



## UP IN SMOKE

## WILDFIRES SCORCH ALASKA

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More than 6.2 million acres or 9,360 square miles – an area larger than the state of Connecticut – were consumed by wildfires in Alaska this summer. By late August, 96 fires were still burning across the state. The Taylor complex fire alone had burned more than 1.2 million acres, several times the acreage cut in the Tongass National Forest since industrial logging began there in 1954. Smoke reduced visibility across the state, where in Fairbanks air quality readings climbed to 650 micro-grahams per cubic meter. A reading of 65 is unhealthy and 250 and above is hazardous. Photo: Alaska Fire Service – BLM

Photo by Chris Figenschau, Alaska Fire Service – BLM

Ask any Alaskan. It was hot and dry across America's largest state this summer. And it was smoky. Smoke from gigantic, record-size wildfires reduced visibility in Fairbanks and many other towns and villages to a quarter mile on numerous days, resulting in air quality alerts and airport closures.

In what was the worst fire season on record in the far north, more than 6.2 million acres of Alaska forest went up

in smoke this summer. With 96 fires still raging in late August, the season total reached 646 wildfires scorching more than 9,360 square miles – an area larger than the state of Connecticut. At the end of August, of 2,693,141 acres of forest burning in the U.S., 2,622,480 were on fire in Alaska.

This year Alaska accounts for more than 70 percent of the nation's blackened landscape. Last year, nationwide 1.8 million acres of forest were

scorched with Alaska accounting for one-third of the total or 603,000 acres.

At the peak of the 2004 season, more than 2,000 firefighters fought blazes that swept across Alaska's state and federal lands. By late summer, the cost of fighting the fires surpassed \$55 million.

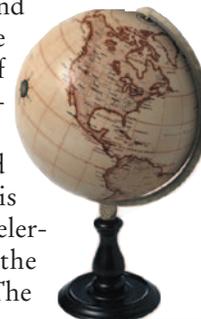
Dry conditions and record warmth this summer in Alaska accelerated the drying of the fuels in the forest. The

dry conditions, along with tree and brush mortality

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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.

## MINING IS KEY TO U.S. SELF-SUFFICIENCY



PAULA EASLEY

Editor's Note: The following commentary by Paula Easley was published August 21, 2004 in the Anchorage Daily News. The News publishes Easley's column the third Saturday of each month.

Alaska is a great place for elephant hunting. While hundreds have been observed, they aren't easily accessible. Sometimes natural or artificial barriers can prevent exploring their habitat and seeing them up close. Some elephants even have names: Pebble, Pogo, Donlin, Red Dog, A-J, Prudhoe, Kennecott, Greens Creek, Kuparuk, Quartz Hill.

Financial barriers can also be erected. Sen. John Kerry recently vowed to impose a \$600 million fee on mining operations and use the revenues to foster tourism in our national parks. (He didn't ask how many career mining people would rather be nature interpreters or the like.) Economists had analyzed a similar fee proposal that projected western states would lose 44,000 mining jobs. In Nevada alone, the hard-rock mining fee would eliminate 20 percent of the industry, further exacerbating the national trade imbalance.

How big an issue is this? When you consider that, statistically, every U.S. resident uses 45,524 pounds of new minerals each year (U.S. Geological Survey), it's pretty big. Just estimate the weight of mineral-based items in your home, including the plumbing, cars, boats and the house itself. What about planes, trains, buildings, medical services, roads, etc., used periodically? Like mining or not, minerals are vitally important personal necessities. They are critical components of America's economic foundation. So are jobs.

What happened to rare earth minerals is an unfortunate example of shortsighted thinking. The world's largest known deposit is in the Mojave Desert between Barstow, Calif., and Las Vegas. These materials have enormous potential for advancing 21st century technology.

Samarium and neodymium are used to produce super magnets that reduce the weight and size of electric motors by 50 percent. With miniature motors we can manufacture pollution-free cars. Lanthium increases lighting's energy efficiency by up to 50 percent. Europium produces the red color on television screens. Rare earth minerals are used in catalytic converters, computers and other high-tech applications.

Fifteen years ago, California was the number one producer of rare earth minerals. Today we import them from the People's Republic of China. Why? The Feinstein-Miller California Desert Wilderness Act placed the deposit off limits.

A similar action occurred in California's Lucerne Valley, the West's largest producing area for cement and limestone products, regulated out of business for some "endangered" weeds. Limestone is used in antacids, toothpaste, rubber, plastics, paints, crayons and medicines, and for making steel and glass, for refining sugar, for purifying water and for controlling air pollution.

