 percent.

"The recent Pac-5 Conference we organized reinforced good business relations and will help to assure an upward swing of exports to South Korea, Alaska's second-largest trading partner," said Johnson. Pac-5 is an economic conference of South Korea and five other U.S. states bordering the Pacific Ocean.

Alaska's trade with Canada rose 49 percent, or \$28 million, for the six-month period, for the third most significant increase in both dollars and percentage of growth. The main growth resulted from increasing mineral exports. China ranked fourth in Alaska's ex-

port market list for 2003, importing over \$62 million of Alaska's goods and sustaining 26 percent growth over 2002. Top exports to China include seafood, petroleum products, and fishmeal. Alaska fish producers are now able to sell all of the fish, including once-discarded parts that are now sold for use as animal feed.

Switzerland was second in dollar growth, increasing \$39 million and first in percentage terms, rising 281 percent. Switzerland is now ranked fifth on Alaska's trading partner list due to Alaska's strong exports of precious metals to the nation, with gold accounting for nearly all the increase.

Export of services and expertise is also important to Alaska. Russia, with its Sakhalin oil and gas development projects, presents Alaska with lucrative export opportunities for services in arctic engineering and oil-field support activities.

AMEREF Needs Your Help

The Alaska Mineral and Energy Resource Education Fund (AMEREF) will hold its largest fundraisers of the year in conjunction with the Alaska Miners Association (AMA) Conference November 4-7. Wells Fargo has once again generously offered a \$5,000 matching grant and the Rasmuson Foundation has offered a \$7,500 matching grant. Donations are being accepted online at www.ameref.org or can be made in person at the conference. In addition, prizes are being requested for the annual raffle which will occur at the culmination of the AMA Conference. Contact staff at (907) 276-0700 to donate a prize or to buy tickets. Private donations are particularly important this year as funding for the State Department of Education's portion of the partnership was eliminated by Governor Murkowski's veto.

AMEREF BOARD MEETS WITH LT. GOVERNOR LOREN LEMAN



AMEREF board members meet with Lt. Governor Loren Leman to discuss creative solutions for maintaining a long-standing partnership between the State of Alaska Department of Education and the private sector in providing a balanced resource education program to Alaska schools.

ALASKA DEVELOPMENT IS A CHALLENGE AND OPPORTUNITY



Paula P. Easley

Can “a handful of people” overcome problems of isolation, lack of capital, uncertain resource base, trade barriers and climate and develop their economy? Hugh Johnson and Harold Jorgenson asked this question in their 550-page study “The Land Resources of Alaska.”

The study was undertaken by The Conservation Foundation 40 years ago, when “conservation” meant wise use of resources, not “preservation.” A foundation purpose was to “ascertain the most effective methods of making resources available and useful to people.”

Their 1963 conclusions still apply: “We would like to repeat that [Alaska’s] economic development is a national challenge and a national opportunity. It will need every possible type of assistance from its sister states and its parent national government during the next few years.

“At the same time, even while it receives this assistance, it will send forth an ever-increasing flow of goods and services to swell the benefits to the United States and the free world. Alaska’s development is, therefore, of concern to both the state and the nation; both share responsibility for its future growth, its future welfare and also its future problems.”

For readers living elsewhere back then, some background. Major Alaska oil discoveries had convinced Congress, after years of debate, that the territory had the natural resources to support an economy. After finally gaining statehood, we were wildly optimistic about the future. We would prove Alaska would not be the financial burden Congress feared. We had big plans.

They didn’t include the Carter-Andrus team’s later blocking of state and Native land selections or declaring much of the state “national monuments,” actions that halted evaluation and uses of these lands for decades. Nothing would happen until federal designations were made; the battle was on.

Environmental groups with varying interests coalesced, selecting their most prized lands for conservation system units (CSUs). The feds told Alaska min-

ing experts: Identify your most promising mineral prospects so we can assure they’re not included within conservation system boundaries; the experts complied.

