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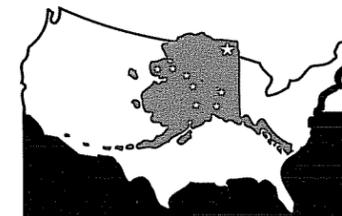
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Resource Review

September 1994 A monthly publication of the Resource Development Council, Inc.

Proposal would link ANWR with two Canadian parks, foreclose oil development

Clinton administration plan draws sharp opposition

A Clinton administration plan to merge the Arctic National Wildlife Refuge with adjacent parks in Canada to create a World Heritage Park would almost certainly preclude oil and gas development along the refuge's coastal plain, an area considered to be the most promising onshore prospect in North America for a gigantic oil strike.

The recent proposal to "twin" ANWR with parks in Canada developed out of an August 1994 Interior Department memo. The plan has been the subject of several discussions between Interior and the White House office on environmental policy.

The international preserve concept has been endorsed by Canada for years. The concept was raised again this summer during a meeting between Interior Secretary Bruce Babbitt and Canadian Deputy Prime Minister Sheila Copps. The Canadians are fearful oil development in ANWR might change the migration routes of the Porcupine Caribou Herd. A World Heritage Park would place the 19-million acre refuge under international auspices, providing the strictest protection for caribou habitat and most likely eliminating any prospects for future oil and gas development.

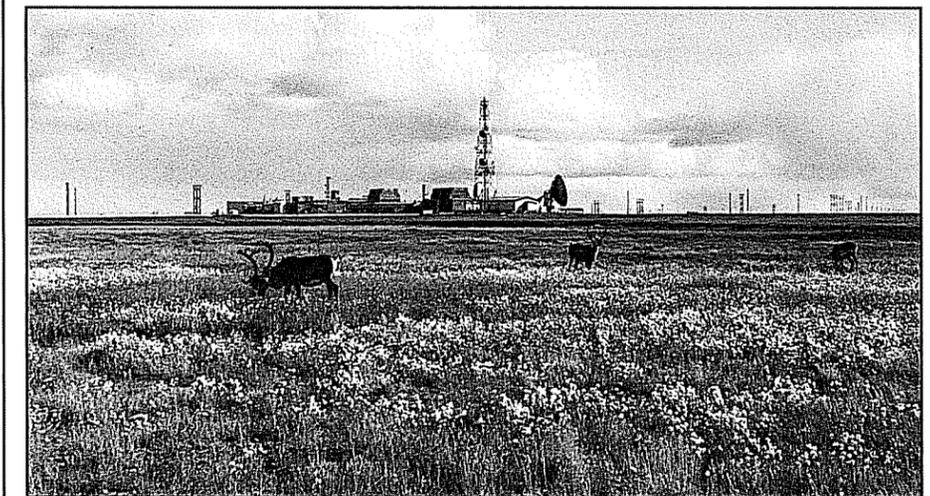
But before Canada came up with the concept of "twinning" ANWR with parks on its side of the border, the

Canadians drilled numerous oil and gas exploration wells in caribou migration areas. It was not until exploration turned out unfavorable that the Canadians decided to designate their lands as national park.

Linking management of ANWR with Canada or other international partners would limit the ability of Alaska to act on behalf of its own interests.

"It is extremely disturbing to me that your Administration would take these

(Continued on page 6)



Since development began at Prudhoe Bay, wildlife managers have seen a six-fold increase in the population of the Central Arctic Caribou Herd. Although the Prudhoe Bay oil field accounts for nearly 25 percent of all domestic production, development there has been limited to 6,000 acres. With the latest technological advances, development of potential oil reserves in ANWR would require about 2,000 acres. (Photo by Carl Portman)

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Message from the Executive Director

by Becky L. Gay

Congressional staff, administrative officials get close up view of Alaska wetlands

Along with Alaska Wetlands Coalition (AWC) members, RDC board members and staff are just back from touring wetlands throughout Alaska with Congressional staff, EPA and Corps representatives. A big thank you is due to all the individuals who took the time to come on a long journey far North to see for themselves how different Alaska is from the Lower 48 and who hopefully will help educate others in the future.

