

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

BREAKFAST MEETING

Thursday, September 6, 2007

- 1) Call to order – John Shively, President
- 2) Self Introductions
- 3) Headtable Introductions
- 4) Staff Report – Jason Brune, Executive Director
- 5) Program and Keynote Speaker:

Mining A Golden Future At Ft. Knox
Larry Radford,
Vice President & General Manager,
Fairbanks Gold Mining, Inc.

Next Meeting: September 20: NPR-A: The Northeast Area, Julia Dougan,
Associate State Director, U.S. Bureau of Land Management

Please add my name to RDC's mailing list

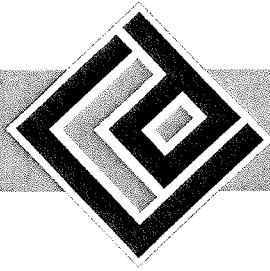
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PHONE/FAX/EMAIL: _____



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Staff Report

•Governor Palin unveiled the conceptual ideas behind her administration's proposed increases to Alaska's oil and gas taxes on Tuesday. The plan, referred to as ACES (Alaska's Clear and Equitable Share) will be the topic of debate for the special session that is scheduled to begin October 18 in Juneau. Speaker Harris has committed to holding hearings on this proposal on the road system. Copies of handouts from Governor Palin's press conference are included in the packet. RDC members are deeply concerned that this proposed 3rd increase in taxes in 3 years sends the wrong message to current and prospective investors in Alaska, especially as production continues to decline. We encourage all of our members to actively engage in the forthcoming debate.

•The state has extended the deadline for applications to the Alaska Gasline Inducement Act (AGIA) to November 30. A copy of the state's press release is included in the packet.

•The Bureau of Land Management is accepting comments on its Northeast National Petroleum Reserve-Alaska (NPR-A) Draft Supplemental Integrated Activity Plan/Environmental Impact Statement. RDC staff will be compiling an action alert on this important issue and featuring this topic at our September 20th breakfast meeting. The comment deadline is October 23, 2007.

•Usibelli Coal Mine has applied to DNR to expand its operations northeast of Healy. Comments are being accepted through October 17. Additional information is included in the packet.

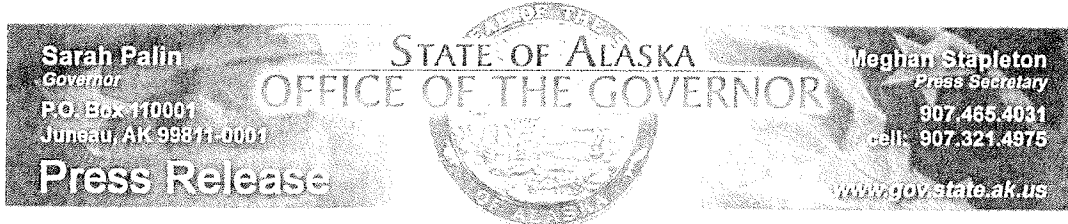
•Staff prepared action alerts and completed comment letters on issues of importance to our members over the summer. These issues included: the proposed ESA listings of Cook Inlet Beluga Whales and Yellow-Billed Loons, EPA Clean Water Act NPDES Permits for Discharges Incidental to the Normal Operation of Vessels, and the Steller Sea Lion Draft Recovery Plan. Copies of these comment letters are included in the packet.

•RDC Board members and staff met with EPA Deputy Administrator Marcus Peacock in August to discuss a number of issues of importance to Alaska.

•RDC's 28th Annual Conference, *Alaska Resources 2008*, will take place on November 14-15 at the Sheraton Anchorage Hotel. Please contact staff to help support this event and the mission of RDC to *Grow Alaska through responsible resource development*. A list of last year's sponsors is included in the packet.

Upcoming Events of Note:

- September 11-13 Alaska State Chamber of Commerce Conference, Anchorage, (info in packet)
- September 20 RDC Breakfast featuring Julia Dougan, BLM, *NPR-A: The Northeast Area*
- September 20 Alliance Annual Meeting, Anchorage (info in packet)
- September 20-21 North Slope Borough Oil and Gas Forum, Barrow (info in packet)
- October 15-18 Institute of the North's Arctic Energy Summit, Anchorage (info on tables)
- October 18-November 16 Special Legislative Session to discuss oil and gas taxes, Juneau
- October 22-27 Alaska Federation of Natives Convention, Fairbanks
- November 7-9 Alaska Miners Association Convention, Anchorage (info in packet)
- November 14-15 RDC's Annual Conference, *Alaska Resources 2008*, Anchorage (info in packet)



FOR IMMEDIATE RELEASE

07-187

Governor Palin Unveils Oil Tax Valuation System Calls for October Special Session in Juneau

September 4, 2007, Anchorage, Alaska - Governor Sarah Palin today unveiled a new oil and gas tax plan. The proposal comes after an extensive evaluation of the current Petroleum Profits Tax by the Department of Revenue. That evaluation showed the state is expected to receive \$800 million less for the current fiscal year than would have been expected under the actual PPT documentation presented by the prior administration.

The new plan, called Alaska's Clear and Equitable Share, or ACES, is a hybrid of a gross and net tax system. It includes a minimum 10 percent tax based on gross receipts for the North Slope's legacy fields with a 25 percent net tax to encourage new development and reinvestment in existing infrastructure. ACES also allows for tax credits on future work. It restricts capital expense deductions to scheduled maintenance and implements strong audit and information sharing provisions.

"In case there is any question on where we stand, let me be clear - PPT doesn't work as promised," said Governor Palin. "There are those who would say we should do nothing and that we should continue the PPT experiment. Doing nothing is not an option. This clearer, equitable plan fulfills our state constitution mandate that says I'm to develop our resources for the maximum benefit of all Alaskans."

Governor Palin also announced the Special Session will be held in Juneau and urged lawmakers to hold oil tax committee hearings and public testimony in Anchorage and Fairbanks. The Special Session is slated to begin October 18, 2007.

"I am pleased that Speaker Harris has pledged that the House will work with us to hold hearings on the road system," Governor Palin said.

Radio actualities of Governor Sarah Palin and Revenue Commissioner Patrick Galvin announcing a new oil tax plan and the location of the special session can be found at the following link:

http://www.gov.state.ak.us/audio/ACESPresser_Sept4_2007.mp3

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Alaska's Clear and Equitable Share (ACES) Plan

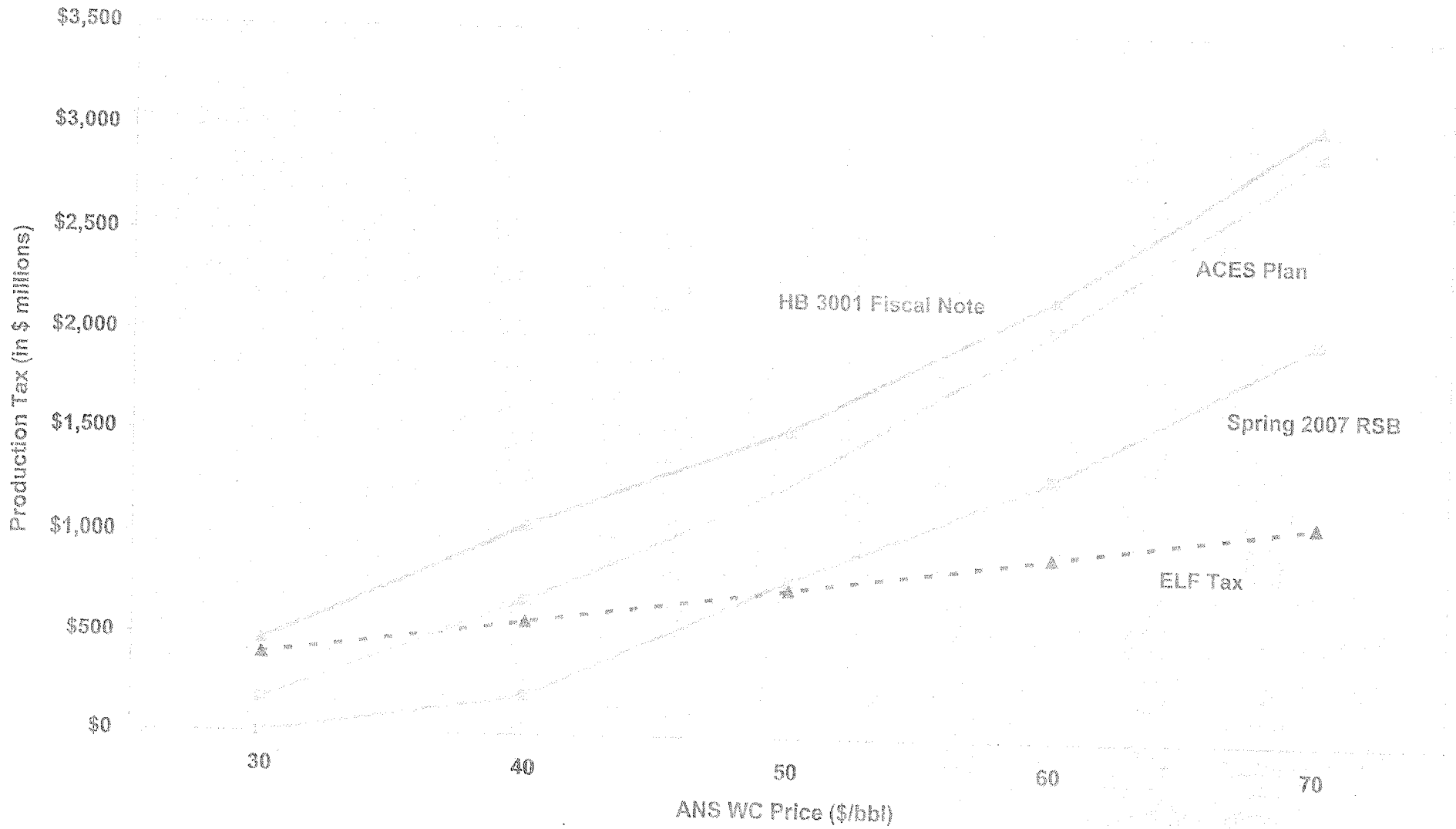
- 10% Gross-based Tax Floor on Legacy Fields
- 25% Tax Rate on Net Profits
- Progressive Feature that Kicks In at \$30 Net Value (annual) and Rises at Two-tenths of a Percent per Dollar
- Eliminates the Transitional Investment Expenditures "TIE" Credits
- Requires Capital Expenditure Costs to be Taken as Credits Over Two Years, Rather than Immediately
- Fixes "Corrosion" Issue - SB 80 Type Approach
- Excludes Dismantlement, Removal & Restoration (DR&R) Costs from Allowable Expenditures
- Expands Exploration Incentive Credit Program to Include One Exploration Well and Up to Two Delineation Wells
- Provides Vehicle for New Explorers to Get the Same Value for their Credits as Producers
- Transparency - Minimize Risk to the State
 - Requires Taxpayers to Provide Cost Projections to Allow State to Better Forecast State Revenues and Pursue Changes in Reported Costs
 - Authorizes Public Reporting of Some Cost Data
 - Authorizes a Short-term Audit Program
 - Designates an Exempt Class of Oil and Gas Auditors

Guiding Principles for New Production Tax System

- Fair Revenue to the State
- Attractive Investment Climate
 - New Exploration
 - Re-investment in Existing Fields (including "Heavy Oil")
- Transparency - Minimize Risk to the State

FY 2008 Production Tax Estimates

HB 3001 Fiscal Note, Spring 2007 Revenue Sources Book, ELF Tax and ACES Plan



Project Net Present Value of Cash Flows (10% Discount Rate)

\$40 Test Price (\$ Millions)

	Status Quo PPT	ACES Plan	16% Gross Tax <i>No Capital Credits</i>	19% Gross Tax <i>With Capital Credits</i>
Field/Project A	178	128	-35	27
Field/Project B	72	48	-22	9
Field/Project C	59	27	-53	-22
Field/Project D	-64	-90	-398	-282
<i>Production Tax Revenues FY2008 @ \$60 oil price</i>	\$1.3B	\$2.0B	\$2.1B	\$2.0B

Government Take Metrics

	At \$60
Marginal Government Take (%) (Fiscal Year 2008)	
ACES	68
International Average – All Fiscal Regimes (Median)	67
International Average – PSA Fiscal Regimes (Median)	74
International Average – Tax Royalty Regimes (Median)	55

Source: International Data from PFC Energy Consultants

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Anchorage Daily News

Print Page

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A look over governor's shoulder

OIL TAX OPTIONS: Palin set to show us her hand this week.TIM BRADNER
ECONOMY*(Published: September 2, 2007)*

Gov. Sarah Palin is to roll out her ideas for changing the state's oil and gas production tax on Tuesday, setting the stage for what may be a contentious special session of the Legislature the governor has called for Oct. 18.