One would think such uses of the earth's diverse mineral endowment would merit a higher priority than preserving noxious weeds. Weeds can be transplanted. Minerals can't. No one knows what minerals we have since tens of millions of public acres have been designated inaccessible without studying their resource potential. Typically, 5,000 mining claims must be evaluated to find a single valuable mine. That's why protecting access is so critical.

We can't predict the future, the stability of foreign suppliers, or the impacts of supply disruptions on the United States. We've learned from experience, though, that resources locked away by the environmental protection frenzy stay locked away.

On the energy front, today's quandary is whether record oil prices will motivate Congress to overrule environmental opposition and allow exploration in a small fraction of ANWR. Alaska's natural gas and coal could also help offset national power generation shortages. If other states were allowed to produce their public land resources, the employment impacts alone would be phenomenal.

The National Defense Council Foundation monitors issues affecting energy and strategic minerals. Its president recently told Congress (March 4, 2004 testimony at [www.nma.org/policy/congtest.asp](http://www.nma.org/policy/congtest.asp)) that environmentalist legal challenges at every step in the permitting process make companies wary of ever starting up, even with all permits in hand. This uncertainty drives companies offshore, but leadership and common-sense policies can change this. Alaska's leaders are on the right track.

All the mining ever done has used less than a fraction of one percent of Earth's surface. The land and the materials can be used again and again. Environmental rules guiding development are in place. So why aren't we committed to making the United States more self-sufficient?

Paula Easley is vice chair of the Nationwide Public Projects Coalition, president of the Alaska Land Rights Coalition, and a board member of the Resource Development Council. E-mail her at [paulaeasley@yahoo.com](mailto:paulaeasley@yahoo.com).

All the mining ever done has used less than a fraction of one percent of the Earth's surface. The land and the materials can be used again and again. Environmental rules guiding development are in place. So why aren't we committed to making the United States more self-sufficient?

# FOREST MANAGEMENT CAN REDUCE WILDFIRE DANGER

(Continued from page 1)

caused by insect damage and over-mature stands of timber, greatly increased the risk of large fires across the state.

The Taylor Complex fires alone consumed 1.2 million acres. The Boundary blaze north of Fairbanks, burned more than 500,000 acres and prompted the evacuation of hundreds of local residents. Another fire near Central consumed more than 451,000 acres.

To put the numbers in perspective, a total of 401,000 acres have been harvested in Alaska's Tongass National Forest since industrial logging began in 1954.

The health of Alaska's forests can be enhanced and the wildfire danger reduced through intensive forest man-



Huge fires burning across Alaska's warm and dry Interior this summer were fed by a large build up of fuels in the forest. Dry conditions, along with tree and brush mortality caused by insect damage and over-mature stands of timber, increased the risk of large fires. The health of the forest can be enhanced by forest management. (Photos on this page by Mike Hostetler)

agement practices, according to Owen Graham, Executive Director of the Alaska Forest Association.

"Insect infestations, disease

and fire damage to forests can be avoided if forest managers have reasonable access for active management and are allowed to harvest those tim-

ber stands that contribute to or allow the continuance of the damage," said Graham. "Reforestation can occur more efficiently if the damaged timber is removed, and if harvested soon enough, the value of the timber can offset some or all of the costs of reforesting those forestlands."

The use of timber harvest for improving forest health is not possible, however, if there is no viable timber industry in the region.

"Industry can be beneficial to local communities and such an industry can operate in an environmentally responsible manner," Graham added. "Since the State and federal governments have monopoly power over the timber supply in Alaska, they must establish and maintain a reliable timber supply in each region of the state that is sufficient to sustain a viable timber industry."



## NEW STATE REPORT ON RED DOG STANDS IN SHARP CONTRAST TO ENVIRONMENTAL GROUP'S STUDY

A new Alaska Department of Health and Social Services report has concluded that metals found in plants near the Red Dog mine do not pose a threat to the public, and local residents can continue to eat subsistence foods gathered from the region.

The state report stands in sharp contrast with one released earlier this year by an environmental group that warned residents not to eat subsistence foods in the area.

Higher concentrations of lead and zinc were found in the soil samples around the mine's port site on the Chukchi Sea, but people are prohibited from gathering food there because it's an industrial zone.

State officials say contamination from ore milled at Red Dog is limited to the road corridor and port. They also say the metals are in a form not easily absorbed by the human body and they are too heavy to be carried very far by wind. The State charged the environmental group's study contained errors of fact and incorrectly interprets



Teck Cominco has spent \$16 million to address the issue of ore concentration dust since the latest study was conducted. New steel lids have been installed on trucks carrying ore to the port site, where other modifications have also occurred.

other studies and recommendations.