The tour group had diverse experiences in communities ranging from Barrow to Cordova, Juneau to Nome.

Rural Alaska living left quite an impression on our visitors. Although the field locations differed greatly, there was some common ground regarding wetlands regulation, policy and science. And without a doubt, abundance of wetlands was evident from every airplane window and every bus seat, in every location.

The group met with native corporation officials, both village and regional, as well as community leaders, elected and administrative. On-site regulators were involved in many of the meetings. The weather was generally cooperative and everyone got plenty of chances to get their feet wet, from the Arctic Ocean and permafrost of the North, to glacier rivers and forested wetlands in Southeast and Southcentral.

Central to the discussions was the fact that dry land is a scarce and valuable commodity in most communities around Alaska, not wetlands. The sheer abundance of habitat, the fact that most wetlands are frozen a good part of the year and the lack of a threat to Alaska's wetlands inventory was evident. The need for community infrastructure being so apparent was remarkably the same wherever we went.

Community officials also addressed the need for (and lack of) scientific backing for compensatory mitigation requirements when developing adjacent to huge reserves of wetlands. The additional cost of creating new wetlands, particularly when low in value and function, seems excessive and threatening to most rural communities in Alaska. After traveling here, most of the tour group did not have to ask why.

Seeing firsthand what life is like in communities surrounded by a virtual sea of wetlands exposes the realities of rural Alaska and drives home the point

that "no net loss" is not practical here.

The uncertainty caused by the no net loss policy is made worse by a glaring inability to measure net gain. Any solution which fails to correctly measure success (net gain) seems hopeless in practice. Wetlands created by natural causes (earthquake uplift) or up-front mitigation efforts are accounted for nowhere. Even compensatory mitigation is under-accounted for since the Corps does not recognize it in their statistics if another agency, such as U.S. Fish and Wildlife Service (USFWS) requires it.

Whether or not Congress gets around to reauthorizing the Clean Water Act, which will provide a forum for wetlands debate, a trip to the state which contains over one-half of the nation's wetlands inventory is a least a step in the right direction to make the policy debate more meaningful and fair.

We thank the many Alaskans who helped make the field trip a success. In particular, I'd like to thank Mayor Jamie Parsons, Assembly member Al Clough and staff (City and Borough of Juneau); Bob Loescher, Rick Harris and staff of Sealaska Corporation (Juneau); Mayor Margy Johnson, City Council member Scott Novak, City Manager Scott Janke and staff (City of Cordova); Mayor John Handeland (City of Nome); Mayor George Ahmaogak and staff (North Slope Borough) and Mayor Don Long, City Council members Vera Williams and Lucy Brown and staff (City of Barrow).

For making our stay in Barrow especially interesting and enjoyable, we thank Representative Eileen MacLean; Ron Brower and David Hoffman of Utkeagvik Inupiat Corporation; Fran Tate at Pepe's North of the Border; Terry Latham, Top of the World Hotel/Tundra Tours and Jeri Cleveland, President of the Rotary Club of

(Continued to page 7)

Reflections and visions from a Past President by Robert W. Fleming

Editor's Note: In conjunction with RDC's 20th Anniversary in 1995, the Resource Review will publish on a monthly basis opinion articles from its past presidents. They share a wealth of experience and hold unique insights to past, present and future resource development issues. The Resource Review is proud to feature their reflections and future visions. Robert Fleming served as co-founder of RDC, along with Robert Penney, in 1975. He served as President from 1977 to 1978.

