

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

## **BREAKFAST MEETING**

# **Thursday, February 19, 2008**

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

**Looking Ahead: The Green Economy  
& The Obama Administration**

Kate Troll, Executive Director,  
Alaska Conservation Alliance

Next Meeting: March 5: Frank Richards, Deputy Commissioner, Alaska Department of Transportation & Public Facilities, speaking on: Federal Stimulus: Alaska Projects, Challenges & Issues

Please add my name to RDC's mailing list

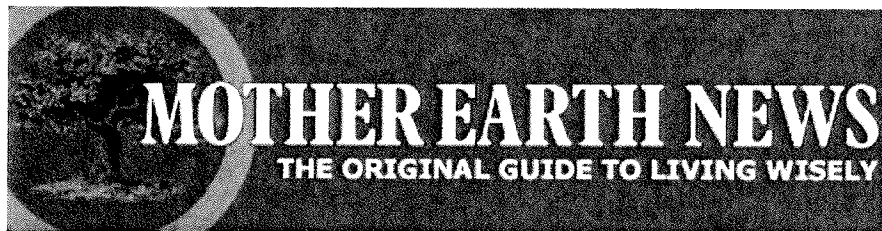
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## Environmentalists Help Obama Create New Green Economy

By Jessie Fetterling

Environmentalists are on President-elect Barack Obama's side. Twenty-nine environmental and conservation groups recently provided Obama's transition team with a [391-page plan](#) for federal action on the economic, climate and environmental crises. Their plan coincides with many of Obama's ideas about creating a green economy, but it's their knowledge and expertise that will help the new administration overcome some of the challenges it faces. In a teleconference on Nov. 25, leaders from the groups spoke about the plan and the priorities that they believe must be addressed ... and fast.

Gene Karpinski, President of the League of Conservation Voters, argued that "The solution to our problems is a new green economy. The last thing you want to do is delay it: It's not just bad for the planet, it's bad for the economy."

While these environmentalists support Obama's vision, they believe that at the center of his economic recovery strategy needs to be three specific goals: to cut carbon emissions, to create clean energy and to end America's dependency on oil. In order to accomplish these goals, the group supports the cap and trade system that will put a price on carbon and limit emissions. They also support Obama's push for clean renewable energy to cut oil dependency and create millions of paying green-collared jobs. And they agree with promoting hybrid cars and other fuel-efficient cars to create ways for Americans to travel further on a gallon of gas.

For this economic opportunity to be successful, though, the group believes certain initial actions must be taken. For example, the group states that in the first 100 days of Obama's presidency, the new administration needs to stop any [midnight policies](#) made by the Bush administration before any more environmental damage is done. The Obama administration also needs to place strong environmental leaders with the same values of the president and the environmental community in the proper administrative positions. The group also believes that unbiased science should play a primary role in creating effective environmental policy.

The detailed plan includes many other ideas to help guide the Obama administration in environmental stewardship, including the restoration of natural resources. But after eight years of environmental neglect, the new administration will have a lot of cleaning up to do. The next four years should definitely be interesting, to say the least.

For more on Obama's environmental policy, read [Obama Addresses Fight Against Climate Change](#) and [Obama's Changing Climate Change](#). Or share your thoughts or suggestions about how the Obama administration can improve the economy, climate and/or environment in the comment section below.

## Rich Lowry

NR Editor

December 05, 2008, 0:00 a.m.



# Obama's Code-Green Economy

It's always a mistake to believe that government can "create" jobs.

By Rich Lowry

**F**ormer Homeland Security Director Tom Ridge was widely ridiculed for color-coding the nation's terror-alert status. The Obama administration wants to color-code the economy.

Barack Obama promised during the campaign to create 5 million "green" jobs in a decade, and they will constitute at least \$15 billion a year of his stimulus package. Putting people to work weatherizing homes, building wind farms, and constructing a new electrical grid will supposedly save the planet and revive the economy all at once, in a lavish, politically correct free lunch.