Meanwhile, the National Park Service recently released the results of a 2001 study detailing how far lead dust had drifted out from the road. Next to the road, levels were 900 parts per million, but lead dropped to 10 to 20 parts per million a mile from the road. There is no indication that such levels pose a threat to human health, according to state officials.

From two to 15 miles, levels hovered around 15 parts

per million. Beyond that, contaminants were lower and could very well be from natural erosion of nearby rocks.

Teck Cominco has spent \$16 million to address the issue of ore concentrate dust since the latest study was conducted. New steel lids have been installed on trucks carrying ore to the port site and the barge-holding facility at the port has been re-vamped, among other modifications.

"To some extent, the results of this latest study are histor-

ical and do not reflect our current practices," said Jim Kulas, Environmental Superintendent at Red Dog.

Teck Cominco is funding an extensive risk assessment study with the Alaska Department of Environmental Conservation to determine the long-term impact of ore concentrate dust on public health and the environment. Results of the study are expected next spring.

Since 2001, the company has spent \$4.3 million on studies assessing the human health and environmental impacts of ore concentration dust. The mine complies with 155 permits, regulations, agreements and environmental plans that contain more than 2,700 stipulations.

The company provides ongoing blood lead monitoring for all employees at the Red Dog operations and carries out air and water monitoring, and fish and vegetation sampling in and around local villages, along the haul road and at the mine and port. The monitoring costs in excess of \$1 million annually.

### STATE TO MAKE TIMBER SALES AVAILABLE TO SOUTHEAST ALASKA MILLS

Three small Southeast Alaska sawmills financially hamstrung by the resistance of environmental special interest groups to logging on federal land will get some relief this year, as Governor Frank Murkowski announced a plans to make state timber sales available for the mills to help protect Alaska jobs.

"We are determined to get a long-term solution to the timber industry's supply problems by using U.S. Forest Service timber to supply our Southeast mills," said the Governor. "But we need to help the mills survive until then."

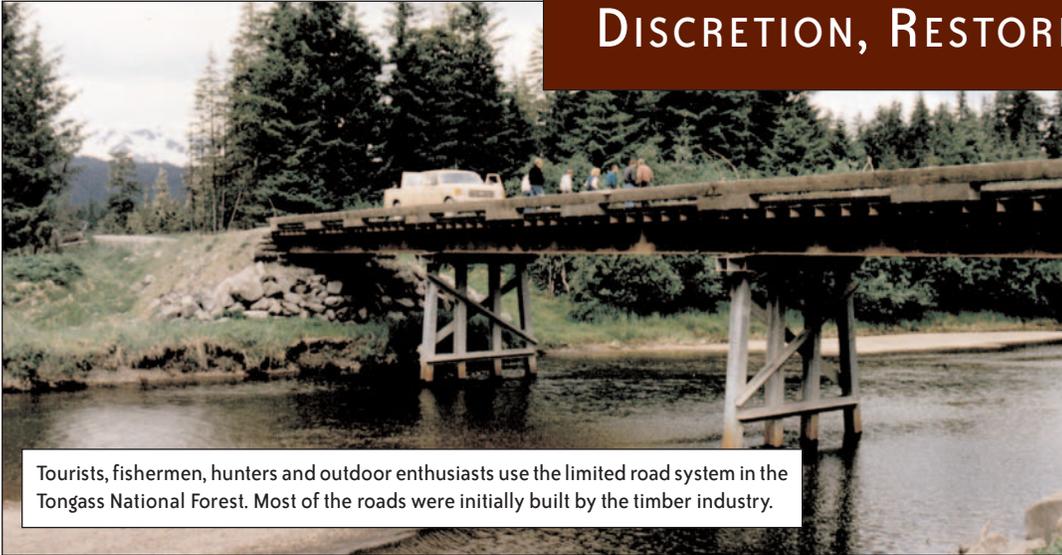
Under the plan, the state will first provide state timber sales for the Pacific Log & Lumber sawmill in Ketchikan and the Silver Bay Logging sawmill in Wrangell over the next year. The state will also provide the Viking sawmill in

Klawock with 15 million board feet of state timber over the next four years.

To further expand potential timber supplies, the state will also encourage the Mental Health Trust to make timber on its land in the region available in sales for which local mills could compete. Finally, the Governor has committed the state to work with the sawmills to find uses for sawdust and bark generated as byproducts of mill operations.

The Forest Service has agreed to help by putting up federal timber sales near state sales and cooperating on a joint road agreement on Gravina Island. Forest Service timber, much of it currently tied up in court, should again be available in sufficient quantities to supply the mills in the summer of 2005, the Governor said.

## NEW ROADLESS RULE GIVES STATES DISCRETION, RESTORES LOCAL INPUT



Tourists, fishermen, hunters and outdoor enthusiasts use the limited road system in the Tongass National Forest. Most of the roads were initially built by the timber industry.