As negotiations progressed during the ensuing tug of war between state, Native, federal, environmental and development interests, no one trusted anyone else. Secret meetings were held by all, new map versions routinely appeared, rumors abounded.

Then, development interests heard

“So who will help Alaska achieve its potential? Not California, Oregon or Washington, which benefit enormously from Alaska activity and whose leaders consistently vote against our issues. Not the manufacturing states that make nothing but money from Prudhoe Bay development and would also from ANWR and a gas pipeline. And certainly not environmentalists and their states’ politicians who want Alaska preserved as their “national treasure” at no cost to them.”

strange bumps in the night; it became clear they had been “had.” Promising mineral deposits they’d identified in good faith were inside, not outside, the CSU boundaries. Other prospective lands and transportation routes were purposely blocked by parks or wilderness areas — and still are. Dirty pool? You decide.

With 150-plus million acres in CSUs and the Alaska Lands Act public law in 1980, the environmental coalition rightfully claimed a huge victory. At least, we

thought, the matter was finally settled. Wrong again.

If today’s preservation efforts succeed, Alaskans face millions more acres named endangered species habitat, wilderness withdrawals for the Arctic coastal plain and in NPR-A, roadless/wilderness areas covering most of the Tongass and Chugach, access to ocean resources strictly limited, RS 2477 state roads legislated away, hundreds of new wild and scenic rivers, more national/international parks and heritage sites, more anti-development lawsuits, more private acreage amassed by land trusts and more restrictions on dwindling multiple-use lands.

This is decidedly not the kind of help Johnson and Jorgenson had in mind.

So who will help Alaska achieve its potential? Not California, Oregon or Washington, which benefit enormously from Alaska activity and whose leaders consistently vote against our issues. Not the manufacturing states that make nothing but money from Prudhoe Bay development and would also from ANWR and a gas pipeline. And certainly not environmentalists and their states’ politicians who want Alaska preserved as their “national treasure” at no cost to them.

Alaska’s political leaders, here and in the nation’s capital, are united in insisting our young state has a right and responsibility to support itself and contribute to the national well-being. They note, “Our most precious lands are preserved, and our environmental record is unmatched. We can and must leave our children and grandchildren a legacy of opportunity and prosperity on which to build their own futures.” Once again, optimism fills the air.

As John Barton of Montana puts it, such a legacy will have far more impact on their lives than “the purple flowered pondweed or pimple-nosed peccary ever would.” Granted, the forces that think differently are powerful, but so are the rest of us.

Paula Easley is a former executive director of the Resource Development Council. She writes monthly for the Anchorage Daily News.

Ernesta Ballard



AGGRESSIVE AGENDA FOR ENVIRONMENTAL PROTECTION AND COMPREHENSIVE REGULATION AT DEC

“My goal is to provide less interference with those who have the will and the capacity to perform, and more consequence for those who fail to make the commitment. I seek to influence action in a way that will achieve environmental protection throughout our vast state, not just in the places that are easy to reach.”

Governor Murkowski has an aggressive agenda for improved environmental protection and more comprehensive regulation. His goal is an improved delivery of the high state and federal standards set to protect the air, land and water. The resulting changes at the Department of Environmental Conservation will affect the efficiency and scope of our programs, not the underlying protective standards.

My goal is to provide less interference with those who have the will and the capacity to perform, and more consequence for those who fail to make the commitment. I seek to influence action in a way that will achieve environmental protection throughout our vast state, not just in the places that are easy to reach. I want to minimize the burden of compliance by offering such options as self-implementing, best practices alternatives to permitting, and on-line access to department programs. I want to assure all stakeholders that enforcement will be the predictable consequence of failure to comply.

Last winter we began a major review of our regulatory programs to see if they can achieve these goals. Our review includes the following:

Air Permit Reform: Air permit reform is a priority. Our current permitting process is needlessly complex and drawn out. We need a clearer and more logical distinction between major and minor sources of emissions. Terms and conditions will closely mirror federal programs and all permit exemptions available in federal law will be included. Increased staff is already working to reduce the time from application to permit completion, with a goal of 90-110 days for construction permits. DEC's air operating permits backlog has been cut in half since December 2002. The remaining 26 backlogged operating permits will be issued by November 30, 2003. The majority of the regulatory reform will be accomplished by May 2004.