We won't know until Tuesday what Palin will propose but it is likely to involve either changes to the new net profits oil production tax -- the Petroleum Production Tax, or PPT -- or a variation on the old tax based on gross revenue.

A lot of political talk is developing around the PPT. I want to set some things straight. There are advantages and disadvantages with both tax systems, and changes must be thought through clearly and carefully.

The current tax on industry profits is different from the previous tax on gross revenue mainly in that operating and capital costs may be deducted. Both taxes start with determining the value of the oil as it comes out of the ground (the market price minus costs for shipping oil by tanker and pipelines). The old tax was applied at that point, as a percentage of the gross revenue. The new PPT allows production costs to be deducted to arrive at a net profit. The tax is then applied as a percentage of that number. The PPT is not a true profits tax because not all costs, like corporate overhead, are allowed as deductions.

There are some additional features. The old tax was adjusted by something called the "economic limit factor," an incentive that lowered the tax rate on higher-cost fields but this incentive had become obsolete and dysfunctional.

The new tax junks the ELF but incorporates an "investment tax credit" intended to spur exploration and development of existing fields. This tax credit is somewhat of a side issue because the core of the current debate is over the merits of a gross revenue vs. net profits tax.

In early August the Revenue Department released a report that claimed the PPT is not working as intended because deductible costs were much higher than expected. The tax is bringing in more revenue, but about \$800 million less than predicted when the Legislature debated changing the tax last year. The department acknowledged that its analysis was based on projections, not real numbers, but that point gets lost.

It was interesting to me that the department used an oil price of \$55 per barrel in its estimate for revenue under the PPT (a figure from its spring oil price forecast. It's a fine point, but if actual oil prices were used, or a trend of prices for the first three months of the fiscal year, the revenue estimate would be much higher.

The important question, however, is whether we have enough information, based on real numbers and not estimates, to make intelligent decisions on the tax.

We don't.

One advantage of the gross revenue approach is that it is simpler and easier to work with than a net profits tax. The disadvantage is that without some added incentive like the ELF, a gross tax hits all fields, large and small, at the same tax rate. This would kill off heavy-oil development, which is important to our future oil production, unless there is some new version of the ELF. The problem with a special incentive formula is that it can get outdated, as the ELF did.

The advantage of the net profits tax is that it automatically adjusts for high-cost fields and needs no ELF-type formula. The disadvantage is that it is more complex and difficult to administer. I think the auditing issue is a red herring, however. If the state is having trouble hiring auditors the Revenue Department could contract with a top-notch accounting firm to assist. I haven't heard this discussed. The new law also gives the state access to intercompany audits done by partners in oil fields owned by more than one company, which is the case with most of the big producing fields. This is a big advantage for the state.

Some oil producers are neutral as to whether the tax is on gross or net revenues as long as there is some way to help high-cost places like heavy-oil fields. The total state take of taxes is important to them, too.

Most governments of producing nations around the world successfully use some variation of a net profits tax, and we could too. Legislators will have to weigh the pros and cons of all this.

Tim Bradner writes for an Alaska economic reporting service. He also consults for private clients and writes for business publications. His opinion column appears every fourth Sunday.

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PPT did its job, gave us \$1 billion more

The Anchorage Daily News ran an Aug. 21 story with the headline "Net profits tax bringing in \$800 million less than expected." Huh?

It's very misleading. The \$800 million figure comes from the Palin administration estimate on how much the new Petroleum Profits Tax formula might bring in during fiscal year 2008. The headline leads you to believe PPT left us short-changed. The fact is PPT lived up to its billing.

The true test of PPT does not come from estimates from anti-oil industry Palin bureaucrats, but from how much more money we've actually collected.

How much more have we collected under PPT than the old economic limit factor formula or ELF?

For fiscal year 2007 (beginning in July 2006, ending in June 2007), the Alaska Department of Revenue admits PPT brought in around \$1 billion more than would have come in under ELF. About the same amount the new PPT formula was estimated to bring in.

At first, department revenue officials would not release the figure, saying they were not sure of the exact amount and the person who had it was on vacation for two weeks. I then reminded them the governor will next week announce her strategy for a special session to change PPT.

Seems like the number showing how much the new PPT formula has brought in over ELF might be an important one to know.

The Department of Revenue finally came back with the billion-dollar figure. Oddly enough they say they can't accurately reveal how much more they've collected under PPT. All they'll say is it's in the neighborhood of an additional one bil-

DAN
FAGAN

COMMENT



lion dollars.

Nice neighborhood.

Back to our misleading Aug. 21 headline, "Net profits tax bringing in \$800 million less than expected." Readers are led to believe the new PPT formula was a bust. For who?

The story reads, "The huge gap between the tax as advertised and its actual performance supports the debate for a special legislative session on oil taxes scheduled for October, Palin administration officials say."

We got an extra billion dollars! Sounds like a well-performing tax to me. What is a well-performing tax for Palin administration officials?

The Daily News story then quotes Revenue Commissioner Pat Galvin, who says, "It does put the exclamation point on the concern that we need to re-examine this."

What kind of increase does Galvin want? A 2, 3, 5, 10 billion-dollar yearly tax increase?

The Aug. 21 Daily News article went onto say this ... "Critics say the underperformance of the tax in its first year increases support for the review."

Underperformance? We thought we'd get an extra billion, we got an extra billion!

The Palin administration has evolved in its criticism of PPT. At first the gover-

The truth is the oil industry did not get what it wanted with the PPT legislation.

nor claimed we should re-examine it because it was voted on under a cloud of scandal. That argument holds some merit.

But now the Palin people are saying the tax isn't doing what we thought it would. That argument is wrong, ignorant and just plain silly.

The anti-oil populist crowd has used the Aug. 21 Daily News story to claim the corrupt PPT vote cost the state \$800 million.

Not true. The corrupt vote cost the oil industry an additional billion dollars last fiscal year alone. The state made out like a bandit.

The truth is the oil industry did not get what it wanted with the PPT legislation. The industry wanted a 20 percent production tax. They got a 22.5 percent tax. The new law tripled the production tax for BP alone.

So off we go to a special session to fix a tax that amounts to one of the largest state tax increases on any industry in U.S. history. What's next, a special session on how to fix the wheel?

And you wonder why oil companies cry for fiscal certainty before agreeing to build a gas pipeline. Our insatiable politicians just soaked them for an extra billion in a time of giant surpluses and now we are looking for more.

Dan Fagan is a talk show host on KFQD-750 AM. E-mail dan@kfqd.com.

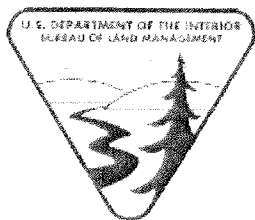
State of Alaska
SPECIAL RELEASE
Revised AGIA RFA Notice
08/07/07

The Commissioners of Natural Resources and Revenue today issued a revised Request for AGIA Applications. The deadline for AGIA Applications has been extended to November 30. The new deadline responds to requests from several prospective participants for more time to prepare applications. The new deadline still allows the Commissioners to analyze the applications, take comments from the public and deliver their Notice of Intent to Award and Findings to the Legislature during its regular session.

After AGIA passed, representatives of the gasline team made a significant effort to reach out to a broad array of prospective applicants to make them aware of the opportunity presented by AGIA. Lieutenant Governor Sean Parnell, who participated in the outreach efforts, noted that they "generated interest amongst potential new participants and it is in the state's interest to make reasonable accommodations to secure maximum participation."

In addition to the deadline change, the RFA was also modified to respond to several issues identified through the RFA Inquiries website. The Amended RFA includes information that should help interested parties prepare complete applications that comply with the requirements established by the Legislature in AGIA. The Amended RFA is available on-line at the AGIA documents website <http://www.dog.dnr.state.ak.us/agia/index.htm> in both a format that shows the changes and a clean version.

The issues identified through the website by prospective applicants demonstrate that they have thoroughly read the RFA and are seriously interested in providing responsive Applications. The AGIA process continues to progress towards the goal of an Alaskan gas pipeline project that is in the best interest of Alaska and the nation.

U.S. DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**
Alaska State Office**News Release**
BLM-Alaska State Office

BLM-Alaska Office of Communications, 222 W. 7th Avenue #13, Anchorage AK 99513-7504
Tel: 907-271-5555 Fax: 907-271-5421
www.blm.gov/ak

FOR IMMEDIATE RELEASE**News Release No. 07-31****Contact: Ruth McCoard, 907-271-3322****Date: 8/20/07****Sharon Wilson, 907-271-4418****BLM-Alaska Seeks Public Comments for
Draft Supplemental Plan for Northeast NPR-A**

Anchorage—The Bureau of Land Management (BLM) will announce in the *Federal Register* on August 24 the official release of its Draft Supplemental Environmental Impact Statement to address impact of oil and gas activities in the Northeast portion of the National Petroleum Reserve-Alaska (NPR-A). The public comment period on the draft document will extend from August 24 through October 23, 2007.

"Petroleum in the 4.6-million-acre Northeast NPR-A is important for meeting our nation's energy demands," said Tom Lonnie, BLM-Alaska State Director. "This Supplemental Plan will allow us to consider the lands appropriate for leasing and the restrictions we should place on exploration and development that will result in petroleum production while protecting the area's important resources."

The BLM began developing the Supplement in December 2006 in response to a September 25, 2006, U.S. District Court for the District of Alaska decision that the 2005 Northeast NPR-A Amended Integrated Activity Plan/Environmental Impact Statement (IAP/EIS) failed to adequately address cumulative impacts.

In early 2007, the North Slope Borough signed a Memorandum of Understanding with the BLM that gave it the formal status of a Cooperating Agency for this planning effort. "The North Slope Borough has contributed valuable information, particularly on public health issues," said Lonnie. "Their scientists have reviewed and submitted comments that have been used throughout the document."

The BLM used essentially the same alternatives as were in the agency's Amended IAP/EIS, but expanded its consideration of additional measures that would minimize impacts, as well as consider results from scientific studies completed since 2005. The additional information and analysis will allow the BLM to complete a plan that provides for sound management of Northeast NPR-A.