Michigan Gov. Jennifer Granholm explained on PBS's *NewsHour* the economic elixir of wind farms: "You need people to know how to build the turbines. You have to have people install the turbines. And turbines have to be connected to the grids. Those are all jobs that can be created if we make a smart investment right now."

To this point, construction jobs have not been widely viewed as the future of our advanced service-based economy. They once were dismissed as jobs "Americans won't do." Never mind. The fundamental problem is that biofuels and wind energy are less efficient and more expensive than coal (which provides more than half the nation's electricity) and oil (which powers essentially all of its cars).

Currently, 1.8 million jobs in the economy relate to oil and gas (half of them at gas stations). Why layer more than double — if the Obama goal can be taken seriously — that number of "green" jobs on top of already existing energy jobs? Even if all the traditional energy jobs disappear, we will have succeeded only in employing more people in energy than otherwise necessary.

The "green" jobs enthusiasts are making a classic error illustrated by the 19th-century French economist Frédéric Bastiat. When a railroad was under construction from France to Spain, someone in Bordeaux suggested that there be a break in the tracks to boost the town's economy with all the extra work for porters to cart luggage between trains, etc. Bastiat pointed out that if breaks in the tracks were such an economic benefit, every town should have one and France should build a "negative railroad" consisting entirely of interruptions.

Of course, the French economy benefited much more from a real railroad delivering the efficient and cheap transport of goods. The push for "green" jobs is about creating a "negative" energy sector — hampering the energy sector we already have to create one that requires more labor.

To make people buy biofuels or wind power, either these energy sources have to be subsidized (draining resources away from more productive uses) or traditional sources of energy have to be taxed or regulated, which is what Obama proposes with his cap-and-trade plan on carbon emissions. The latter policy will cost jobs in the traditional energy sector and leave consumers with less to save and spend elsewhere. As Iain Murray of the Competitive Enterprise

Institute points out, advocates of “green” jobs always emphasize the gross rather than the net job figures because a more complete picture shows they are ultimately subtracting, not adding.

Creating “green” jobs isn’t a new policy. The federal government basically invented the American ethanol industry, with subsidies, tax credits, and a tariff to protect it from foreign competition. Ethanol still is only two-thirds as efficient as gasoline and requires about as much energy to produce as it provides. The federal government has invested billions of dollars in its own “flex fuel” fleet of cars, but 92 percent of the fuel for the cars is standard gasoline.

Jimmy Carter launched a kind of “green jobs” program a full three decades ago. He poured \$3 billion into a Synthetic Fuels Corporation that was an embarrassing bust.

It’s always a mistake to believe that government can “create” jobs. It only creates jobs by taking resources from the economy, and therefore destroying jobs out of sight. It should attempt to create a favorable business climate and leave the rest, including the color-coding, to the market.

— *Rich Lowry is the editor of National Review.*

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# Resource Development Council for Alaska, Inc.