Spill Prevention and Response: We are streamlining oil spill contingency plan regulations to make it easier for operators to comply with state requirements. Changes proposed for oil and gas exploration and production facilities include a performance standard for controlling blowouts as opposed to mandating relief wells. Another change includes the use of non-mechanical cleanup technology when a response is otherwise not possible because of environmental conditions such as broken ice.

National Pollutant Discharge Elimination System (NPDES) Program Primacy: The Governor will seek legislation to assume full responsibility for regulating discharges to Alaska's waters, such as those from municipal treatment works, factories, and mines. He believes that permitting, compliance and enforcement, now done by EPA, should be done by Alaskans who are knowledgeable about Alaskan conditions.

Solid Waste: DEC is undergoing a comprehensive review of the statutory

and regulatory program for municipal waste. Our goal is to clarify the public interest in municipal (domestic) solid waste, and design a program that can accomplish the same level of protection throughout the state.

Mining Rule: We want to establish the authorities, standards and regulatory methods necessary to permit mines in Alaska in one rule. This project must be coordinated with water program rationalization (below) to achieve consistency in groundwater standards, use of state waters for treatment works, and other areas of overlap. Our goal is to have a statutory proposal ready by the coming legislative session.

Water Program Rationalization: We are evaluating current authorities and operating practices to identify gaps in protection of water resources to ensure all water resources are consistently protected. New regulations will be based on risk and will establish self-implementing “permits-by-rule,” increase the use of general permits, reserve staff time for complex permitting and increase use of on-line permitting. Work will require adjustments to water quality standards (18 AAC 70) and permitting requirements (18 AAC 72). This project will be coordinated with the NPDES primacy project.

Triennial Review: Every three years, the federal Clean Water Act requires DEC to conduct a comprehensive review of the Water Quality Standards (WQS) in 18 AAC 70. This Triennial Review helps set pollution limits by integrating the most current information on state and federal requirements and current science and technology. This process solicits agency and public input on which water quality standards or implementation guidelines in the regulations need revision. DEC has incorporated comments and is preparing a list of priority topics and a schedule of regulations revisions.

Ernesta Ballard is Commissioner of the Alaska Department of Environmental Conservation.



I recently welcomed Interior Secretary Gale Norton to my hometown of Ninilchik for the National Wildlife Refuge Centennial Celebration. We toured wildlife exhibits, visited with locals and learned more about the National Wildlife Refuge System.

Alaska's 16 National Wildlife Refuges constitute more than 80% of the total land of our nation's 540 refuges. Founded in 1903 by President Theodore Roosevelt, the National Wildlife Refuge System now encompasses 95 million acres and is managed by the U.S. Fish and Wildlife Service. It is the only federal system of lands dedicated to conserving wildlife.

Secretary Norton and I discussed Alaska's commitment to responsible, balanced resource development. Alaska is home to a vast wealth of natural resources, which contribute to a large part of our State's history. From the Chilkoot Trail to Prudhoe Bay, Alaska's resources have long been sources of legends and income. I was pleased to learn that Secretary Norton shares my belief that careful environmental planning and the application of advanced technologies can help Alaska reach its goals in energy development.

Alaska's refuges are unique in that fishing and hunting are allowed on them, and one, the Arctic National

Wildlife Refuge (ANWR), has a portion specifically set aside as a special study area for oil and gas development. I visited ANWR recently with Robert Card, Under Secretary for the Department of Energy. He was in Alaska to see this refuge, to meet the people who live within it at Kaktovik and to tour various oil and gas facilities on the North Slope. These types of trips go a long way toward educating public policy makers.