The BLM manages 258 million surface acres – more land than any other Federal agency. Most of this public land is located in 12 Western States, including Alaska. The Bureau, with a budget of about \$1.8 billion, also administers 700 million acres of sub-surface mineral estate throughout the nation. The BLM's multiple-use mission is to sustain the health and

productivity of the public lands for the use and enjoyment of present and future generations. The Bureau accomplishes this by managing such activities as outdoor recreation, livestock grazing, mineral development, and energy production, and by conserving natural, historical, and cultural resources on the public lands.

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Alaska State Office
222 West Seventh Avenue, #13
Anchorage, Alaska 99513-7504
<http://www.blm.gov/ak>



In Reply Refer To:
1793 (AK-931)

AUG 1 2007

Dear Reader:

We are pleased to present the Northeast National Petroleum Reserve-Alaska (NPR-A) Draft Supplemental Integrated Activity Plan/Environmental Impact Statement (IAP/EIS). This Supplement addresses a list of issues and contains a range of alternatives regarding the Bureau of Land Management's (BLM) administration of public lands within the planning area. These alternatives are essentially unchanged from those analyzed in the Northeast NPR-A Final Amended IAP/EIS issued in January 2005. The Supplement updates information presented in the Amended IAP/EIS and corrects inadequacies in the Amended IAP/EIS identified in the September 25, 2006, decision of the U.S. District Court for the District of Alaska.

You are encouraged to comment on any errors in our portrayal of the resources and uses of the planning area or the impacts that could occur from activities that the BLM may authorize in the planning area. You may recommend other alternatives to better manage these lands consistent with the purposes of the NPR-A, or measures to mitigate potential impacts.

We are especially interested in comments on the new analysis that addresses the inadequacies identified in the District Court's decision and any mitigation measures that you think the new analysis suggests. The court found that the Amended IAP/EIS failed to fully consider the cumulative effects of oil and gas leasing in the planning area and in the adjacent Northwest NPR-A planning area. The Supplement adds this analysis (see Chapter 4, sections 4.7.3 and 4.7.7 in particular).

When you share your comments with us, please be specific. Identify the specific mistake or concern you have, where it appears in the Draft Supplemental IAP/EIS, and the correction you feel is necessary. If you have a potential mitigation measure, please tell us what it is and the benefits it would provide.

There are four ways to get your ideas to us. You may go to our plan's online site at:
http://www.blm.gov/ak/st/en/prog/planning/npra_general/ne_npra/ne_npr-a_supplement.html
and use the comment form.

You may write to us via ENSR, our contractor assisting with receiving and analyzing public comments, at:

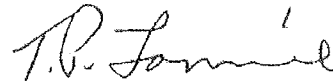
Northeast NPR-A Supplemental IAP/EIS Comments
ENSR Project Office
1835 South Bragaw Street, Suite 490
Anchorage, AK 99508

You may fax comments to ENSR at 888-907-3677, or you can hand-deliver your comments to us at the contractor's address or to the BLM Public Information Center in the Federal Building, 222 West 7th Avenue, Anchorage.

Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment – including your personal identifying information – may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. All submissions from organizations and businesses, and from individuals identifying themselves as representatives or officials of organizations and businesses, will be available for public inspection in their entirety.

The public comment period for the Draft Supplemental IAP/EIS will begin with publication of a notice by the Environmental Protection Agency in the *Federal Register*. The precise dates of the comment period and information about public meetings and subsistence hearings pursuant to section 810 of the Alaska National Interest Lands Conservation Act will be found on the BLM's Web site address noted above and in a Notice of Availability published by the BLM in the *Federal Register*.

If you have questions about the public comment process or this Draft Supplemental IAP/EIS, please call Jim Ducker, BLM-Alaska State Office at (907) 271-3130.



Thomas P. Lonnie
State Director

adn.com

Anchorage Daily News

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Usibelli applies to expand range

COAL RESERVES: Company sees prospects near mine close to Healy.

Fairbanks Daily News-Miner

(Published: September 5, 2007)

FAIRBANKS -- Usibelli Coal Mine, Inc. has applied to state regulators to expand its operations northeast of Healy.

Usibelli is asking to dig west from its existing Two Bull Ridge Mine in the Hoseanna Creek valley. The company wants to tap reserves and build additional haul roads.

The reserves fall within an area permitted for coal mining more than 10 years ago. However, reaching them will increase the size of the "disturbance area" and require a larger bond to reclaim the area when mining ends.

"If you want to add new mining, it's a change to the disturbance area," said Russell Kirkham of the Department of Natural Resources.

His office will take comments on the proposed expansion through Oct. 17.

Usibelli applied for a permit at Two Bull Ridge in 1996 and has renewed permits several times. Usibelli last revised its permit at Two Bull Ridge last year to increase the stability by reshaping a mine wall.

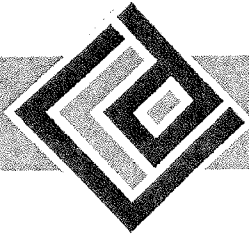
The mine is expected to hold about 42 million tons of coal. The permit for the mine covers more than 2,500 acres of state land about 5 miles north of Healy.

Usibelli moved its large dragline to Two Bull Ridge in late 2002, coming north from the Power Flats Mine, which it had begun mining in 1977. Two Bull Ridge is projected to yield about 2 million tons of coal each year through several phases over the next 25 years.

Usibelli has been mining coal in Healy since 1943. The company operates the only active coal mines in Alaska. It operates the 50th largest multi-mine complex in the country, and the largest west of the Mississippi River, according to the National Mining Association.

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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

August 3, 2007

Ms. Kaja Brix
National Marine Fisheries Service
Protected Resources Division
709 W. 9th Street
PO Box 21668
Juneau, Alaska 99802-1668
Attn: Ellen Sebastian

Re: Proposed Endangered Status Listing of the Cook Inlet Beluga Whale

Dear Ms. Brix:

Thank you for the opportunity to submit comments on the proposed Endangered status listing of the Cook Inlet Beluga Whale under the Endangered Species Act (ESA).

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. RDC's membership includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

RDC members who live, recreate, and work in and around Cook Inlet are committed to the recovery of the beluga whale. Over the years, we have worked closely with our members and the National Marine Fisheries Service (NMFS) on a number of initiatives to assist in the recovery of the stock. In addition, we intervened, on behalf of NMFS in a lawsuit only 7 years ago when the agency determined the Cook Inlet belugas should be listed as depleted under the Marine Mammal Protection Act (MMPA). Together with NMFS, we prevailed in that case. Attached, for the record, is the Honorable Judge James Robertson's ruling from that case (Civil Action NO. 00-1017).

We do not feel sufficient time has passed, nor that anything has changed for the worse for belugas since this ruling, to warrant a listing at this time.

NMFS acknowledged the sole cause for the decline of the Cook Inlet Beluga Whale was the subsistence harvest and a co-management agreement was developed to limit the subsistence take of belugas to one or two animals per year. Following the court decision, RDC participated in the comment process for the beluga conservation plan and have been awaiting its release. As we indicated in our comments of June 27, 2005 and May 30, 2006, we continue to believe that given the beluga's life history, low reproductive rate, gestation period, parental investment, age to sexual maturity, and the establishment of the co-management agreement, it is inappropriate for NMFS to so quickly abandon the conservation measures already in place under the MMPA. We therefore oppose listing the stock of Cook Inlet beluga whales as endangered under the ESA.

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Jason W. Brune
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Congressman Don Young
Governor Sarah Palin

Such a listing, so soon after NMFS' original designation under MMPA and subsequent court decision upholding that designation, will only lead to additional burden on economic and community development activities in and around Cook Inlet with no clear, corresponding benefit to the stock. More time should be given, a responsible conservation plan as required by the Marine Mammal Protection Act developed and implemented, and research dollars provided before resorting to the ESA.

As requested by the agency, following are comments addressing the five main issues: 1. *The current population status of the Cook Inlet beluga whale*; 2. *Biological or other information regarding the threats to this species*; 3. *Information on the effectiveness of ongoing and planned conservation efforts by states or local entities*; 4. *Information related to the identification of critical habitat and essential physical or biological features for this species*; and 5. *Economic or other relevant impacts of designation of critical habitat*.

1. The current population status of the Cook Inlet beluga whale

NMFS stated in its *Subsistence Harvest Management Plan For Cook Inlet Beluga Whales* (www.nmfs.noaa.gov/pr/pdfs/sars/ak03belugawhalecookinlet.pdf) that, "A minimum of 8-10 years of abundance estimates are required to distinguish among an increasing, stable, or decreasing growth trend at a 95 percent level of significance." The 12 years of data that are known for the Cook Inlet Beluga whales, as determined by aerial surveys conducted each year in June and July, do not show any trends with a 95 percent level of significance. This is disturbing given it is known over 300 animals were taken during the subsistence hunts of the mid-to-late 90s in addition to an unknown number of dependent young that may have perished as a result. Clearly, the methodology of these surveys and the subsequent results with such large standard deviations, must be questioned. Further, NMFS has stated in this proposed rule that an average rate of decline of 4.1% has been observed since 1999. Again, this is not true within the 95% confidence interval, and is therefore not able to be used to show an increasing, stable, or decreasing growth trend.

The methodologies used in conducting the annual aerial survey are suspect. In addition, NMFS has indicated "an obvious relationship between size and color with small and medium whales comprising most of the dark and light gray whales, and large and very large whales comprising most of the off-white and white whales." (http://www.fakr.noaa.gov/protectedresources/whales/beluga/reports/grpcount_waite_hobbs.pdf). Therefore, it is obvious that juvenile belugas, which match perfectly with the color of Cook Inlet waters, are difficult if not impossible to see and count from an airplane. These animals will turn white and will be easier to count when they reach 5-8 years old. At that point, they will also be closer to the age of sexual maturity and subsequently be able to help grow the population. Further, it is highly possible aerial counts may miss significant numbers of diving individuals. A typical dive usually lasts three to five minutes, but belugas can stay submerged for as long as 15 minutes (Nowak, 1991; Ridgway and Harrison, 1981). In addition, they are capable of diving to great depths, upwards of 1,000 meters (http://www.dfo-mpo.gc.ca/zone/underwater_sous-marin/beluga/beluga_e.htm). In addition, the methodology for converting the raw aerial counts and the accompanying video footage of the whales to the final population estimate are derived in part from methodologies used in Bristol Bay, where there is significantly higher clarity to the water column. Clearly, the counting methodologies and subsequent conversions need to be revised.

In addition, the methodology of the 1979 study, which determined an estimate of 1,293 animals, has repeatedly been questioned. The survey's methodology is completely different than what is currently used. This number should be discarded. Sadly, this one estimate has been used to set the carrying capacity for the entire Inlet and subsequent recovery objectives as well as the population viability analysis. Indeed, NMFS stated in the May 31, 2000 Federal Register, "The true K (carrying capacity), which is the basis for OSP determinations, for this stock is unknown. Furthermore, reliable historical abundance estimates, which may be used as a substitute for K, are not available." Yet, for some reason, 1,300 continues to be used.

In reality, the carrying capacity of the Cook Inlet for beluga whales has likely declined. A potential cause for this decline in carrying capacity may be the constant release of fine silts from glaciers, filling the Inlet up at a steady rate. This is documented by the increased frequency of dredging that occurs. Thus, it is likely the Cook Inlet is able to support fewer animals than may have historically been found in the Inlet. A much more realistic number should have been used. The associated abundance estimate by the agency of 653 animals in 1994, before the unsustainable harvest of the mid-90s occurred, appears to be a much more realistic number.