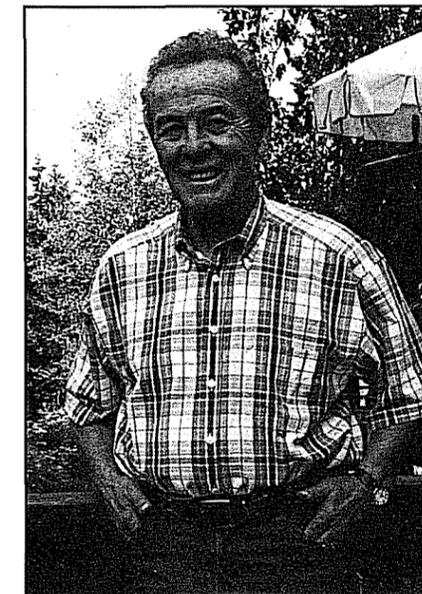
It could be said that the Organization for the Management of Alaska's Resources was formed basically as a protest group to oppose any plan which would transport Prudhoe Bay natural gas to the Lower 48 states in a pipeline routed through Canada. It followed that we must advocate an alternative all-American route through Alaska to tideland, then by tanker to a U.S. terminal. Everyone in the rear section of an airporter shuttle bus in San Francisco got the message one day in 1975 when Bob Penney and I met by accident and immediately conducted impromptu, unrestrained and highly vocal first meeting.

Enthusiasm and sense of purpose carried over when OMAR became Resource Development Council for Alaska, Inc., and the scope of our concerns and efforts broadened. We became an advocacy organization for the sensible development and use of the state's resources.

In that role we began a program of research, building a body of information to enable our own RDC communicators to bring truth to the "unenlightened." I believe our information highway worked in both directions.

As RDC expanded and matured, it developed an especially knowledgeable staff, which took on a greater variety of complicated issues. The staff moved far ahead of me in grasping new problems about which I knew little. The kaleidoscope that emerged from vastly

A founding father tracks RDC's evolution over past 20 years



Robert Fleming in a recent photo outside his home in Poulsbo, WA.

running after 20 years, assuming a critical role in Alaska's planning for the future, still offering its help as an advocacy for that elusive balance, is satisfying to this one member of the original group advocating a natural gas line which, by the way, hasn't been built.

As for Bob and Dolly Fleming, we are doing well on our rural, ten-acre spread a few miles north of Poulsbo, Washington where we have been busy trying to keep promises and covenants with aging parents. Personally, I never expected to live anywhere except Alaska, but for now, this is our reality.

We look forward to and greatly enjoy our occasional contacts with Alaska friends and keeping track of RDC. If you find yourself in our neighborhood, we're in the phone book.

Wetlands tour ...

(Continued from page 2)

Barrow (Nuvuk).

A special thanks to RDC board members and company staff who hosted RDC and the AWC tour group on the ground: Jacob Adams, Arctic Slope Regional Corporation; Irene Anderson, Sitnasuak; Cindy Bailey, BP Exploration, Jerry Booth, Cook Inlet Region, Inc., Elizabeth Rensch, Analytica, Inc., Allen Bingham, Deloitte & Touche, Marilyn Crockett, Alaska Oil and Gas Association and Bob Loescher, Sealaska Corporation. Your participation made the trip especially educational to our visitors.

diverse resource related Alaska enterprises spoke technical languages beyond my realm and which the staff could translate to comprehensibility. Education. Maybe "awareness" is a better term for those of us reaching for the ultimate goal of consensus to achieve the much discussed balance between development and more enlightened protection of the environment. To expect 100 percent consensus is unrealistic; someone once noted: "A wise man can change his mind, a fool never can."

My personal contribution to OMAR and RDC was small compared to that of others, but I am gratified to have played a part. To see the organization up and

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

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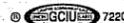
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Resource Review is the official monthly publication of the Resource Development Council. RDC is located at 121 W. Fireweed, Suite 250, Anchorage, AK 99503, (907) 276-0700. Fax: 276-3887

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Writer & Editor
Carl Portman



ANWR "twinning" concept meets strong opposition in Alaska

(Continued from page 1)

steps without consulting the State of Alaska," said Governor Wally Hickel in a recent letter to President Bill Clinton. "The promise of Alaska statehood encompassed many sovereign rights, including the right to manage fish and resident wildlife wherever they occur," Hickel said. "The state already has in place an effective management regime for caribou and other wildlife resources in the refuge, and it appears that regime could be displaced if World Heritage Site status were established."