As a native citizen of this state and a civil/environmental engineer, I share the concerns of all Alaskans that our natural assets not be misused. Our Administration is committed to developing Alaska's resources responsibly.

King Cove Road Resurfaces

(Continued from Page 1)

building a 33-mile road to Cold Bay, but it would take an act of Congress to allow construction since much of it would be built inside a designated Wilderness area of the Izembek National Wildlife Refuge. The Preferred Alternative would place the 17-mile gravel road just inside the refuge on private lands owned by King Cove Corporation, but it would stop at the Wilderness boundary where a hovercraft terminal would be built for the eight mile water crossing to Cold Bay.

RDC joined the Aleutians East Borough in supporting the Preferred Alternative, noting it represents a reasonable compromise to an issue

that has attracted strong opposition from environmental groups.

Brune, the RDC Projects Coordinator, told federal regulators at the September hearing in Anchorage that the road should be built for medical, economic and social reasons. In addition, an option supported by environmentalists to build a six-mile road would double the water crossing of the hovercraft, exposing it to higher winds and waves. Meanwhile, others at the hearing, including local residents, voiced strong support for the all-land, 33-mile road option, claiming it would offer the highest safety and reliability factor.

The King Cove issue attracted national media attention six years ago when



Residents of the fishing village of King Cove have been battling for years to build a road to nearby Cold Bay for medical, economic and social reasons.

it first surfaced. A number of local residents and medical personnel have been killed in plane crashes that occurred in marginal weather conditions when people were flying out of King Cove during medical emergencies. In other cases, severely ill people have had to wait days for the region's notoriously bad

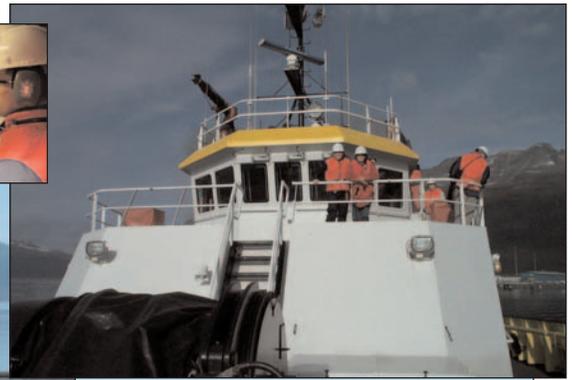
weather to clear before being airlifted.

Borough Manager Bob Juettner is guardedly optimistic the Preferred Alternative will be approved as there have been many modifications to make it compatible with the refuge. A decision could come in October.

RDC SUPPORTS SOUTHEAST ALASKA LAND EXCHANGE

RDC is supporting federal legislation sponsored by Senators Lisa Murkowski and Ted Stevens that authorizes the transfer of lands between both Cape Fox Corporation and Sealaska and the Forest Service. If passed, S. 1354 will not only resolve some of the Cape Fox and Sealaska land entitlement issues which have remained un-

settled since 1971, but also provide a much-needed economic stimulus to Southeast Alaska by facilitating the development of the Kensington gold mine project. The national forest lands in the proposed exchange are zoned for mineral development. The exchange would form a contiguous block of private land managed as a mining district.



RDC Board Tours Valdez

Last month the annual RDC Board community outreach trip took place in Valdez. Board members were treated to an extensive community tour hosted by Mayor Bert Cottle. RDC visited \$100 million in local, state and federal public works projects, including the

small boat harbor expansion, the site of a proposed small boat harbor, a 21-bed hospital now under construction, a new junior high school, airport improvements, a new ferry terminal and dock, and new housing. Board members also toured Alyeska's Ship Escort Response Vessel System (SERVS). SERVS' mission is to prevent oil spills from tankers, and to respond should a spill occur. The foundation of Alyeska's spill prevention program is the tanker escort sys-

tem designed to help tankers safely navigate Prince William Sound. A powerful tug tethered to the stern of a tanker provides immediate assistance if the tanker loses power or has steering problems. A second vessel stays with the tanker in close escort during the transit through the Sound. Pictured at top left are RDC board members aboard the \$18 million, highly-maneuverable tug "Aware." They are viewing the deployment of containment boom during a drill in Port Valdez. In the inset, Rick Rogers views the engine room of the Aware. To the right of the inset, Carol Fraser and Elizabeth Rensch from the deck of the Aware. RDC President John Shively is pictured above in the bridge of the Aware. Below, board members view a tanker being loaded with North Slope crude at the TAPS Valdez Marine Terminal.