Agriculture Secretary Ann Veneman this summer unveiled a new roadless rule proposal for America's national forests.

The new rule establishes a collaborative process in which governors will work with the U.S. Forest Service and all interested parties to make state-specific rulemakings for both conservation and management of roadless areas. The new approach will give local communities the ability to identify areas for inclusion, protect local resources and assure citizens access to private property.

The proposal would allow local review of the impact of the national roadless rule, something that was missing in the Clinton-era rule that established highly-restrictive land use policy over 58 million acres of national forest land (15 million in Alaska). That rule created blanket, nationwide prohibitions generally limiting timber harvest, road construction and reconstruction within inventoried roadless areas.

"Our actions today advance President Bush's commitment to cooperatively

conserving roadless areas on national forests," Veneman said. "The prospect of endless lawsuits represents neither progress, nor certainty for communities."

Veneman said her proposal illustrates the Bush administration's commitment to working closely with the nation's governors to meet the needs of local communities, and to maintaining the undeveloped character of the most pristine areas of the National Forest System.

The prior administration finalized its roadless rule in January 2001. Since then it has been the target of litigation in Alaska, Idaho, Utah, North Dakota, Wyoming and the District of Columbia. In June 2003, a federal court struck down the 2001 roadless rule, concluding it violated the National Environmental Policy Act and the Wilderness Act.

Many areas falling under the Clinton-rule are not pristine and need to be managed in order to control insect and disease outbreaks or to reduce hazardous fuels so catastrophic fires do not consume the landscape, said House Resources Committee

Chairman Richard Pombo (R-CA).

"These decisions can only be made at the local level with site-specific information. One-size-fits-all fiat from Washington have never been, and will never be, scientifically accurate, socially acceptable, legally defensible or politically responsible," Pombo said.

Pombo also noted the prior administration's EIS on the original rule covering nearly 60 million acres was done in less than a year. He said that set off alarm bells, considering environmentalists have consistently litigated less comprehensive forest EIS's for lack of site-specific analysis.

The proposed rule establishes a process for governors to work with the Forest Service to develop locally-supported rules for conserving roadless areas in their states. During the rule-making process, Forest Service Chief Dale Bosworth will maintain interim measures to conserve roadless areas.

Petitions would identify areas for inclusion, and ways to protect public health and

safety, reduce wildfire risks to communities and critical wildlife habitat, maintain critical infrastructure, such as dams and utilities, and assure citizens access to private property.

Once a state finished its petition process, the Forest Service would publish a subsequent rulemaking for inventoried roadless areas within the petitioning state. Each state-specific rulemaking will include the required National Environmental Policy Act (NEPA) analysis and input from the public during the notice and comment period. Petitions would have to be submitted within 18 months of the effective date of a final rule.

"State governments are important partners in the stewardship of the nation's land and natural resources," Veneman said. "Strong state and federal cooperation in the management of roadless areas will foster strong local involvement and support for a final policy."

The proposed rule is available at [www.fs.fed.us](http://www.fs.fed.us). The public comment period on the proposed rule ends September 14.

Written comments may be mailed to: Content Analysis Team, ATTN: Roadless State Petitions, USDA Forest Service, P.O. Box 221090, Salt Lake City, UT 84122; faxed to (801) 517-1014; or e-mailed to [statepetitionroadless@fs.fed.us](mailto:statepetitionroadless@fs.fed.us). Comments also may be submitted from: <http://www.regulations.gov>.

The Forest Service will issue a final rule after it evaluates public comments.

# CONOCOPHILLIPS, BP LAUNCH LARGEST-EVER HEAVY OIL DEVELOPMENT PROGRAM IN ALASKA

ConocoPhillips and BP have launched the largest-ever heavy oil development program in Alaska. The \$500 million program will increase West Sak oil field production to approximately 45,000 barrels of oil per day (bpd) by 2007.

West Sak is a large, shallow, heavy oil accumulation that overlies much of the ConocoPhillips-operated Kuparuk field on Alaska's North Slope. Current field production from West Sak averages about 10,000 bpd.

The development program will include two drill sites within the Kuparuk River Unit – an existing gravel pad and a new stand-alone West Sak drill site. The development program will generate more than 850 jobs in Alaska during the peak construction phase in 2005.

Plans call for the drilling of 44 wells at the two drill sites. The development program also includes expansion of facilities at the existing pad, and the construction of new facilities, pipelines and power lines at the new site. Expansion of the existing pad is expected to add about 10,000 bpd, with first production anticipated this summer. Development of the new drill site will add about 30,000 bpd, with first production expected in late 2005 and peak production in 2007. Ultimately, West Sak could produce up to 100,000 bpd in the next decade. As many as three billion barrels of oil may be recoverable.