## Alaska Federal Natural Resource Policy Positions

### Summary

- **Alaska Natural Gas Pipeline:** Encourage the construction of a gas pipeline from the North Slope to the “Lower 48.” Provide access to unexplored gas basins to ensure the long-term viability of the project.
- **Oil and Gas Exploration & Development:** Support new exploration and development of Alaska’s oil and gas deposits, including prolific basins in the National Petroleum Reserve-Alaska (NPR-A), the Outer Continental Shelf (OCS), and the 1002 area of the Arctic National Wildlife Refuge (ANWR). Offshore development should include federal revenue sharing and/or community impact assistance. Additionally, encourage research and development of gas hydrates on the North Slope.
- **ANILCA Special Protections:** Uphold the special protections granted to Alaska under the Alaska National Interest Lands Conservation Act (ANILCA).
- **Federal Land Withdrawals:** Oppose new federal land withdrawals, marine protected areas, Antiquities Act designations, and BLM Wilderness studies on federal lands in Alaska. Support proposed land exchanges in Yukon Flats and Izembek National Wildlife refuges as well as the Sealaska Corporation Land Bill.
- **Polar Bear ESA Listing:** Oppose the use of the listing of the polar bear under the Endangered Species Act (ESA) to regulate greenhouse gas emissions and to block access to energy development.
- **Endangered Species Act Reform:** Support a federally streamlined, science-based process for listing and protecting ever-growing numbers of candidate species, threatened and endangered species, and critical habitat acreage designations.
- **Climate Change:** Encourage the regulation of greenhouse gas emissions through independent legislation, rather than through the Clean Air Act or Endangered Species Act, based on sound environmental, scientific, and economic principles that are international in scope.
- **Economic Timber Supply in Multiple Use Tongass National Forest with Continued Exemption from Roadless Initiative:** Manage the national forest system in Alaska to achieve its multiple use mandate, which includes resource development such as timber harvesting, mining, and commercial tourism operations. This must include providing a sustainable and long-term supply of economic timber in the Tongass. Maintain exemption for the Tongass National Forest from future roadless initiatives.
- **Increased Access for Tourism:** Support increased and expanded tourism opportunities through improved visitor facilities throughout Alaska’s national parks.
- **NPFMC Oversight of Federal Fisheries:** Support continued science-based oversight of Alaska’s federal fisheries under the North Pacific Fishery Management Council (NPFMC).
- **Federal Mining Law:** Oppose revisions to federal law and regulations that would have adverse impacts on Alaska’s mining industry.
- **Renewable Energy:** Support efforts to commercialize Alaska’s hydro, geothermal, wind, tidal, and other renewable energy sources.
- **Wetlands:** Support regulations that strictly follow the U.S. Supreme Court decision in *Rapanos v. United States*.
- **Federal Agency Funding:** Provide adequate funding for permitting functions.

**Resource Development Council for Alaska, Inc.  
Alaska Federal Natural Resource Policy Positions**

**Climate Change**

*Encourage the regulation of greenhouse gas emissions through independent legislation, rather than through the Clean Air Act or Endangered Species Act, based on sound environmental, scientific, and economic principles that are international in scope.*

RDC opposes the regulation of greenhouse gas emissions through the Clean Air Act or the Endangered Species Act. Separate greenhouse gas emission legislation should be based on sound environmental, scientific and economic principles within the context of U.S. energy needs and the national economy. Such legislation should be coordinated with other emitting nations to ensure this problem is addressed on a global scale and does not put American business at a competitive disadvantage. Otherwise, new regulations would likely result in unintended consequences, including a shift in emissions, and possibly production capacity, from the U.S. to other countries. This could result in a net increase in global emissions.

RDC urges the Obama Administration and Congress to conduct a comprehensive discussion of the impacts and costs of any program aimed at regulating greenhouse gas emissions. The government must explain in clear terms the costs and benefits of the U.S. regulating greenhouse gases. The government must avoid regulatory measures that result in significant and untimely shocks to a weak domestic economy and result in higher prices for energy, food, manufactured goods, and transportation. Overly stringent and duplicative regulation would hinder the nation's ability to meet domestic energy demands, grow the economy, and avoid price shocks across the nation.

**Resource Development Council for Alaska, Inc.  
Alaska Federal Natural Resource Policy Positions**

**Renewable Energy**

*Support efforts to commercialize Alaska's hydro, geothermal, wind, tidal, and other renewable energy sources.*

Diversity and predictability of energy sources will encourage investment in responsible resource development projects and value-added industries in Alaska. Subsequently, RDC supports the commercialization of Alaska's hydro, geothermal, wind, tidal, and other renewable energy sources to diversify Alaska's energy portfolio and help communities across the state achieve energy security for their future economic well-being.

The State of Alaska has set an ambitious goal of generating 50 percent of Alaska's electricity by 2025 from renewable sources and we look forward to being an example for other states to follow.

In addition, Alaska's vast coal resources should not be ignored, and research should be funded to advance clean coal technology.