President Clinton opposes drilling in the refuge, but there has not been widespread support in Congress to permanently lock up the refuge's potential energy reserves.

The most recent proposal, as well as an earlier one to designate the coastal plain a polar bear reserve, would essentially accomplish the same results as a Wilderness designation — a ban on energy exploration and development.

"The failure to consult the Inupiat Eskimo people who live on the North Slope and adjacent to ANWR on this de facto wilderness proposal is very sad," said John McClellan, a Vice President of Arctic Slope Regional Corporation. "Oil production at Prudhoe Bay has created jobs, a local economy and a tax base for the 8,000 Eskimo residents of the North Slope," McClellan said. "Opening the Coastal Plain of ANWR could extend North Slope production for decades. This would permit the indigenous native people of the Arctic to maintain schools, hospitals, jobs and other benefits that have come from carefully regulated oil production."

Deputy U.S. Energy Secretary Bill White says there is no connection between Interior's proposal for adjoining ANWR with Canadian parks and the Clinton administration's support for lifting the export ban on North Slope oil. While the issues are not connected, neither has the administration changed its position against drilling on the Coastal Plain, White said.

"The administration found there is

not a significant environmental impact resulting from a relaxation of the ban on Alaska oil exports," White reported. "Some environmental groups fear this may signify a change in administration policy on ANWR. It does not signify a change."

The August Interior Department memo suggested that the administration is looking at the ANWR proposal as the price Alaska would pay to get the export ban lifted. It urged top department officials to explore the international-preserve proposal "in the context of administration decision-making on Alaska oil exports."

Environmentalists are worried that if Congress ends the ban, pressure will increase to drill in ANWR, especially with Prudhoe Bay oil production in decline. The twinning concept is widely viewed as an attempt to pacifying environmentalists opposed to lifting the ban.

Becky Gay, Executive Director of the Resource Development Council and the former State ANWR Coordinator for Governor Hickel, said the price for lifting the export ban is far too expensive. She said both issues should be decided on their own merits, not linked together to appease non-development interests.

"By agreeing to adjoin ANWR with park lands in Canada, the Clinton administration would be giving away what could be the largest untapped onshore oil field in the United States," said Gay. "It's hard to imagine how any American President could hand over to international control an area in northeast Alaska that is the size of South Carolina."

Gay said if the Clinton administration continues to pursue the proposal, it should at the very least exclude the Coastal Plain from any merger.

Perhaps the most insulting aspect of the administration's approach is that no impacted Alaskan groups — such as natives, the State of Alaska, the congressional delegation and those supporting drilling in ANWR — have ever been contacted for their input on the park concept, said Debbie Reinwand, Executive Director of Arctic Power.

"Not only is this park unnecessary, since the study area in question is part of a wildlife refuge, the caribou and polar bear resources are being managed in cooperation with the Canadians," Reinwand said. "This park concept is nothing more than a backdoor attempt to prevent Congress from considering future oil development in the region."

Meanwhile, the North Slope Borough has come out against a move by Defenders of Wildlife and other environmental groups to designate ANWR's Coastal Plain a polar bear reserve.

"In addition to concerns that such a designation would impact our efforts to see oil and gas exploration allowed in ANWR, we fear that the classification of any distinct area as critical habitat for polar bears would lead to unnecessary and unjust restrictions on the subsistence harvest of the animals," said Warren Matumeak, Director of the North Slope Borough's Department of Wildlife Management.

More than 90 percent of ANWR is now closed to development and 40 percent has been designated Wilderness. But Congress specifically excluded most of the Coastal Plain (8 percent of the refuge) from Wilderness designation because of its outstanding hydrocarbon potential.