Therefore, the models referenced in the proposed rule indicating a 26% chance for extinction over the next 100 years are non-defensible. Insufficient and questionable data will lead to poor results from modeling.

We encourage the Agency to follow the wording of the ESA to use “the best scientific and commercial data available” in making this decision and not unilaterally discount these studies. (Emphasis added) Hence, by attachment, we request NMFS incorporate the draft study or data found therein, conducted by LGL, and funded by Chevron, on the photo identification of Cook Inlet belugas. This study was conducted by professional biologists, and the data collected are valid. Over 50,000 individual photos were taken of individual whales’ flukes during 99 surveys over the course of 15 months. The data from this study clearly shows 330 unique individuals exist in one geographic area of Cook Inlet. This number is nearly 10% higher than the recent abundance estimates provided by NMFS for the entire Cook Inlet. This data also shows a sub-adult population of greater than 40%, indicative of a growing population. If this study, or data found therein, is not used in making this decision, we request the Agency provide a detailed explanation as to why it will not be used. By incorporation, we reference each of these 50,000 photos for the record, and request if this study is not used in the determination, if necessary, each be analyzed by NMFS itself. Comparing photos taken at eye-level has a lesser chance for error as opposed to videos and photos taken hundreds of feet in the air, whereupon many individuals are missed, either due to the speed of the aircraft, lack of covering the entire Inlet, whale diving, or the extreme difficulty in counting juvenile whales as their color matches that of the Inlet.

As defined in the ESA, the term “endangered species” means any species in danger of extinction throughout all or a significant portion of its range. Unilaterally stating in the Federal Register that “this group is a distinct population segment and thus, a separate species as defined by the ESA” is wrong. Beluga whales exist throughout Alaskan Coastal waters and by no means are they in danger of extinction throughout all or a significant portion of their range as defined by the ESA. In fact, questions exist to this day as to whether this stock is indeed a distinct population segment (DPS.) There is little to no evidence showing where these animals reside in the winter, and hence members from this stock may even intermix with Bristol Bay beluga whales. If indeed they are a DPS, it is important to remind the agency that the ESA states, “The term “species” includes any subspecies of fish or wild-life or plants, and any distinct population segment of any species or vertebrate fish or wildlife which interbreeds when mature.” If these animals are shown to interbreed with the Bristol Bay population, then this population should not be listed as a DPS.

Traditional Ecological Knowledge is also very important in determining the current status of the belugas. Indeed a NMFS report from the August 2005 aerial survey reports, “Several Natives approached belugas near Big and Little Susitna Rivers where whales were later observed by the aerial crew; unusually high numbers of juveniles and calves were present with the white adult belugas.”

Finally, the agency has proposed modifying the present description of the Cook Inlet beluga whale DPS by removing those beluga whales occurring near Yakutat or outside Cook Inlet waters. NMFS must subsequently modify its historic population counts if it is choosing to remove the Yakutat population of whales from the count. Though their number (12) is small, it accounts for 4% of the 302 whales in the population. Public perception of such removal would assuredly view this as a decrease.

2. Biological or other information regarding the threats to this species.

There is no scientific evidence that human factors other than subsistence harvesting have impacted the population. In fact, contaminant levels for the Cook Inlet belugas are lower than those found in similar populations elsewhere.

The peak population of beluga whales in the 1970s, as identified by NMFS, is one that grew with all of the current activities in the Inlet: oil and gas exploration and development, municipal discharge, vessel traffic, sport and commercial fishing. In its proposed listing NMFS states: "No information exists that beluga habitat has been modified or curtailed to an extent that it is likely to have caused the population declines observed within Cook Inlet."

As mentioned in the Draft Conservation Plan, Cook Inlet belugas have much lower concentrations of PCBs and DDT than other stocks found in Alaska, Greenland, Arctic Canada and the Saint Lawrence estuary in eastern Canada. In fact, Becker et al. (2000) compared tissue levels of total PCBs, total DDT, chlordane compounds, hexachlorobenzene, dieldrin, mirex, toxaphene, and hexachlorocyclohexene and found the Cook Inlet beluga whales had the lowest concentrations of all. In addition, hepatic concentrations of cadmium and mercury were lower in the Cook Inlet population as compared to the Arctic Alaska populations. Unfortunately, the draft conservation plan discounts these extremely positive trends in environmental contamination by stating "the effects of lower concentrations of PCBs and chlorinated pesticides on animal health may be of less significance for the Cook Inlet animals than for other beluga whale populations." Using contaminant levels as indicators of health when convenient is not sound science.

In addition, commercial, sports, and subsistence fisheries have long taken salmon and eulachon from Cook Inlet and contaminant levels for these species have never been an issue. In fact, wild Alaskan salmon is considered the best in the world, a fact RDC members are proud of and intend to maintain.

3. Information on the effectiveness of ongoing and planned conservation efforts by states or local entities.

RDC remains disappointed at the level of research dollars that have been requested by NMFS to study the Cook Inlet beluga whales since their listing under the MMPA. On more than one occasion, RDC and our members have offered to assist the agency in securing additional federal and corporate funds to conduct such studies. Unfortunately, the only government-funded research being done on the Cook Inlet belugas is an annual survey in June along with a single August survey. This lack of due diligence is troubling. RDC has queried NMFS as to why additional satellite tracking has not been done since listing under the MMPA. The responses have been unacceptable, including lack of funding, staff time, and concern for the well-being of the animals. While such concerns are understandable, satellite tracking of cetaceans is a scientifically acceptable, unobtrusive, relatively inexpensive and not incredibly time intensive method to provide a better understanding of the range, demographic movements, and trends in foraging habits. We encourage NMFS to aggressively move forward with such research.

Currently, companies operating in the Inlet are working to protect belugas. Many projects have biologists or employ whaling captains to serve as observers for belugas. If one is spotted, the operations are stopped. These actions are already in place and switching to an ESA listing will provide no added benefits to the recovery of the whales. In addition, companies are currently spending upwards of \$10 million to do research on beluga movement, habitat, and life history. Much of this funding may come to a halt if a listing occurs and critical habitat is designated, as companies may choose to invest their time and money elsewhere.

The depleted status under the MMPA provides the authority to protect the Cook Inlet beluga whales. Unfortunately, NMFS has not finalized its conservation plan as is required by the MMPA. In the absence of a finalized federal conservation plan, RDC and its members commit to working with the State of Alaska in the

development of a conservation plan. Together with the state, we recommend the creation of a committee of affected stakeholders to identify and prioritize research needs. This committee would be comprised of:

1. Municipality of Anchorage
2. Matanuska-Susitna Borough
3. Kenai Peninsula Borough
4. Resource Development Council (RDC)
5. Alaska Oil and Gas Association (AOGA)
6. Subsistence Hunting
7. Commercial Fishery
8. Recreational Fishery
9. Military
10. Transportation
11. Environmental Organization
12. University of Alaska
13. Alaska Department of Fish & Game

By working with the State, we will ensure the proper science is conducted to determine *1. The current population status of the Cook Inlet beluga whale; 2. Biological, ecological, or other information regarding this species; 3. Information related to the identification of essential physical or biological features for this species; and 4. Economic or other relevant impacts.*

4. Information related to the identification of critical habitat and essential physical or biological features for this species.

Very little work has been done to identify primary constituent elements (PCE) for the Cook Inlet beluga whales. We urge NMFS to immediately begin the research necessary to identify PCEs for Cook Inlet belugas, and to take the time needed to do it properly. Rather than designate scientifically questionable critical habitat (CH), RDC encourages NMFS to pursue additional studies to accurately identify critical habitat in the future. RDC recognizes funding may be a challenge for NMFS in light of its workload in Alaska. RDC would welcome an opportunity to discuss this issue with NMFS and the Department of Commerce in the hope of making more resources available to the agency.

In addition, federal regulations governing CH designations mandate that, "...an area lacking a PCE may not be designated in the hope it will acquire one or more PCEs in the future." Specific CH designation must be scientifically confirmed and deemed truly essential to the conservation of the species and not just presumed to be.

5. Economic or other relevant impacts of designation of critical habitat.

CH designation, though not proposed under this rule, will be forthcoming if this listing continues. Ultimately, economic activities that are not impacting the recovery of the beluga whale will be negatively affected, litigated, or even stopped entirely, with no added benefit to the species. In addition, NMFS staff will be forced to deal with this litigation and Section 7 consultations rather than focus its efforts on recovery plans and additional scientific studies.

The ESA requires the consideration of the economic impact of critical habitat designation. If indeed the Agency does determine listing is necessary, the Secretary has the authority to exclude areas from critical habitat "if he determines that the benefits of such exclusion outweigh the benefits of specifying such area as part of the critical habitat, unless he determines, based on the best scientific and commercial data available, that the failure to designate such area as critical habitat will result in the extinction of the species concerned."

We encourage the exclusion of the entire Cook Inlet as it is clear with the mitigation and regulatory measures already in place under the MMPA, the extinction of the species will not likely occur.

As part of our comments, we reference the May 24, 2006 Federal Register decision not to list the California spotted owl under the ESA. In its decision, the agency stated, "We found that the petitioned action was not warranted because the overall magnitude of the threats to the species did not rise to the level requiring protection under the Act." The record of decision states the "best-available data do not show statistically significant declines." According to NMFS, the Cook Inlet population of beluga whales has not shown statistically significant declines either. The spotted owl decision concludes, "Impacts...from activities are not at a scale, magnitude, or intensity that warrants listing and that the overall magnitude of threats...does not rise to the level that requires the protections of the Act." We encourage NMFS to consider this logic when making its decision.

Specific economic highlights and potential impacts of a listing follow for a number of Cook Inlet activities:

Energy Exploration and Development

Cook Inlet has current oil production of 17,000 BPD (total 7 million barrels in 2005). Property taxes paid in 2006 to the Kenai Peninsula Borough (KPB) totaled \$10 million and the producers Tesoro, and Agrium made up 9 of top 10 taxpayers. In 2005, 340 jobs or 7.4% of KPB employment was involved in oil and gas development accounting for 18.7% of total borough payroll. Marathon and ConocoPhillips have LNG export operations and Agrium currently has a fertilizer plant which utilizes natural gas. Future uses by Agrium may employ coal from the Usibelli Coal Mine delivered from Port MacKenzie. The Tesoro refinery processes all of the crude oil produced in Cook Inlet, producing jet fuel, diesel fuel, heating oil, as well as gasoline. A 40,000-barrels-per-day pipeline links the refinery with the Anchorage International Airport, the top ranked air cargo facility in North America. The refinery also supplies gasoline and diesel to Alaskans through more than 100 Tesoro-branded retail outlets. Other companies including XTO, Pioneer, CIRI, and Enstar Natural Gas are engaged in Cook Inlet communities.

An ESA listing could lead to decreased exploration, the potential inability to conduct seismic operations, thereby decreasing the success of exploration activities, decreased development, decreased revenue to the state and boroughs, fewer jobs, and higher utility bills, as well as lower Permanent Fund Dividends for all Alaskans as 25% of all royalties are paid to the Permanent Fund. Unfortunately, the proposed rule omitted consideration of Executive Order 13211 (May 18, 2001) which requires agencies to prepare "Statements of Energy Effects" if an agency action will affect energy supplies, distribution, or use. We believe that an ESA listing of beluga whales in Cook Inlet will be a significant energy action. An ESA listing, and subsequent critical habitat designation, will likely be accompanied by restrictions on oil and gas exploration and development as well as coal and shipping.