# 2009 Resource Development Council Policy Positions

## General Issues

### Fiscal Policy & Planning

- Advocate development and implementation of a comprehensive, responsible, and long-range state fiscal plan.
- Support equitable and predictable tax and royalty policies.
- Support some use of the Permanent Fund earnings as part of a fiscal plan.
- Support development of a state strategic economic development plan.

### Access

- Advocate increased access to and across public lands for resource development.
- Advocate multiple-use of public lands.
- Continue to assert the state's rights on navigable waters and submerged lands.

### Regulation/Permitting

- Encourage the state to promote and defend the integrity of Alaska's permitting process.
- Advocate clear, timely, and streamlined state and federal permitting systems based on sound science, economic feasibility, and protection of property ownership rights.
- Support efforts to ensure Alaska's ballot initiative process is open and transparent.
- Adequately resource permitting agencies for personnel, research, and science.
- Support the State of Alaska's efforts to challenge unwarranted Endangered Species Act listings.
- Remove the "Point of Discharge" requirement implemented by the 2006 cruise ship head tax initiative to empower DEC to regulate cruise ship discharges to meet all water quality standards.
- Encourage the state to carefully consider the impacts of potential changes to the ACMP program on communities and industry while striving to eliminate the duplication of current state and federal requirements.

### Infrastructure

- Encourage the state to develop a prioritized transportation strategy that supports resource exploration and development activities.

### Education

- Support programs, including the Alaska Mineral and Energy Resource Education Fund (AMEREF) to educate students and the general public on responsible resource development activities in Alaska.
- Support growing the state's emphasis on workforce development.

## Industry Specific Issues

### Oil & Gas

- Oppose efforts, either legislatively or through the initiative process, to impose a gas reserves tax.
- Support legislation to encourage new exploration and development of Alaska's oil and gas deposits, as well as enhanced production from existing fields.
- Encourage public policy and fiscal decisions to improve the commercial viability of developing Alaska's North Slope and Interior natural gas resources.
- Support efforts to increase Cook Inlet oil and gas exploration and development to meet local demand and export markets.
- Advocate for a tax policy that enhances the State of Alaska's competitiveness for exploration and development investments.
- Encourage methods, such as investment tax credits, to improve the commercial viability of developing Alaska's heavy oil resources.
- Educate and advocate for opening the coastal plain of the ANWR to oil and gas development.
- Support offshore oil and gas development and work to maximize benefits to Alaska through advocacy for federal revenue sharing and/or community impact assistance.

### Energy

- Support simplified leasing and permitting of non-conventional fuel resources to encourage development of the state's resources and provide energy to local areas.
- Encourage development of new electrical generating and transmission systems to provide stable sources of electricity for economic development and existing electricity consumers.
- Support utilization of Alaska's coal resources for value-added industries and power generation in addition to export to international markets.
- Support efforts to diversify Alaska's energy sources, including known renewable energy options and research and development of non-conventional sources.

### Mining

- Support equitable and predictable mining tax and royalty policies.
- Encourage new exploration and development of Alaska's mineral resources, as well as increased production from existing deposits.
- Advocate continuation and expansion of the airborne geophysical mapping program and the on-the-ground follow up work required to realize the full benefits of the program.

### Fisheries

- Support fisheries policies that ensure access, markets and revenues for Alaska fishermen and coastal communities, and a healthy competitive environment for an Alaskan seafood processing industry.
- Support reduced fisheries waste and better utilization of Alaska fisheries resources, improved product value and development of new product forms.
- Support funding of fisheries and marine mammal research.

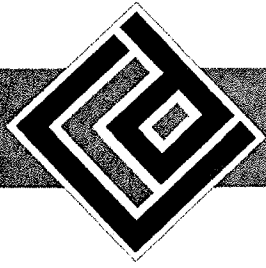
### Forestry

- Advocate a reliable and economical long-term federal and state timber supply.
- Support adequate funding and enforcement of the Alaska Forest Practices Act.
- Encourage funding of forest management initiatives that address long-term forest health and reforestation.