First-year average production rates from a typical West Sak well have climbed from a few hundred barrels of oil per day in 1997 to more than

1,500 today. The increase in production rates is a result of advanced drilling technologies such as multilateral wells, which have multiple producing well bores, and the use of enhanced oil recovery (EOR) technologies that make it possible to extract more oil from the reservoir.

Discovered in 1971, West Sak contains more than 16 billion barrels of oil. By comparison, Prudhoe Bay, the largest oil field in North America, originally had 25 billion barrels in place, with about 14 billion barrels considered recoverable. Prudhoe has been declining at a rate of approximately 10 percent annually.

While high oil prices make the West Sak investment more attractive, the driving force behind the decision to move forward with the project is major breakthroughs in technological advances. Extensive technical cooperation by ConocoPhillips and BP has contributed to the recent advance in the production and development of heavy oil resources at West Sak and the BP-operated Orion and Milne Point fields.

Unlike Prudhoe Bay and Kuparuk, the second largest field in North America, little oil has been pumped from the shallow West Sak field, which sits only about 4,000 feet beneath the surface and 2,000 feet above the Kuparuk formation. Because of its shallow depth, West Sak oil is thick and cold like a malt shake and is stickier than Prudhoe or Kuparuk oil. These factors have posed serious technological challenges to oil companies attempting to suck the oil



The heavy oil development program features two drill sites within the Kuparuk River Unit. Plans call for the drilling of 44 wells at the two drill sites.

through porous layers of sandstone that contain it.

Alaska's Economic Limit Factor (ELF), a tax mechanism designed to encourage development of fields with marginal economics, was a major factor in bringing the project forward. ELF will not apply when the expansion is completed because the

increased flow will make it ineligible for a tax rate reduction.

ConocoPhillips Alaska operates the West Sak field, which will be owned by ConocoPhillips (52 percent), BP (37 percent), ExxonMobil (5.8 percent), Unocal (5.0 percent) and ChevronTexaco (0.1 percent).

## GREENPEACE IGNORES FACT THAT MOST OF TONGASS IS PROTECTED

Greenpeace activists chained themselves to bulldozers and set up roadblocks near logging operations in the Tongass National Forest last month to protest a recent Bush administration proposal to let states decide whether to apply roadless restrictions in their national forests.

The protests ended when law enforcement officials arrested seven activists who had refused to depart after repeated requests.

Greenpeace said its demonstrations in the Tongass were aimed at bringing public attention to the "crown jewel" of America's national forest system and the government's road building efforts in the forest.

The group's three-day protest near Petersburg was carefully planned to capture media coverage across the globe. Greenpeace arranged satellite feeds of the protest for television stations to use. Protesters were armed with cell and satellite phones to do interviews from the remote location.

Press coverage of the protests ran from California to England.

(Continued to page 11)

# DIAMOND MINES OVERCOME CHALLENGES, TRANSFORM NORTHERN CANADIAN ECONOMY

Discovering rich diamond deposits in Canada's remote Northwest Territories is no easy task, especially when they're hidden under water. Turning them into wealth where there are no roads, power or local communities is even more challenging.

But two mines, located about 200 miles to the northeast and northwest of Yellowknife, have risen to the challenge, making Canada the third largest producer of diamonds in the world. When a third mine at Snap Lake comes into production in 2007, Canada's Northwest Territories will produce approximately 15 percent of the world's diamonds.

More than two dozen Alaskans visited the state-of-the-art Diavik and Ekati diamond mines in a tour organized by the Alaska Miners Association (AMA)

in July.

In addition to touring the diamond mines, the AMA group met in Whitehorse with Yukon Territory mining officials and in Yellowknife with Northwest Territories government officials.

Diamond mining and its secondary diamond industries are transforming the Northwest Territories economy. Yellowknife, the capital, is a booming modern city on the shores of the huge Great Slave Lake.

The Diavik mine is the richest diamond deposit on a value-per-ton basis on the planet, and the Ekati mine falls within the top five. The gross value of the Ekati, Diavik and Snap Lake reserves combined are estimated at \$25 billion to \$30 billion.

"Diamond exploration right now is a huge part of



With the Ekati pit is nearly depleted, BHP Billiton is spending \$182 million to start up underground operations, where 40% of the resource is to be recovered.

the exploration in North America," said Steve Borell, Executive Director of the Alaska Miners Association. In addition to production and further exploration in the Northwest Territories, companies are exploring for diamonds in Canada's Yukon and Nunavut Territories, Borell said.