Chuitna Coal

The Chuitna Coal project is completing environmental and other studies as part of its NEPA analysis. When constructed, the mine could create 350 new jobs, account for property taxes to Kenai Peninsula Borough of \$100 million over 25 years, pay royalties to state of \$300 million over 25 years, and a Mining License Tax of \$120 million over 25 years.

An ESA listing could derail the project, impact vessel traffic, and at best has already increased costs.

Pebble

The Pebble Project is potentially one of the world's largest copper/gold deposits. Partners Northern Dynasty and Anglo American could employ thousands of rural Alaskans and bring economic diversification to an area of Alaska that desperately needs it. Millions of dollars in state royalties will be paid over the life of the mine.

An ESA listing's impact to Pebble is unknown as a mine plan has not yet been proposed. However, power transmission, vessel transportation, and other factors could be impacted.

Port of Anchorage Expansion Project

Annually, the Port of Anchorage handles 5 million tons of cargo and generates more than \$750 million for the State's economy. Jet fuel is delivered through pipelines to military bases and the port stages 100% of the refined petroleum products from the state's largest refinery. In addition, it handles delivery of 80% of all fuel for the Ted Stevens International Airport, the busiest cargo airfield in the U.S. Currently, it is in the third year of a Port Intermodal Expansion Project to accommodate larger ships, support increased military deployments, and keep pace with the steadily increasing movement of goods into and out of Alaska.

An ESA listing could stall continued expansion or increase the associated costs through potential mitigation measures. The Port has a history of working closely with NMFS to choose construction techniques that reduce noise; monitor the Inlet for the presence of belugas and when belugas are present, stop in-water activities until the whales move to a safe distance; and conducting an underwater noise study from in-water work associated with the pile driving activities induced by the type of vibratory hammers the Port expects to use in the expansion project.

AWWU Discharges

AWWU handles the wastewater for Anchorage, particularly from the John M. Asplund Wastewater Treatment Facility at Point Woronzof. Studies have shown that their discharge is not impacting the marine environment or Cook Inlet beluga whales and fish. EPA and NMFS scientists have concurred with these studies.

An ESA listing could require the expenditure of \$400-\$600 million dollars to upgrade AWWU's facilities.

Knik Arm Bridge

The Knik Arm Bridge (KABATA) could provide a quick transportation link between the growing communities of the Mat-su and Anchorage. This link could significantly reduce carbon emissions due to less travel time for commuters. To date, KABATA has spent \$2.5 million on beluga studies.

An ESA listing may impact investment from consortia and may lead to additional construction seasons. Mitigation could include construction only when whales are not present in the Upper Inlet which could significantly increase the cost of the project.

Commercial Fishing

Commercial fishing in upper Cook Inlet accounts for 5% of Alaska's ex-vessel salmon values. A mid-90s estimate of commercial salmon fishing supported an estimated 500 average annual jobs in harvesting, processing, and indirect employment producing \$15 million in income (Source: ISER Report).

An ESA listing could threaten the entire Cook Inlet commercial fishery as the beluga's primary food source is fish. The draft conservation plan specifically states, "Whether the escapement into these rivers, having passed

the gauntlet of the commercial fisheries, is sufficient for the well being of the CI beluga whales is unknown. The amount of fish required to sustain this population is unknown.”

Sport Fishing

Sport fishing generated \$415 million in total expenditures in Southcentral Alaska in 2003. A total payroll of \$171 million and 6,100 jobs resulted (State of Alaska). 685 licensed guide businesses existed in communities around Cook Inlet in 2006.

An ESA listing could threaten the entire Cook Inlet sport fishery as the beluga’s primary food source is fish. In addition, the draft Conservation Plan indicates boating may have a minimal impact on the whales due to their high frequency noise which is more detectable to beluga whales.

Military

Alaska is home to both Elmendorf Air Force Base and the Army’s Fort Richardson.

An ESA listing could impact flight patterns, military operations, and ultimately threaten national security.

Community Development

Cook Inlet has a number of new and ongoing community development projects on the horizon. These include but are not limited to expansion of the Anchorage International Airport, railroad expansion and maintenance, Chugach Electric’s electric distribution and submarine cable maintenance, the proposed Fire Island Wind Project, as well as tidal energy studies. In addition to Anchorage, other Cook Inlet communities also discharge their wastewater into the Inlet.

An ESA listing could derail or increase the costs for any potential community development project.

Vessel Traffic

Nearly all of Alaska’s goods are brought into Anchorage on commercial vessels.

An ESA listing could increase costs by requiring observers on board, decrease efficiency by setting speed limits, and ultimately raise the cost of all goods, and subsequent services, paid for by Alaskans.

Tourism

Tourism is a growing industry in Southcentral Alaska. Hotels, rental cars, other goods and services are consumed by visitors.

An ESA listing could result in decreased visitors to Southcentral Alaska as limitations are placed on sport fishing, sightseeing cruises, and other operations. Local communities will be significantly impacted through decreased bed and rental taxes.

The impacts to whales from economic activities in the Cook Inlet are minimal. In fact, according to the October 19, 1999 Federal Register, NMFS reviewed “existing information on fish runs, oil and gas activities, sewage problems, and other sources of contaminants”...and found ... “the existing information suggests that beluga are not stressed by anthropogenic factors in Cook Inlet.” NMFS has no documented reason to believe this situation does not remain true today.

Interestingly, if indeed the population of Cook Inlet belugas was nearly 1,300 animals in 1979, given the life history of a beluga, most of these whales would have lived most if not all of their lives with oil and gas activity, NPDES discharges, commercial fishing, vessel traffic, coastal development, etc. The whales have co-existed with all of these activities without significant impact for nearly half a century, and it wasn't until pressure from the subsistence harvest that their numbers dramatically declined.

To that end, there are many activities planned for Cook Inlet. Each of these may have a small impact on some beluga habitat. However, like all animals, belugas have and will continue to adapt and as they have shown, will ultimately not be adversely impacted by these activities. It is important to note these development activities will not occur in a regulatory vacuum, as they are strictly regulated under numerous state and federal environmental laws. Belugas have been and will continue to be an important part of state, federal, and local oversight and the associated public process.

In conclusion, at the present time, we emphatically oppose listing the stock of Cook Inlet beluga whales as endangered under the ESA. Such a listing, so soon after NMFS' original designation under MMPA will only lead to additional burdens on economic and community development activities in and around Cook Inlet with no clear, corresponding benefit to the stock. We strongly encourage NMFS to maintain the listing under the MMPA. We request a responsible conservation plan, as required by the Marine Mammal Protection Act, be enacted or authority be granted the State of Alaska to do so, and we encourage additional research be done on the beluga's primary constituent elements.

Thank you for the opportunity to comment.

Sincerely,

Resource Development Council for Alaska, Inc.

A handwritten signature in cursive script, appearing to read "Jason Brune", written in dark ink.

Jason Brune
Executive Director



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

August 6, 2007

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Yellow Billed Loon Comments
Endangered Species Branch
Fairbanks Fish and Wildlife Field Office
U.S. Fish and Wildlife Service
101 12th Avenue, Room 110
Fairbanks, AK 99701

Re: Yellow-billed Loon

To Whom It May Concern:

The Resource Development Council (RDC) appreciates the opportunity to comment on the proposed Endangered Species Act listing of the Yellow-billed Loon. RDC does not surmise the listing will be beneficial to the bird, and therefore, does not support the listing.

RDC is a statewide organization made up of all resource sectors, business associations, labor unions, Alaska Native corporations, tourism providers, local governments and individuals. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The Migratory Bird Treaty Act, in addition to a Conservation Agreement signed in 2006, protects the yellow-billed loon. The established strategies and stipulations therein, provide extensive regulation to promote protection of the yellow-billed loon and its natural habitat.

The 2006 Conservation Agreement provides a wide range of protection for the yellow-billed loon's habitat, including breeding grounds. An ESA listing in addition to the Conservation Agreement would not further benefit the loon, and would only discourage further investment in Alaska. If listed under the ESA, Section 7 ESA consultations will be required for any project found within the range of the yellow-billed loon. This added cost, time, and the increased potential for litigation may discourage investment.

Exploration and development activities in the yellow-billed loon's habitat are closely regulated and constantly monitored. Indication of destruction and pollution of breeding grounds has not been recorded in the National Petroleum


Reserve – Alaska (NPR-A). In addition, yellow-billed loons nested in the Alpine area of NPR-A before construction in 1998, and the number nesting there during construction and operation of the oil field has not declined. Further, aerial surveys of the Colville River Delta have indicated an increase in the number of nests in the area, despite 40 years of oil and gas exploration and development. The increase of over 25% in the number of nests in the area was observed from 1983 to 2003.

Additionally, the yellow-billed loons breeding in Alaska do not warrant designation as a distinct population segment as the science does not indicate that they are either geographically or genetically distinct. In 2002 and 2003, 11 North Slope yellow-billed loons outfitted with transmitters were found to winter off vast areas off the coast of Asia, some as far as the Yellow Sea.

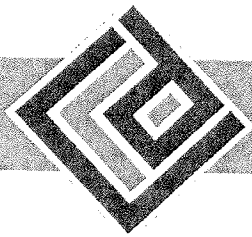
In conclusion, given the protections already established for the yellow-billed loon under the 2006 Conservation Agreement and the Migratory Bird Treaty Act, the proposed listing under the ESA is not warranted at this time.

Thank you for the opportunity to comment on the proposed rule.

Sincerely,

A handwritten signature in blue ink that reads "MARLEANNA SOTO". The signature is written in a cursive, slightly slanted style.

Marleanna Soto
Projects Coordinator
Resource Development Council



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

August 6, 2007

Water Docket Environmental Protection Agency

Mailcode: 2822T

1200 Pennsylvania Ave., NW

Washington DC 20460

Attention: Docket No. OW-2007-0483

The Resource Development Council for Alaska, Inc. (RDC) appreciates the opportunity to comment on the Environmental Protection Agency's (EPA's) notice for the development of National Pollutant Discharge Elimination System (NPDES) permits for discharges incidental to the normal operations of vessels as published in the Federal Register on June 21, 2007.

RDC is a statewide, non-profit, membership-funded economic development organization made up of businesses and individuals from all resource sectors, including oil and gas, mining, fisheries, timber, and tourism, as well as business associations, labor unions, Native corporations and local governments. Through RDC these interests work together to grow Alaska through responsible resource development.

As pointed out in the Federal Register, and in response to a court ruling currently under appeal, the EPA is preparing for the monumental task of issuing individual NPDES permits to millions of commercial and recreational vessels throughout the United States. It is simply not feasible to require individual permits for all possible discharges on an estimated universe of 14 million commercial and private vessels operating in the contiguous waters of the U.S. Continental Shelf, Alaska, and Hawaii. Before permits are required, RDC believes the agency should analyze the impacts of the enormous paperwork, manpower, and energy that would be necessary to conduct and enforce this level of regulation, and proceed only with practical regulations that will provide environmental protection while maintaining economic benefits from the waters.

The vessels that would be subject to this new program, even as a collective, cause no measurable harm to the waters. Therefore, it makes both regulatory and financial sense to avoid a system of individual permits. Under the court's ruling, individual permits would be required for numerous types of discharges, such as deck runoff from a vessel, any engine cooling water, gray water, bilge water from properly functioning marine engines, or any other discharge incidental to the normal operation of a vessel. The vast majority of these discharges pose absolutely no harm to the environment.