### Tourism

- Advocate additional aircraft landing sites and reduced restrictions on over-flights.
- Support amending the new cruise ship law to ensure compliance with federal tax restrictions, and avoid regulatory redundancy.





# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

February 17, 2009

Representative Bob Herron and Representative Cathy Muñoz, Co-Chairmen  
House Community & Regional Affairs Committee  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801

RE: HB134-Cruiseship Wastewater Discharge Permits

Dear Representative Herron and Representative Muñoz:

On behalf of the Resource Development Council for Alaska, Inc., (RDC), I am writing in support of HB134-Cruiseship Wastewater Discharge Permits.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources, including our tourism resources.

Setting standards for discharges through the initiative process, regardless of the industry, in my opinion is not appropriate. Indeed, what was put into place by this initiative would not allow cruiseships to discharge tap water from Anchorage, Fairbanks, or any port community for that matter. As legislators, and indeed, as Alaskans, we must do our best to encourage new investment in this state, including the tourism industry, by allowing reasonable and attainable standards for all industries. By correcting this error, DEC will have the tools to use the best available science, as they do will all industries in Alaska, to establish safe discharge limits that will protect Alaska's clean water.

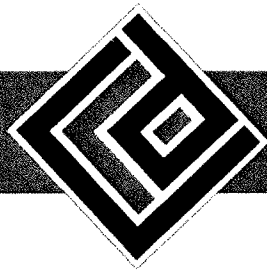
We encourage the committee to vote in favor of this bill. Thank you for your consideration.

Sincerely,

Jason W. Brune  
Executive Director

Founded 1975  
Executive Director  
Jason W. Brune  
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# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

February 17, 2009

The Resource Development Council for Alaska (RDC) appreciates the opportunity to submit comments on the proposed Critical Habitat designation for the Southwest Alaska Distinct Population Segment of the northern sea otter.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

Subsection (5)(C) of Section 3 of the Endangered Species Act of 1973 (ESA) states "... critical habitat shall not include the entire geographical areas which can be occupied by the threatened or endangered species." We feel 15,000 square kilometers is excessive and the proposed critical habitat areas should be significantly decreased.

Sea otters have long lived in conjunction with fishing, transportation, oil & gas development, and other related activities. Indeed the most likely cause of decline of this stock of sea otters is through orca predation. As was demonstrated through the recent stellar sea lion example, the impacts to the economy and the welfare of the people living in the affected areas through the designation of such excessive critical habitat could be extreme.

The ESA specifically allows for areas to be excluded from critical habitat for economic reasons. Subsection (2) of Section 4 of the ESA, "The Secretary may exclude any area 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."

In specific, RDC requests the Secretary exclude the following areas of proposed critical habitat from the final rule for economic considerations, as doing so will not lead to the extinction of this stock of sea otters:

1. Areas surrounding activities relating to existing fishing and transportation on islands, including, but not limited to: Attu, Atka, Adak, Unalaska, Akutan, Kodiak and Afognak. Fishing alone is often the largest taxpayer for many coastal communities. Over 50% of our nation's total fishing catch comes through these ports.
2. Areas immediately surrounding established villages and existing transportation access for the villages in the area. Barging is a lifeline to many communities in this area, and jobs in transportation are vital.

Founded 1975

Executive Director

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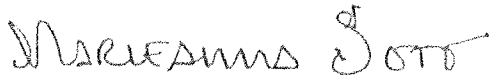
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3. Areas where State of Alaska oil & gas leases have been issued, including but not limited to, Herendeen Bay and Port Moller. These areas are likely rich in natural gas and continued access may improve the nation's domestic energy situation, provide needed economic stimulus to coastal communities and the state, and generate new jobs for local residents.
4. Areas in western Cook Inlet, into the Lake Iliamna area from Williamsport which will be used for fuel and supplies for residents as well as for potential large scale mining projects, including the Pebble Project which could bring needed economic diversification into the region.
5. Areas used for access by logging transportation around the Kodiak archipelago, including, but not limited to Kazikof Bay on Afognak Island. The presence of ship mooring buoys, log storage areas, and log transfer facilities are essential to logging. Nearly 40 million board feet per year generating 100 logging and related longshoreman jobs on Afognak are a major source of income for the village of Ouzinkie, where other economic opportunities are extremely limited.