Development on ANWR's Coastal Plain could create hundreds of thousands of new jobs across America, just as oil development and production on Alaska's North Slope have done for the past two decades. It also could increase the gross national product more than \$50 billion by the year 2005 and save the U.S. over \$14 billion per year in imports.

If the Coastal Plain is opened for oil leasing, all of ANWR's designated Wilderness — 8 million acres — would remain untouched. Under a full-development scenario, only about 2,000 acres of the 1.5 million-acre Coastal Plain would be affected, an area equal to about one-tenth of 1 percent of the entire refuge.



Thoughts from the President by David J. Parish

The sun was out, the weather was unbeatable and the reception and hospitality from the community of Barrow was exceptional as the RDC board visited our northernmost members in late August. In fact, it was an extremely busy week for our hosts as RDC's community outreach board trip came on the same days as the Alaska Wetlands Coalition and Arctic Power brought congressional delegations to Barrow.

All of this activity certainly shows the importance of the views held by North Slope residents and the significance of their participation in statewide groups such as RDC. RDC board members learned a great deal from our hosts' insights into a wide variety of resource development issues. The issues discussed included ANWR, wetlands, Arctic coal and RDC's involvement in current access issues with the federal government (ANILCA Title XI and RS-2477 rights-of-way).

On behalf of RDC, a special thanks to the many people who made our visit so enjoyable. RDC board member Jacob Adams, President of Arctic Slope Regional Corporation, hosted a dinner reception, as well as a teleconference of RDC's Executive Committee meeting. I would also like to thank Representative Eileen MacLean, Barrow Mayor Don Long, and Delbert Rexford, Special Assistant to North Slope Borough Mayor George Ahmaogak, for their wonderful hospitality. A big thank you also goes out to Lucy Brown and Vera Williams, Barrow City Council, Bruce Culvert, City of Barrow, and Ron Brower and David Hoffman of Ukpeagvik Inupiat Corporation, as well as North Slope Borough officials Keith Quintavell and Elise Patkotak.

Thanks also to the Alaska Wetlands Coalition and Arctic Power for including RDC board members in their respective Congressional tours of the North Slope Borough and ANWR while

Barrow rolls out red carpet for RDC board



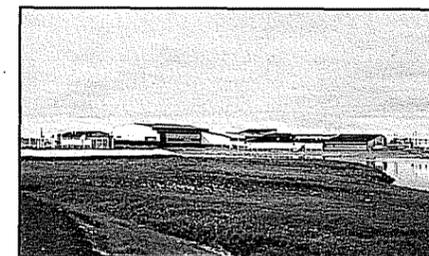
RDC board members and staff join up with Alaska Wetlands Coalition members on the shores of the Arctic Ocean at Barrow. Also pictured are North Slope Borough officials.



RDC and AWC group examine a traditional skin boat near Point Barrow.



RDC Senior Vice President Elizabeth Rensch and President Dave Parish enjoy a comfortable afternoon on the beach at Point Barrow, the northernmost point of North America.



Many modern structures with state-of-the-art construction mix with the old in Barrow, a modern village of nearly 4,000 residents. Pictured at left is the Barrow High School.

(Photos by Carl Portman)

we were in Barrow.

As always, RDC remains open to serving the issues of concern to all of our members. As we continue our in-

volvement in Arctic issues, we will all be much more effective having gained the insights and experience of this outreach effort.