The majority of diamond mines are found in volcanic rock called kimberlite. Eruptions carried the diamonds from where they were formed many miles deep in the earth to near the surface, through what are called kimberlite pipes, where they are mined by open pit or underground methods. The diamonds found in the Canadian pipes are up to 90 percent gem quality.

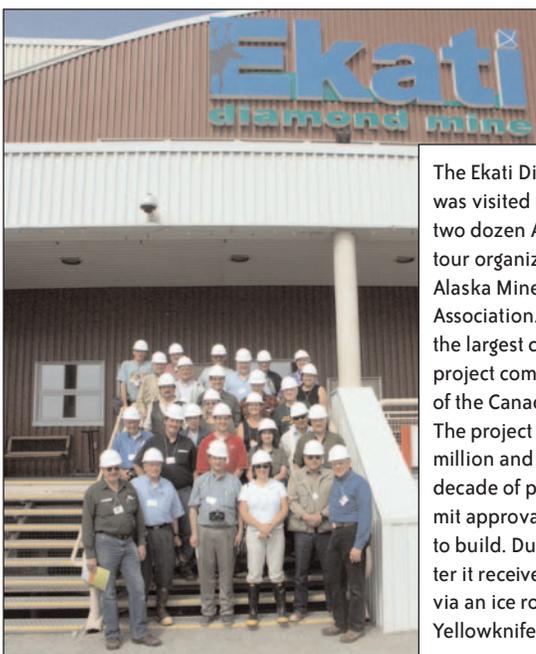
## Ekati

The original discovery of diamonds in the treeless Lac De Gras area of the

Northwest Territories occurred more than ten years ago. After a decade of prospecting, drilling and sampling, the momentous day of discovery came in 1991 when a group of BHP Billiton geophysicists discovered the first kimberlite pipe under Point Lake, near the present site of the Ekati mine. After drilling through 400 feet of rock under the lake, the crew penetrated the first kimberlite pipe and extracted 81 diamonds.

Ekati, 120 miles south of the Arctic Circle, started production in 1998 and employs more than 700 workers. BHP Billiton Ltd., owns 80 percent of the venture, which is expected to produce up to 4.5 million carats a year.

Ekati was the largest construction project completed north of the Canadian tree-line. It took an incredible amount of dedication and hard work to get the mine up



The Ekati Diamond Mine was visited by more than two dozen Alaskans in a tour organized by the Alaska Miners Association. Ekati was the largest construction project completed north of the Canadian treeline. The project cost \$900 million and took a decade of planning, permit approvals and work to build. During the winter it receives supplies via an ice road from Yellowknife.



Ekati, 120 miles south of the Arctic Circle, started production in 1998.

and running on the harsh sub-arctic tundra, which resembles Alaska's North Slope. The project cost \$900 million and took a decade of planning, permit approvals and work to build.

After nearly depleting its Panda open pit at Ekati, BHP Billiton is spending \$182 million to start up underground operations beneath the pit. About 40 percent of the value of the resource is expected to be found underground.

#### Diavik

The Diavik mine went online in 2003, producing 3.8 million carats in its first year, according to its owner, Diavik Diamond Mines, Inc. Full production is estimated at twice that volume. The majority owner in the venture is worldwide mining giant Rio Tinto of London.

Like Ekati, Diavik is built on a flat, treeless plain of tundra where fresh water lakes – 8,000 in the region – are the dominant feature. Both mines are supplied in the winter months by a several hundred-mile ice road from Yellowknife.

Diavik's kimberlite pipes are located just offshore. The \$1.3 billion industrial facility is built on an island. Innovative, award-winning dikes were built to temporarily hold back the waters of Lac de Gras to allow mining. The first dike was made watertight in July 2002. The im-

poundment it created was pumped dry three months later.

Diavik is estimated to have a 16-22 year life span. More than 600 work at the mine – 74 percent were northern residents, and 35 percent aboriginal.

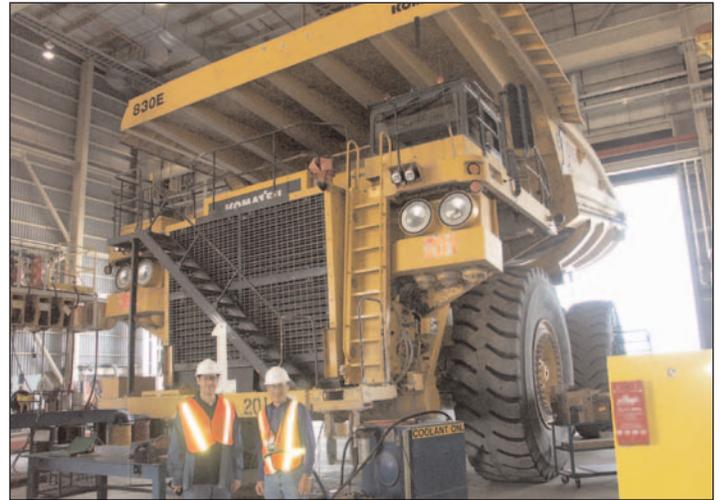
With diamond mining taking off in Canada, what is the potential for similar discover-



Geologist Jeff Foley looks over Diavik's open pit mine. Diavik went online in 2003, producing 3.8 million carats in its first year.