Thank you for the opportunity to comment on this important issue.

Sincerely,

A handwritten signature in cursive script that reads "Marleanna Soto". The signature is written in dark ink and is positioned above the typed name.

Marleanna Soto  
Projects Coordinator



**FOR IMMEDIATE RELEASE**

**No. 09-06**

**Governor Announces Challenge to Beluga Listing Decision;  
Provides Federal Agencies with Notice of Intent to Sue**

January 14, 2009, Anchorage, Alaska - Governor Sarah Palin announced today that the State of Alaska filed a notice of intent to file a lawsuit challenging the federal government's decision to list beluga whales in Cook Inlet as threatened under the Endangered Species Act.

"The State of Alaska has worked cooperatively with the federal government to protect and conserve beluga whales in Cook Inlet," said Governor Palin. "This listing decision didn't take those efforts into account as required by law."

The notice of the state's intent to sue was sent to the Secretary of Commerce and the National Marine Fisheries Service (NMFS). It asserts that the listing decision should be withdrawn due to failure to adequately consider conservation or protection efforts by Alaska, failure to provide to Alaska's agencies an adequate written justification for portions of NMFS' final rule not consistent with the agencies' comments, failure to properly document or support its determination that the beluga whales in Cook Inlet comprise a distinct population segment and failure to provide a public review and comment period on significant studies and documentation used to support the listing.

"With this notice of intent, we are informing the federal agencies that, unless corrected, we will file suit due to the decision's failure to comply with provisions of the Endangered Species Act and the Administrative Procedure Act," said Attorney General Talis Colberg. "Failure to consider protection measures already in place and failure to document and support key elements of this decision are major flaws in the final rule."

Concern about the decline in Cook Inlet Beluga whales led the State of Alaska to petition NMFS to list the whales as depleted under the Marine Mammal Protection Act (MMPA), which resulted in restrictions on harvest beginning in 2000. The population has since stabilized and shows signs of recovery. Population estimates have increased 30 percent since 2005.

The state has placed much of the important beluga habitat within Cook Inlet in protected status, including several state game refuges and critical habitat areas. Recent actions by the Alaska Department of Natural Resources have maintained protection of important habitat by removing it from lease and sale offerings, even though there was no evidence of any habitat decline or habitat-related cause for the population decline.

The listing decision failed to properly consider the substantial regulation by the state and its political subdivisions of beluga habitat and food supply covering nearly every aspect of the environment affecting beluga whales in Cook Inlet, including water quality, oil and gas

development, coastal and upland development, prey species management, cruise ship regulation, and port development, among many others. These laws, when considered together with existing federal regulations, ensure that beluga whales in Cook Inlet are well-protected.

"Belugas are protected by the State of Alaska and the federal Marine Mammal Protection Act," said Alaska Department of Fish and Game Commissioner Denby Lloyd. "An ESA listing is not appropriate or necessary at this time. The population is stable and beginning to recover, just as we predicted when advocating for MMPA protection."

In written comments to the agency, the State of Alaska disagreed with many aspects of the decision including questionable use of computer population modeling, the contention that the belugas in Cook Inlet are a separate and distinct population from other belugas and the premise that a 1 percent chance of extinction in 50 years meets the criteria necessary for an endangered species listing.

"While challenging the listing, we will continue to protect beluga whales," said Governor Palin. "We will also be assisting Alaskan communities and stakeholders with navigating the complex bureaucratic process this listing decision imposes on their projects and working cooperatively with federal agencies on the required consultations, designations of critical habitat and development of a recovery plan and objectives."

###