RDC believes it is unrealistic to expect the EPA, which currently issues 600,000

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Jeanine St. John
William Stewart
John L. Sturgeon
Jim Tarso
Cam Toohey
Clayton Walker
John Williams

Ex-Officio Members
Senator Ted Stevens
Senator Lisa Murkowski
Congressman Don Young
Governor Sarah Palin

121 West Fireweed, Suite 250, Anchorage, Alaska 99503-2035
Phone: 907/276-0700 Fax: 907/276-3887 Email: Resources@akrdc.org Website: www.akrdc.org

permits annually, to suddenly expand the program to the point where it is capable of issuing individual permits. Many of these potential permittees are currently required to obtain NPDES permits as part of doing business in Alaska. The vast majority of vessel operators whom would need the new permits, as required by the court's decision, would, along with the agency, find the process to be an enormous burden, in terms of both time and cost. Many of these vessel operators fall into the category of small businesses, and many are family owned. The time and expense incurred by these operators would be significant, with little or no benefit to the environment.

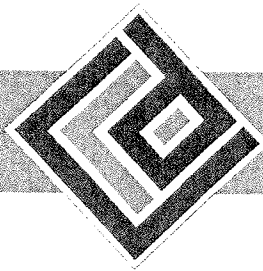
In response to the court's decision, we suggest the EPA move to a system of general permits, distributed to large groups of vessel operators rather than individuals. The agency has long used general permits for various regulated groups whom have similar operations, and we feel that general permits will result in a manageable, effective NPDES permit system for discharges incidental to the normal operations of vessels.

RDC appreciates your consideration of our comments. Please do not hesitate to contact us with any questions or concerns you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deantha Crockett".

Deantha Crockett
Resource Development Council



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

August 20, 2007

Founded 1975
Executive Director
Jason W. Brune
2007-2008 Executive Committee
John T. Shively, President
Rick Rogers, Sr. Vice President
Wendy Lindskoog, Vice President
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Kenneth Sheffield
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Jeanine St. John
William Stewart
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Jim Taro
Cam Toohey
Clayton Walker
John Williams

Ex-Officio Members
Senator Ted Stevens
Senator Lisa Murkowski
Congressman Don Young
Governor Sarah Palin

Kaja Brix
Protected Resources Division
National Marine Fisheries Service
PO Box 21668
Juneau, AK 99802-1668

Attn: Ellen Walsh

Re: Steller Sea Lion Draft Revised Recovery Plan dated May 2007

Dear Ms. Brix:

The Resource Development Council (RDC) is writing to express support of the North Pacific Fishery Management Council's comments and recommendations regarding the proposed revisions of the Steller Sea Lion recovery plan.

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. RDC's membership includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

While RDC supports the recovery plan, it is concerned that the science in the plan is confusing and conflicting, particularly regarding the uncertainty of potential threats. Based on the available scientific information, two threats (killer whale predation and fisheries interactions) should have equal threat level classifications.

RDC appreciates the opportunity to comment on this important issue.

Sincerely,

Jason Brune
Executive Director



Director's Report August 28, 2007

AMEREF Curriculum & Kit Update

Curriculum Revision

- The 2007 AMEREF Interactive Curriculum CD, being created by PangoMedia, is scheduled for completion and release on Friday, September 28, 2007.
- A newly designed Web Site is being developed by PangoMedia and scheduled for launch in November. The theme will be consistent with the colors, graphics and content of the new Curriculum CD. The content of the Web Site will be increased to include current Alaska mineral, energy and forestry news, projects and resources.
- The AMEREF Quarterly Rolling Stone Newsletter will be published via the Web as well as hard copy. The first publication for 2007 is scheduled for November 15th.

Resource Kit Distribution

- Kit requests have picked-up the last two weeks with 17 mailed, and three each delivered to the Denali Borough School District and the Bering Strait School District recent In-Services. There have been 93 Kits distributed since January 2007, and 27 since August 1st.

Conferences, Meetings and Presentations

- Summer AASA/DEED Superintendent's Meeting – Juneau, August 6-7, 2007
- Bering Strait School District Back-to-School In-service – Unalakleet, August 13-14, 2007
- Denali Borough School District Back-to-School In-service – Healy, August 22, 2007

Scheduled

- Northwest Arctic Borough School District – Kotzebue, September 12th to meet with District staff to provide AMEREF Kits and course and work to provide support for the proposed CTE Grades 11-12 Magnet School.
- ED 580 Course: Introduction to The AMEREF Resource Curriculum – October 23-24, 2007 in Unalakleet for Bering Strait School District staff

AMEREF's Mission is to provide Alaskan Students with the knowledge and skills to make informed and objective decisions relating to mineral, energy, and forest resources.

Alaska Miners Association: Miners Banquet
George Schmidt Memorial Raffle / Silent Auction to Benefit
the Alaska Mineral & Energy Resource Education Fund



Thank You!

Item Description: _____

Donated By: _____

Address: _____

Contact Person: _____

Contact Number: _____

Instructions (if any): _____

Value of Item: _____

Item may be picked up on: _____

Item will be delivered on: _____

Item will be mailed on: _____

Your generous support of AMEREF is truly appreciated!

Please return to/contact with any questions:

*AMEREF Raffle
Attn.: Marleanna Soto
121 West Fireweed Lane
Suite 250
Anchorage, AK 99503*

Email msoto@akrdc.org, call 907-276-0700, extension 4, or fax to 907-276-3887

AMEREF's Mission is to provide Alaskan Students with the knowledge and skills to make informed and objective decisions relating to mineral, energy, and forest resources.

ALASKA'S BUSINESS ENVIRONMENT: ANTICIPATING CHANGING TIMES

ALASKA STATE CHAMBER OF COMMERCE
48th Annual Fall Conference Registration
September 11-13, 2007



TUES - SEPT 11, 2007	
9:00-4:00pm	Association Management Training
6:00-8:30pm	Alaska Native Heritage Center
3:00-6:00pm	Trade Show Booth Set-Up

WEDS - SEPT 12, 2007	
7:30am	Registration
8:00am-9:00am	Breakfast Program
9:00-Noon	Programs & Trade Show
Noon-1:15pm	Lunch Program
1:30pm-4:30pm	Programs & Trade Show
4:30pm-5:30pm	Reception in Trade Show
6:30pm	Awards Banquet
9:00pm	Hospitality Suite—10th floor

THURS - SEPT 13, 2007	
7:30am-2:00pm	Trade Show
8:00am-9:00am	Breakfast Program
9:15am-10:15am	Member Business Forum
10:15am-11:15am	Teleconference with Alaska's Congressional Delegation in D.C.
Noon-1:30 pm	Lunch Program
2:00-5:00 pm	Board of Directors Meeting

Special Group Rate Codes

Mention the Special Group Reservation Code(s) when making reservations at the following member businesses:

Hotel Captain Cook \$170-\$180 Code: FallConf07
Howard Johnson Plaza \$119-\$129 Code: LKSC

Alaska Airlines has extended a 10% discount off any published fares (excluding promotional fares) for any Alaska Airlines flight to Anchorage, Alaska valid September 8th to September 16th. To take advantage of these discounts on line simply visit www.alaskair.com and use the e-certificate code ECCMA0896 in the Flights Quick Search Box or call the Alaska Airline Group Desk at 1-800-445-4435 and reference CMA0896.

Alaska State Chamber Contacts:

Jayne Dangeli, Registration and Payment Coordinator (907) 586-2010
Jody Willing, Trade Show Coordinator (907) 278-2733
Lisa Reinhart, Program Coordinator (907) 278-2727

Are you interested in volunteering? Let us know!

SIGN UP:	Before 8/15/07	After 8/15/07	Pay at Event
<input type="checkbox"/> Member Registration	250.00	300.00	325.00
<input type="checkbox"/> Non-Member Registration	300.00	350.00	375.00
<input type="checkbox"/> Spouse Registration	125.00	150.00	175.00
<input type="checkbox"/> Banquet Only	75.00	75.00	100.00
<input type="checkbox"/> Association Training	149.00	149.00	174.00
<input type="checkbox"/> Alaska Native Heritage Networking Activity	50.00	50.00	75.00

Total: \$ _____

METHOD OF PAYMENT

Visa MasterCard Check

Credit Card # _____

Exp. _____

Signature _____

Name _____

Company Name _____

Address _____

Phone _____ Fax _____

Email _____

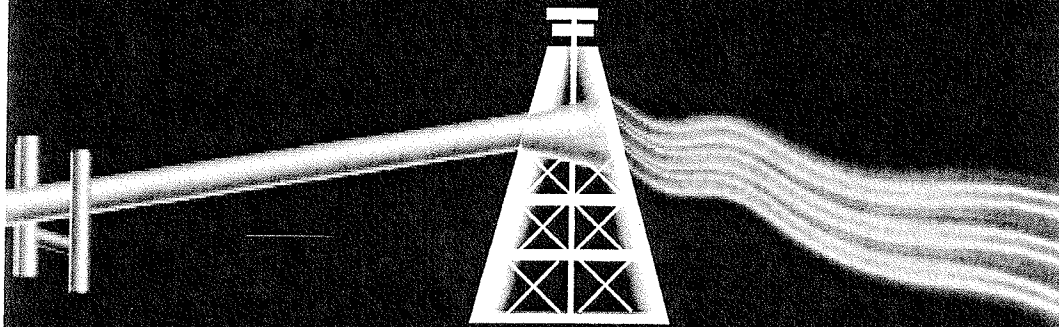
Register On-Line: www.alaskachamber.com

Mail or fax registration to:

217 Second St., Suite 201, Juneau, AK 99801
Phone: 907-586-2010 Fax: 907-463-5515
Email: info@alaskachamber.com

Fees include a \$50 non-refundable processing fee in the event of a cancellation. NO refunds after Friday, August 23,

Prudhoe, the pipeline
& Pink Floyd



**Join the Alliance for a blast from the 'patch
at our Annual Meeting as we celebrate
30 years of TAPS and all things 70s.**

Thursday, Sept. 20
Reception at 5:30 • Dinner at 6:30
Sheraton Anchorage Hotel
Remarks by Rep. Ralph Samuels
Entertainment by Mr. Whitekeys

Sign up at www.alaskaalliance.com or call 907.563.2226



The Next Forty Years
 North Slope Borough Oil & Gas Forum
 September 19-21, 2007
 Prudhoe Bay, Alaska

Wednesday, September 19, 2007

1:00pm to 4:00pm Community Tours

7:00pm to 8:30pm Inupiat Heritage Center
 Early Registration
 Poster Session and Reception

Thursday, September 20, 2007

7:30am – 9:00am Bus from hotels to BARC

7:30am – 9:00am Registration (BARC)

8:00am – 9:00am Continental Breakfast (BARC)

9:00am Opening Prayer

Introduction of the Forum and Agenda
 NSB Mayor's Office

9:15am The Last 40 Years - Slide presentation

9:45am *BARC & Classrooms*
 Introductory Remarks/Keynote Address
 Edward S. Itta, Mayor, NSB
 "Learning from the Past - Building for the Future"

10:15am – 11:00am *BARC & Classrooms*
 Welcoming Remarks - Special Guests

11:00am – 11:15am Break

Breakout Sessions

11:15am – 12:30pm *Classroom 1*
 Workforce Development - Panel Discussion
 • What's Working and Not Working with Local Hire and Workforce Development
 • Village Concerns

Classroom 2
 Maintenance of Pipelines & Oilfield Facilities and D.R. & R.