Jeff Foley, Steve Borell of the Alaska Miners Association and a Diavik official discuss mine operations.



Heavy equipment looms over RDC's Jason Brune and Calista geologist Jeff Foley.

ies in Alaska? According to Alaska geologist Paul Glavinovich, a commercial discovery here is unlikely.

"Diamondiferous kimberlite pipes are the product of a very unique set of geologic conditions," explained Glavinovich. "With regard

to Alaska, conventional wisdom holds that there is a very low probability that such geologic conditions exist or existed in Alaska's geologic past, hence the chance of the state having a commercial diamond mine is slim."

Diamonds have been found in Alaska, but in a placer deposit or in the products of a placer. Some very fine micro-diamonds were found in some of the platinum nuggets from Good News Bay.

Glavinovich pointed to a number of similarities between diamond mining in Canada's far north and mineral extraction efforts in Alaska, especially with regard to cooperative efforts between mining companies and the indigenous people of the Arctic. Glavinovich noted that new mines going forward in Alaska and Canada would most likely follow the successful Red Dog model, which has brought new jobs and economic opportunities to the indigenous people of the Alaska and Canadian Arctic.

"It is a strong commonality," Glavinovich said. "The northern Canadian mines also face the same logistical and lack of infrastructure challenges we must overcome in Alaska."



DO WE REALLY KNOW WHAT IS GOING ON AROUND US?

Do we know why it was so delightfully warm this year and in 1936; why more salmon returned to the Kuskokwim; why tourists get to see more whales in Glacier Bay? Do we know what a "normal" oil price is anymore?

Over the past week or so I have been thinking about a number of seemingly disconnected events. Our "knock-your-socks-off" summer has everyone talking about the weather and the records that are being set almost daily. Apparently, the last time we had a summer this nice in Anchorage was in 1936.

This good fortune has not come without some pain. Forest fires have set a new "personal best" by consuming over 5 million acres, while spreading smoke and haze all across the state.

Salmon runs have been pretty good and surprisingly robust in the Yukon and Kuskokwim drainages. Even the price seemed to rebound, at least in some of the fisheries. This good fortune was marred somewhat by the lack of availability of processing facilities, particularly on the Yukon and Kuskokwim, as a result of years of poor fish runs. However, even in the Bristol Bay fishery there were minor problems with capacity and the failure of at least one buyer to pay its fishers and workers.

This season has seen a larger than usual number of whales taking their summer vacations in Glacier Bay National Park. This is good news for the tourists who get to visit the park and also for the cruise ships and tour boats that bring those visitors. It would seem to indicate these visitor-based businesses are not driving the whales away from Glacier Bay. On the other hand, the Park Service has appropriately placed speed restrictions on the cruise ships and tour boats, which can present scheduling challenges.

The price of oil has been a pleasant surprise to those who don't think the state needs a fiscal plan. It would take about an average price of \$34 a barrel for the state to have a balanced budget. With oil hovering just under \$50, as I write this column, that average price would seem achievable, as unimaginable as this scenario would have seemed, even a year ago.

Whether the U.S. and world economies can stand the current price level is a question worth asking, but not one I will attempt to answer in this column. I'll let Alan Greenspan deal with that issue. Closer to home, these high energy costs will hit very hard in the rural areas of our state.

Those of you, who have read this far, are probably wondering where I am going with

the four situations I have outlined above. They are all related, at least indirectly, to resource development and to Alaska.

However, I believe there are a couple more important themes underlying these circumstances. The first is that no matter what the good news, there is often some negative associated with it. Or, as they say in physics, for every action, there is an equal and opposite reaction.

Our challenge in resource development is how to maximize the positive and minimize the negative. However, those who think all negatives (risks) can be eliminated are on a fool's mission.

The second theme is how difficult it is for us to predict the future and understand change. All of the instances I discussed at the beginning of the column involve some sort of prediction, and those predictions are based on past data - what some might call baseline data. In some cases, such as the weather, we have decades of data, and, yet the experts in that field have a very difficult time predicting weather on a day-to-day basis, to say nothing about attempting to predict it months or years ahead of time.