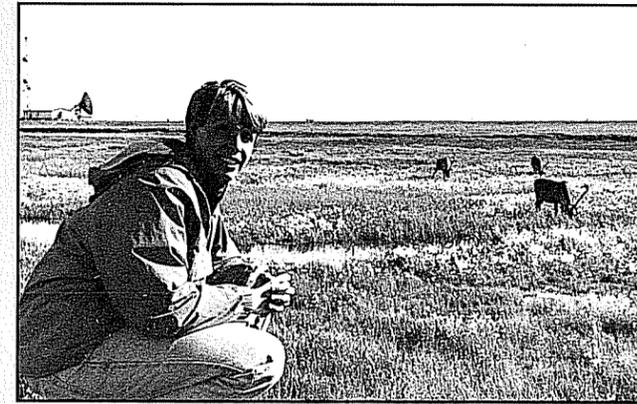
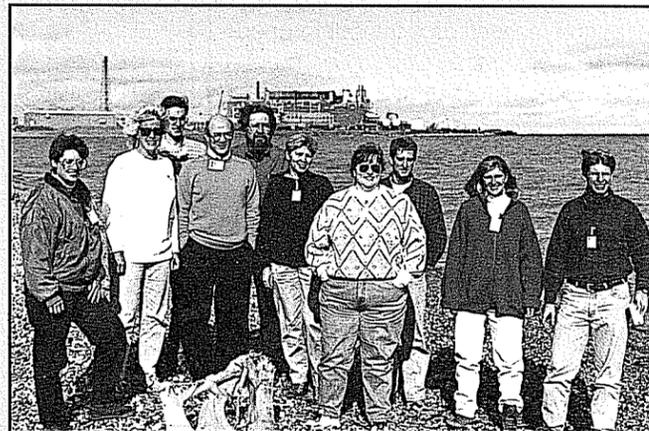
From Barrow to Juneau, Congressional staff see Alaska wetlands up close



After viewing coastal and forested wetlands in Juneau and meeting with local and state government officials, Congressional staff and EPA officials taking part in the Alaska Wetlands Coalition recent trip pose in front of Mendenhall Glacier. From left to right are John Goodin, EPA, Peter Huberth, a forest management consultant, Ken Freeman, RDC, Mike Joyce, ARCO Alaska, Carol Spils, Senator Frank Murkowski's office, Jennifer Loporcaro, BP Exploration (Alaska), Inc., Jeff More, House Public Works and Transportation Committee, Carol Rushin, EPA, Rick Harris, Sealaska Corporation, Craig Gannett, Senate Energy and Natural Resources Committee and Elizabeth Birnbaum, House Natural Resources Committee and aide to Congressman George Miller.



Alaska Wetlands Coalition tour delegates look over forested wetlands in Juneau. Local officials pointed out that the National Wetlands Inventory mapping system has classified many areas in and around Juneau as wetlands, although some of those lands are dry. They recommended federal regulators give more attention to extensive local planning and mapping efforts, which are more accurate than the satellite-based NWI system. At right, Mary Weger, Army Corps of Engineers, Karen Cowart, Alaska Visitors Association, John Goodin, Mike Joyce, Ted Rockwell, EPA, Carol Rushin, Elizabeth Birnbaum, Ken Freeman, Carol Spils and Jeff More tour BP's Endicott oil production operations on the North Slope.



Jeff More poses before several caribou grazing in the tundra at Pump Station One at Prudhoe Bay.



Carol Spils, Jeff More and Elizabeth Birnbaum test the waters of the Beaufort Sea at the Endicott causeway.



Tour participants stand on top of an early Prudhoe Bay exploration site which was reclaimed as a demonstration of what could be done using modern reclamation techniques.



Federal regulators and Congressional staff look over a test site at Prudhoe Bay where environmental research is continuing to evaluate ways to restore plant cover and encourage natural recovery of disturbed sites. Jay McKendrick of the University of Alaska makes the presentation to the group.



Carol Spils and Karen Cowart discuss wetland regulatory issues on the shores of the Beaufort Sea at Endicott.

(Photos by Carl Portman)



Tour delegates hear from Nome homeowner Cussy Reardon regarding her permitting problems with the Army Corps of Engineers. Since most rural towns and villages are on jurisdictional wetlands, many homeowners have no other alternative but to build on wetlands. Reardon has been fighting for years to obtain a fill permit at her home in Nome.



The Cordova tour included a visit to the Million Dollar Bridge over the Copper River and a presentation on the Cordova Highway issue by city manager Scott Janke, city council member Scott Novak and Public Works Director George Keeney. Above, tour participants walk across the partially-collapsed bridge spanning the Copper River.