Classroom 3
 NSB Department of Wildlife Management
 • OCS exploration and development activities

12:45pm – 2:00pm Lunch, *BARC & Classrooms*
 NSB Comprehensive Oil and Gas Plan
 • Planning intent and objectives
 • Traditional knowledge workshop summary
 • Schedule for completion

Breakout Sessions

2:15pm – 3:30pm *Classroom 1*
 Workforce Development/Training Programs
 • Existing Programs
 • Iliisagvik College
 • Savaat Center
 • APICC
 • Alaska Works

Classroom 2
 NSB Finance
 • Operating and Capital Budget
 • Development implications for communities and continued services

Classroom 3
 NSB Planning and Permitting Process
 • Home Rule Borough Overview
 • Comprehensive Plan
 • ACMP and Title 19
 • Inspection and monitoring requirement

3:30am – 3:45am Break

3:45pm – 5:00pm *Classroom 1*
 North Slope Science Initiative (NSSI)
 • Overview
 • What's working and what's not
 • Solutions

3:45pm – 5:00pm *BARC Conference Room*
 Coordinating the State Oil and Gas Exploration and Development Plan
 • Area-wide lease sale process
 • Pre-leasing activities
 • Exploration
 • Field development and infrastructure coordination
 • Best interest findings process

Thursday, September 20, 2007

5:00pm - 5:45pm Bus from BARC to hotels & Ipalook Gym

6:00pm - 8:00pm Buffet style dinner & Eskimo Dance, Ipalook Gym
Dinner Keynote:

- Industry perspectives and concerns
- Long-term plans, exploration, development, monitoring and retrofitting

Note: each company will have 15 minutes

8:00pm - 8:30pm Bus from Ipalook to hotels

Friday, September 21, 2007

7:30am - 9:00am Bus from hotels to BARC

8:00am - 9:00am Continental Breakfast

9:00am Call to Order, NSB Mayor's Office

Breakout Sessions

9:15am - 10:45am *BARC Conference Room*
NSB Wildlife Issues

- Consistency, mitigation, monitoring, studies and enforcement

Classroom 1

Federal Agencies Overview

- The Federal perspective on NS development
- BLM, COE, EPA, USFW, Park & Service, MMS

11:00am - 12:15pm *Classroom 1*
New Technology

- Drilling
- Seismic
- Transportation
- Corrosion control and monitoring
- Spill prevention and response

Note: each company will have 15 minutes

Classroom 2

Coordinating Federal Exploration & Development Activities

- MMS and BLM

11:00am - 12:15pm *Classroom 3*
Incorporating Traditional Knowledge into Decision Making

12:15am - 1:30am Lunch, BARC
State and Federal Agencies

Breakout Sessions

1:45pm - 2:45pm *Classroom 1*

Classroom 2

Spill Prevention and Response

- BLM/MMS policies that work to reduce community impacts

BARC Conference Room

Mitigation measures that Work to Reduce Community Impact

- Overview
- Good Neighbor Policy
- Conflict Avoidance Agreement
- Surface Use Agreement
- Alpine Mitigation Program

3:00pm - 4:00pm *Classroom 1*
Human Health Impact Assessment

Classroom 2

Coordination of Infrastructure Development to Reduce Impacts

Classroom 3

Effective Coordination & Communication among Stakeholders

4:15pm - 4:45pm *BARC Conference & Classrooms*
Summary Report and Next Steps

4:45pm - 5:00pm Closing comments, Mayor Edward S. Itta

5:00pm Bus from BARC to Hotels and Airport


Other Events
Sept. 18-21
Sept. 20-21

Community Tours
Arts & Crafts Sales



The Next Forty Years
North Slope Borough Oil & Gas Forum
September 18-21, 2007
Barrow, Alaska

Registration Form

<p>ALASKA MINERS ASSOCIATION Convention and Trade Show November 5 – November 11, 2007</p> <p>Name _____</p> <p>Company _____</p> <p>Address _____</p> <p>City _____ State _____ Zip _____</p> <p>Telephone _____ Fax _____</p> <p>Email _____ Date _____</p> <p>MEMBERSHIP</p> <p>Individual Member.....\$95.00 _____</p> <p>Professional Member.....\$200.00 _____</p> <p>Operator.....\$250.00 _____</p> <p>Student.....\$10.00 _____</p> <p>Corporate.....Call AMA office for information _____</p> <p>CONVENTION REGISTRATION</p> <p>Member Registration.....\$150.00 _____</p> <p>Non-Member Registration.....\$200.00 _____</p> <p>Student Registration.....\$20.00 _____</p> <p><i>Surcharge after Oct.15, 2007</i>.....\$25.00 _____</p> <p>SPECIAL EVENTS</p> <p>Wednesday, November 7</p> <p>Luncheon.....\$30.00 _____</p> <p>Thursday, November 8</p> <p>Mining District Breakfast.....\$25.00 _____</p> <p>Luncheon.....\$30.00 _____</p> <p>Friday, November 9</p> <p>UAF School of Mines Breakfast.....\$25.00 _____</p> <p>Luncheon.....\$30.00 _____</p> <p>Banquet.....\$55.00 _____</p> <p style="text-align: right;">Total A _____</p> <p style="text-align: center;">Deadline for Pre-Registration is October 15, 2007</p>	<p>Short Course #1 (Nov. 5 - Nov. 6 in the Sheraton Hotel) "Heavy Mineral Indicators"</p> <p>Pre-Registration.....\$300 _____</p> <p>After Oct 15.....\$350 _____</p> <p>Student Rate.....\$50 _____</p> <p>(Registration Fee Includes Lunch)</p> <p>I want Continuing Education Credits (fee paid at class) yes ___ no ___.</p> <p>Short Course #2 (Nov. 6 in the Sheraton Hotel) "Acid Rock Drainage"</p> <p>Pre-Registration.....\$175 _____</p> <p>After Oct 15.....\$225 _____</p> <p>Student Rate.....\$50 _____</p> <p>(Registration Fee Includes Lunch)</p> <p>I want Continuing Education Credits (fee paid at class) yes ___ no ___.</p> <p>Short Course #3 (in the Sheraton Hotel) "Properly Filing Mining License Tax and State Royalty"</p> <p>First Come First Served.....\$50 _____</p> <p>Tues Nov. 6, 2:00-4:00pm ___ or</p> <p>Wed Nov. 7, 2:00-4:00pm ___ or</p> <p>Thur Nov. 8, 2:00-4:00pm _____</p> <p>Short Course #4 (Nov. 10 in the Sheraton Hotel) "MSHA Surface Refresher"</p> <p>Pre-Registration..... No charge _____</p> <p>(Pre-registration is required. Lunch is not included)</p> <p style="text-align: right;">Total B _____</p> <p style="text-align: right;">Total A _____</p> <p style="text-align: right;">Grand Total _____</p> <p>Payment Method:</p> <p>Check # _____ Cash _____ M.O.# _____ P.O. # _____</p> <p>To pay by credit card :</p> <p>1. Circle one: VISA MASTERCARD</p> <p>2. Account Number: _____</p> <p>3. Expiration Date: _____ Billing Zip: _____</p> <p>4. Name on card (please print): _____</p> <p>5. Signature: _____</p> <div style="text-align: center;">  </div> <p style="text-align: right;"> Alaska Miners Association 3305 Arctic Boulevard, Suite 105 Anchorage, Alaska 99503 Ph: (907) 563-9229 Fax: (907) 563-9225 Email: ama@alaskaminers.org Website: www.alaskaminers.org </p>
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Save Money with Pre-Registration!

Register early and pay a reduced registration fee. To take advantage of this reduced fee you must return the following registration form to the AMA office on or before October 15, 2007. Members of the AMA qualify for an even greater reduction for convention registration. Non-members may take advantage of this lower rate by joining the AMA when they register.

Travel Information

Hotel

Book by October 15 and the Sheraton Anchorage Hotel will provide rooms at the special rate of \$99 (single or double) for those attending the AMA convention. Reserve your room early. **You must contact the Sheraton Hotel directly for room reservations.** When calling, state that you are attending the Alaska Miners Convention so you can receive these special rates.

Sheraton Hotel
 401 East 6th Avenue
 Anchorage, Alaska 99501
 Phone: (907) 276-8700
 Within Alaska, call toll free: (800) 478-8700

Or Register on line at
<http://www.starwoodmeeting.com/Book/akminers07>

Travel Arrangements

ITC Travel has obtained special fares from Alaska Airlines up to 10% off excursion fares excluding all other promo's for convention attendees. These rates are effective from Nov. 4th through Nov. 14th. To take advantage of these special rates, you must purchase your tickets through ITC Travel by calling 907-561-7722. Mention you are a conference attendee for the Alaska Miners Association Convention. CMR 9711 e-code. "International travelers" must have picture ID with Birth Certificate, Citizen Certificate, or current Passport.

ITC Travel
 4101 Arctic Blvd., Ste. 107
 Anchorage, Alaska 99503
 Phone: (907) 561-7722 or call toll free (877) 561-7975
 Fax: (907) 561-3600
www.itcalaska.com Email: info@itcalaska.com



Northern Dynasty Minerals Ltd.

Ste. 1020, 800 West Pender Street

Vancouver, BC V6C 2V6

Tel: 604-684-6365

Fax: 604-684-8092

www.northerndynasty.com

NORTHERN DYNASTY & ANGLO AMERICAN ESTABLISH 50:50 PARTNERSHIP TO ADVANCE PEBBLE PROJECT TO PRODUCTION

July 31, 2007, Anchorage, Alaska — Northern Dynasty Minerals Ltd. (“Northern Dynasty”) (TSXV:NDM; AMEX:NAK) announces the signing and completion of a transaction with Anglo American plc (“Anglo American”) (LSE:AAL; JSE:AGL), whereby a wholly owned subsidiary of Anglo American (“Anglo”) has become a 50% partner with The Northern Dynasty Partnership (a wholly owned affiliate of Northern Dynasty) in a limited partnership with equal rights in the Pebble Copper-Gold-Molybdenum Project (the “Pebble Project”) in southwestern Alaska, USA, by making a staged cash investment of US\$1.425 billion.

The Pebble Project’s key assets are the near surface, 4.1 billion tonne, open pit style Pebble West deposit and the deeper and higher grade 3.4 billion tonne Pebble East deposit that is amenable to underground bulk mining methods. The Pebble resources rank among the world’s most important accumulations of copper, gold and molybdenum.

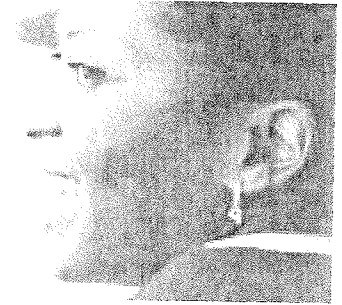
The purpose of the strategic partnership is to engineer, permit, construct and operate a modern, long-life mine at the Pebble Project. The transaction agreements lay out a schedule to accomplish this goal, targeting completion of a pre-feasibility study in December 2008, a feasibility study by 2011 and commencement of commercial production by 2015.