Above, Valdez Mayor Bert Cottle shows RDC board members a construction site where a new dock and ferry terminal is being built in Valdez. At right, Wrangell-St. Elias National Park Service Ranger Vicki Snitzler takes RDC on a tour of the park's new Visitors Center in Copper Center. At 13.2 million acres, Wrangell-St. Elias is the largest park in America and is bigger than many states and some countries, including Switzerland. It also boasts nine of the tallest 15 peaks in North America.





GOVERNOR MURKOWSKI AND LEGISLATURE DESERVE CREDIT IN REFORMING PROCESS, MAKING ALASKA WARMER PLACE FOR BUSINESS

As this is my first column as President of RDC, I should start off by thanking the Board of Directors for giving me the honor of serving in this position. I have long admired the work of this organization. When I served as Commissioner of Natural Resources, RDC worked closely with the department on many resource issues and legislative efforts. RDC always brought a reasoned approach to the table.

Being President is a particularly gratifying assignment because of the outstanding staff we have working for us. Tadd continues a line of distinguished executive directors. Carl is more of an institution than an employee. Jason brings us all the energy and enthusiasm of youth, and Billie Rae keeps the trains running on time. It is a great team, and I consider myself fortunate to be working with them.

I would like to review some of successes of the last legislative session from the perspective of RDC and our longstanding interest in reforming government's processes. We have maintained this interest because of Alaska's reputation for having particularly cumbersome permitting systems.

I want to differentiate between the process of permitting and the purposes of these systems. The initial purposes of most government programs are good, particularly those that help protect the environment in which we work and play. However, because there are so many programs now mandated by our legislature and the U.S. Congress, the permitting process has become a jungle through which only the brave (and, for the most part, well financed) dare tread. The development community often has a difficult time discerning what government really wants them to do.

In addition, government has become so fond of the permitting process that it wants permittees to do it over and over again once the permitted activity is up and running. Both of these situa-

tions add unnecessary costs and uncertainty to development projects and other businesses, for that matter.

Credit needs to be given to Gov. Murkowski and the legislature for addressing this situation head on. There were a variety of actions taken to help simplify the permitting system, and I would like to focus on two.

The first is SB 74, which extended the time for submitting oil spill contingency plans from every three years to every five years. The additional two years isn't much, and an argument could certainly be made for a longer period, but the change in law was a very positive step. It means that in a 15-year period, a company need submit only three plans rather than five.

The change reduces the workload and costs for both industry and government, at a time when government needs to reduce costs and Alaska needs to reduce the cost of doing business. The change also reduces litigation risk, a major component of risk analysis for Alaskan projects.

The second piece of legislation I want to mention is SB 142, which designates the Department of Natural Resources (DNR) as the lead agency for development projects. The legislation does not give control over the decisions legislatively granted to other agencies. However, the legislation gives the permittee a single source of contact in government and allows DNR to set schedules for other agencies to work under and also to coordinate appeals.

The DNR lead agency concept has worked well in the past for large mining projects and, I believe, will work well for other projects. Having one agency in charge of moving the project along will definitely speed the decision process. Having this type of oversight may also help eliminate mitigation measures from different agencies conflicting with one another.

Simplifying the permitting process does not mean, as some critics charge, lowering our standards of environmental protection. Neither of the examples cited above reduces a single environmental standard. However, both pieces of legislation bring some reason to the government's oversight responsibilities, and take us further from a system where the process becomes the product.

“Simplifying the permitting process does not mean, as some critics charge, lowering our standards of environmental protection.”

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