I think people often misuse data because they do not understand its limitations. Baseline data, no matter if it is weather, whales, or salmon, can tell us the "what" of the situation, but it does not tell us the "why," or even if what we are measuring is the "norm."

Do we know why it was so delightfully warm this year and in 1936; why more salmon returned to the Kuskokwim; why tourists get to see more whales in Glacier Bay? Do we know what a "normal" oil price is anymore?

I am not trying to argue against collecting data. Clearly, we should be. However, the data itself is not the Holy Grail that some would have it be. Because something is true today does not mean it will be, or even should be, the way things are tomorrow.

All good data can do is point us in a direction. Combined with good science, good data can help us minimize some of the negative aspects of what happens around us. However, even the very best data cannot drive risk to 0% or increase predictability to 100%.

# RDC NEWS DIGEST

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## STATE SEEKS PROGRAM COORDINATOR FOR ALASKA RESOURCES EDUCATION PROGRAM

The Alaska Department of Education has issued a request for proposals (RFP) for the Alaska Resources Education Program Coordinator. This position works hand-in-hand with AMEREF, the Alaska Mineral and Energy Resource Education Fund, to administer the program.

The program distributes resources kits to Alaskan educators that contain a standards-based, Alaska-specific interdisciplinary set of lessons, activities, and support materials which provide students and teachers with balanced information about

Alaska's rich heritage with mineral, energy, and forest resources. The deadline for applying is September 13 and the RFP can be found online at [www.ameref.org](http://www.ameref.org).

AMEREF also recently distributed its new interactive CD to all kit holders.

The CD contains updated curriculum activities (indicating the state education standards that each activity addresses), interactive games, movies, and links to other resources. To receive a copy, please contact AMEREF at [resources@akrdc.org](mailto:resources@akrdc.org) or call 907-276-0700.

## ON THE WEB

[WWW.AKRDC.ORG](http://WWW.AKRDC.ORG)

- Recent RDC Action Alert on New Roadless Rule proposal – comments due September 14th  
[www.akrdc.org/alerts/](http://www.akrdc.org/alerts/)
- RDC Fall Breakfast Meeting Schedule  
[www.akrdc.org/membership/events/breakfast/](http://www.akrdc.org/membership/events/breakfast/)
- RDC comments on beluga whale conservation plan  
[www.akrdc.org/alerts/belugas.html](http://www.akrdc.org/alerts/belugas.html)

## GREENPEACE USES TONGASS TO PROTEST ADMINISTRATION'S NEW ROADLESS RULE

(Continued from page 7)

The protesters who chained themselves to heavy equipment were successful in disrupting the operations of a small Alaska road building company who had three workers at the site when the protest was launched. During the protest, the Forest Service ordered the family business and its workers off of the construction site and away from the expensive equipment the activists were chained to.

Governor Frank Murkowski reacted strongly to the protest and the resulting impact on construction activity.

"The action of this outside environmental group does nothing to resolve issues on the Tongass," said the Governor. "Alaskans have a long history of disagreeing with each other and using the public process and the courts to resolve their disputes. We may not always agree, but up to now, opponents of logging have not resorted to scare tactics or illegal actions to get their way."

A timber sale Greenpeace had targeted, the Finger Point sale, has cleared scrutiny under the National Environmental Policy Act and associated legal hurdles. Greenpeace's action was directed at preventing road construction crews from providing access to the sale.

Greenpeace had also stopped a clean-up operation involving a previously harvested timber sale. The purchaser was removing felled and bucked timber on the sale after the harvest had been completed. The Forest Service had received criticism in the past for lack of clean-up on previous sales.

Greenpeace was protesting logging sales and associated road building that support a sharply reduced, but critical niche of the Southeast Alaska economy. Timber harvests have declined dramatically since the 1980s, but the surviving three small family-owned sawmills in the region play an important role in the local economy.

Greenpeace and the media ignored the fact that only 10 percent of the remaining old-growth in the Tongass may be harvested over the next 120 years, leaving 83 percent in place in 2120. Only three percent of the timber in roadless areas is available for logging.

Despite the sharply-reduced timber harvests and massive land set-asides over the past decade, environmental groups have filed administrative challenges and lawsuits on nearly every timber sale over the past year. As a result, timber supply available to the mills is at an all-time low.

For each acre of the Tongass that can be logged today, there are ten acres of the forest that will never be harvested and another 14 acres that are managed for recreation, wildlife habitat and other uses.

Greenpeace activists could face steep fines, imprisonment or both for violating a Forest Service order to leave. Greenpeace also faces state criminal charges of breaking environmental laws by not submitting an oil spill prevention plan before its ship entered state waters.

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