Anglo’s staged investment includes a committed expenditure of US\$125 million to complete a pre-feasibility study targeted at the end of 2008. After the completion of the pre-feasibility study, Anglo must, in order to retain its 50% interest, elect to commit to a further US\$325 million for a feasibility study, the completion and approval of which is targeted for 2011, and this is expected to take the partnership to a production decision. Upon the decision to develop a mine, Anglo must elect to commit to the next US\$975 million of expenditures to retain its 50% interest, completion of which will meet the US\$1.425 billion requirement. Thereafter, any further expenditure will be funded on a 50:50 basis. If the feasibility study is completed after 2011, Anglo’s overall funding requirement increases to US\$1.5 billion. Northern Dynasty will assess its 50% share of any project debt financing when a production decision is made. The partnership agreement provides for equal project control rights with no operator’s fees payable to either party. BMO Capital Markets has provided an opinion to the board of directors that the transaction is fair, from a financial point of view, to Northern Dynasty.

Over the next six months, the partnership will put a management and operating team in place for the Alaskan-based operating company, guided by a board of directors with equal representation from Anglo and Northern Dynasty. In the interim, normal operations will continue.

Cynthia Carroll, CEO of Anglo American said, “As one of the world’s largest copper-gold-molybdenum deposits, Pebble has the potential to be a world-class operation. The project offers Anglo American a unique opportunity to be involved in a very long life, low operating cost mine. We are excited to be initiating operations in the State of Alaska, a jurisdiction known around the world for the responsible development of its natural resources. Like Northern Dynasty, Anglo American is committed to the highest international standards for community relations, environmental protection, and health and safety. We are very pleased to bring these skills and experience to this partnership. We also look forward to working closely with the people of Alaska and, in particular, the communities of the Bristol Bay area and Kenai Peninsula to maximize the value of these resources for all stakeholders, taking into account the positive long-term demand prospects for copper.”

Ron Thiessen, President & CEO of Northern Dynasty stated: “Alaska’s environmental standards and permitting requirements are among the most stringent in the world. Northern Dynasty’s experienced, largely Alaskan based, mine development team has been undertaking thorough and balanced technical, environmental and social assessments to ensure that the Pebble project is developed in a manner that protects the environment and traditional ways of life. We have sought a partner that shares our approach to development, has the ability to finance, and is an experienced mine operator. Anglo brings commitment and depth in all of these key areas. Our shared goal is to develop a state-of-the-art operation with a high annual metal production profile that will bring direct benefits to the local communities, as well as being a catalyst for sustainable economic development in the region and across the State.”



Anglo American establishes 50:50 partnership in Pebble project with Northern Dynasty

Anglo American has become a 50% partner with the Northern Dynasty Partnership in the Pebble Copper-Gold-Molybdenum project in southwestern Alaska, by making a staged cash investment of US\$1.425 billion.

Anglo American plc ("Anglo American") is pleased to announce the signing and completion of a transaction, whereby a wholly owned subsidiary of Anglo American ("Anglo") has become a 50% partner with the Northern Dynasty Partnership (a wholly owned affiliate of Northern Dynasty Minerals Ltd. ("Northern Dynasty")) in a limited partnership with equal rights in the Pebble Copper-Gold-Molybdenum Project ("the Pebble Project") in southwestern Alaska, USA, by making a staged cash investment of US\$1.425 billion.

The Pebble Project's key assets are the near surface, 4.1 billion tonne, open pit style Pebble West deposit and the deeper and higher grade 3.4 billion tonne Pebble East deposit that is amenable to underground bulk mining methods. The Pebble resources rank among the world's most important accumulations of copper, gold and molybdenum.

The purpose of the partnership is to engineer, permit, construct and operate a modern, long-life mine at the Pebble Project. The transaction agreements lay out a schedule to accomplish this goal, targeting completion of a pre-feasibility study in December 2008, a feasibility study by 2011 and commencement of commercial production by 2015.

Anglo's staged investment includes a committed expenditure of US\$125 million to complete a pre-feasibility study targeted at the end of 2008. After the completion of the pre-feasibility study, Anglo must, in order to retain its 50% interest, elect to commit to a further US\$325 million for a feasibility study, the completion and approval of which is targeted for 2011, and this is expected to take the partnership to a production decision. Upon a positive decision to develop a mine, Anglo must elect to commit to the next US\$975 million of expenditures to retain its 50% partnership interest, completion of which will meet the US\$1.425 billion requirement. Thereafter, any further expenditure will be funded on a 50:50 basis. If the feasibility study is completed after 2011, Anglo's overall funding requirement increases to US\$1.5 billion.

The Pebble project will enhance Anglo American's major portfolio of copper and copper-gold projects already under evaluation, including an expansion at Los Bronces and debottlenecking at Collahuasi, both in Chile, and Quellaevco and Michiquillay in Peru. Cynthia Carroll, CEO of Anglo American said "As one of the world's largest copper-gold-molybdenum deposits, Pebble has the potential to be a world-class operation. The project offers Anglo American a unique opportunity to be involved in a very long life, low operating cost mine. We are excited to be initiating operations in the State of Alaska, a jurisdiction known around the world for the responsible development of its natural resources. Like Northern Dynasty, Anglo American is committed to the highest international standards for community relations, environmental protection and health and safety. We are very pleased to bring these skills and experience to this partnership. We also look forward to working closely with the people of Alaska and, in particular, the communities of the Bristol Bay area and Kenai Peninsula, to maximize the value of these resources for all stakeholders, taking into account the positive long-term demand prospects for copper."

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For further information:

Investor Inquiries

Anna Poulter

Tel: +44 207 968 2155

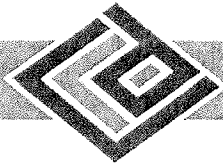
Charles Gordon

Tel: +44 207 968 8933

Media Inquiries

Anna Poulter

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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Alaska Resources 2008

28th Annual Conference

November 14-15, 2007, Sheraton Anchorage Hotel

Enormous opportunities stand before Alaska's resource industries in the new year, but the implications of new local, state and federal government actions pose special challenges to attracting the private investment necessary to turn opportunity into reality and expand Alaska's economy.

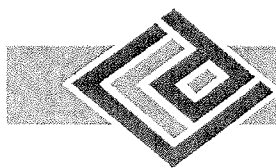
RDC's 28th Annual Conference, **Alaska Resources 2008**, will bring these opportunities and challenges to the forefront as prominent experts address issues such as commercializing our immense North Slope natural gas resources, as well as the impact of new taxes, land use policies and endangered species listings on future oil production, mining, fishing, tourism and timber harvesting.

Alaska Resources 2008 will provide timely updates on current and new projects across the oil and mining industries, as well as the latest forecasts and updates from other resource sectors and government policy makers.

This is a special invitation for your company to sponsor **Alaska Resources 2008**. Sponsors will be listed in pre-event brochures and in the official program. They will also be recognized throughout the conference. Your generous sponsorship sustains RDC and underscores its effectiveness on issues important to you and your business.

Conference attendees are treated to a diverse and knowledgeable slate of speakers, as well as gourmet breaks and lunches, networking opportunities, an audience of decision makers, and a VIP reception. We expect strong attendance again this year, with hundreds of key business leaders from Alaska, the Lower 48 and Canada, as well as government policy makers and regulators.

As Alaska's most established resource development forum, RDC's annual conference fosters dialogue, interaction and collaboration. Exchange ideas, help shape Alaska's future and enhance your company's competitive position. We look forward to your support and participation in **Alaska Resources 2008!**



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Gain recognition from and exposure to all Resource Development Council members by becoming a conference sponsor! Sponsors are recognized in the conference brochure, on the RDC website, in event notices, the official program and ads in local business publications. *Please return the pledge form before October 1st to be listed in the conference brochure.*

Event Sponsorship Levels:

Platinum Sponsor \$5,000

Eight registrations to the conference and VIP reception, sponsor recognition in all conference communications and the *Resource Review* newsletter, 1/2 page advertisement in the conference program (Camera ready artwork due: Friday, October 26th, Ads are 5"h x 7.25"w), prominent display of your company banner at the conference and listing of your company logo in Powerpoint. Please send logo electronically to RDC (msoto@akrdc.org) by October 26.

Cosponsor \$3,000

Six registrations to the conference and VIP reception, sponsor recognition in all conference communications and the *Resource Review* newsletter, 1/4 page advertisement in the conference program (Camera ready artwork due: Friday, October 26th, Ads are 5"h x 3.5"w), strategic display of your company banner at the conference and listing of your company logo in Powerpoint. Please send logo electronically to RDC (msoto@akrdc.org) by October 26.

General Sponsor \$2,000

Four registrations to the conference and VIP reception, sponsor recognition in all conference communications and the *Resource Review* newsletter, enhanced placement of your company banner at the conference and listing of your company logo in Powerpoint. Please send logo electronically to RDC (msoto@akrdc.org) by October 26.

Underwriter \$1,000

Two registrations to the conference and VIP reception, sponsor recognition in all conference communications and the *Resource Review* newsletter, placement of your company banner at the conference and listing of your company logo in Powerpoint. Please send logo electronically to RDC (msoto@akrdc.org) by October 26.

Exhibitor Showcase \$1,000 Ballroom*, \$600 Mezzanine**

Space is limited as this segment of the conference has sold out six years in a row. Exhibit booth at the conference, sponsor recognition in conference communications, complimentary registration to the conference and VIP reception. **Includes two registrants **Includes one registrant*

Return the following pledge form - by October 1st to be listed in the conference brochure!

Last Year's Corporate Sponsors

Platinum Sponsors

BP Exploration Alaska, Inc.
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ExxonMobil
TeckCominco/NANA Development Corporation

VIP Reception Host

Government of Canada

Cosponsors

Agrium Kenai Nitrogen Operations
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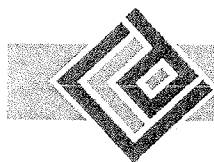
Program Sponsor

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Underwriters

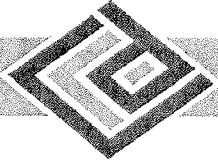
Air Logistics of Alaska
Alaska Housing Finance Corporation
Alaska Industrial Development &
Export Authority
Alaska Railroad Corporation
Alaska USA Federal Credit Union
Anadarko Petroleum Corporation
Anchorage Sand & Gravel
Bering Straits Native Corporation
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Specialty Sponsorship Options:

Sponsor recognition signs for each event as well as recognition in the official conference brochure and program. All food breaks are held in the exhibit area.

Wednesday or Thursday's Eye-Opener Breakfast (7:00 - 8:00 am) \$2,500 each
Every registrant's first stop! Continental fare includes warm breakfast dish, bagels, croissants, muffins, fruit, yogurt, juice, soda, coffee and tea.

Wednesday or Thursday Morning Breaks \$2,500 each
The conference stops for these popular breaks. Add your own personal flair - ask for your favorite snacks!

Wednesday Afternoon Break \$2,500
A modern ice cream social event stimulates discussion and networking.

Champagne & Sparkling Cider Toast \$1,500
The toast kicks off the Grand Raffle drawing at the conclusion of Thursday's program.

Centerpiece Sponsor \$3,000
Personalized arrangements at each table with your company logo.

RDC Grand Raffle
Donate a prize of your choice for the popular drawing held at the close of the RDC Conference, November 15, 2007. Donors are recognized in conference program.

Please fill out the following information and fax the form to RDC at (907) 276-3887 or email us at resources@akrdc.org. Questions? Call Deantha or Carl at (907) 276-0700. RDC will send an invoice, unless instructed otherwise.

Sponsorship Level: Platinum Cosponsor General Underwriter

Exhibitor Showcase: Ballroom Mezzanine

Specialty Sponsorship Choice(s): _____

RDC Raffle Prize(s): _____

Company: _____

Conference Contact: _____

Address: _____

City/State/ZIP: _____

Phone: _____ Fax: _____ E-mail: _____