

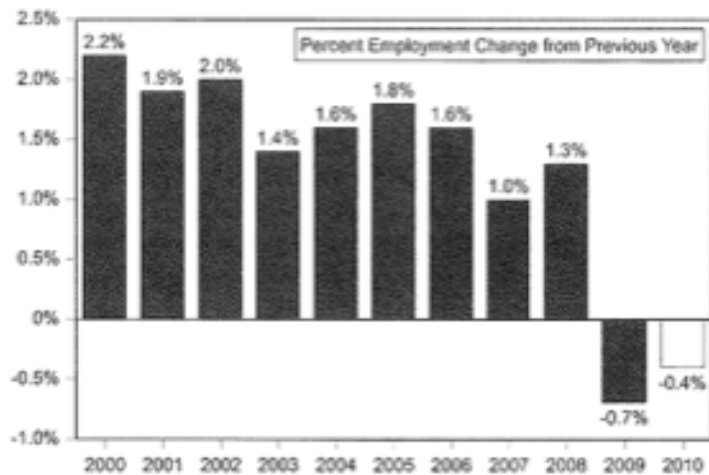


What the hell is going on in this country?

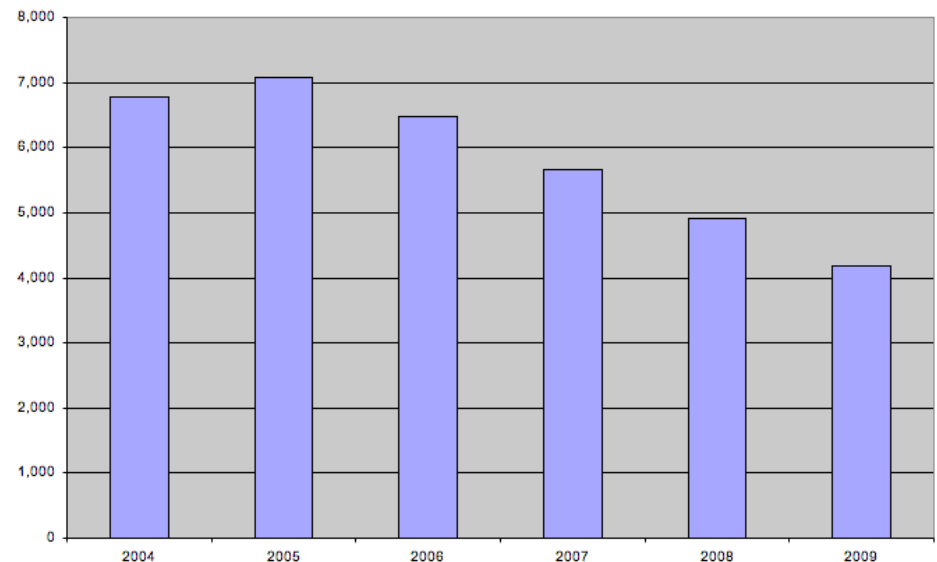
John Shively, CEO
RDC, March 18, 2010

Alaska Employment & Home Sales

More Losses Forecasted for 2010
 Statewide job growth, 2000 to 2010



Alaska Home Sales 2004 to 2009





The Current Rural Population Trend Points at Change

Exhibit 5. Areas with Population Losses of More than 10 Percent.

Area Names	Change 2000-2008
Yakutat City and Borough	-26.70%
Aleutians West Census Area	-18.8%
Bristol Bay Borough	-18.2%
Lake and Peninsula Borough	-14.9%
Skagway-Hoonah-Angoon C.A.	-14.3%
Prince of Wales-Outer Ketchikan C.A.	-12.9%
Yukon Koyukuk Census Area	12.9%
Wrangell-Petersburg Census Area	-10.8%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Exhibit 9. Recent Migration from or to Rural Areas

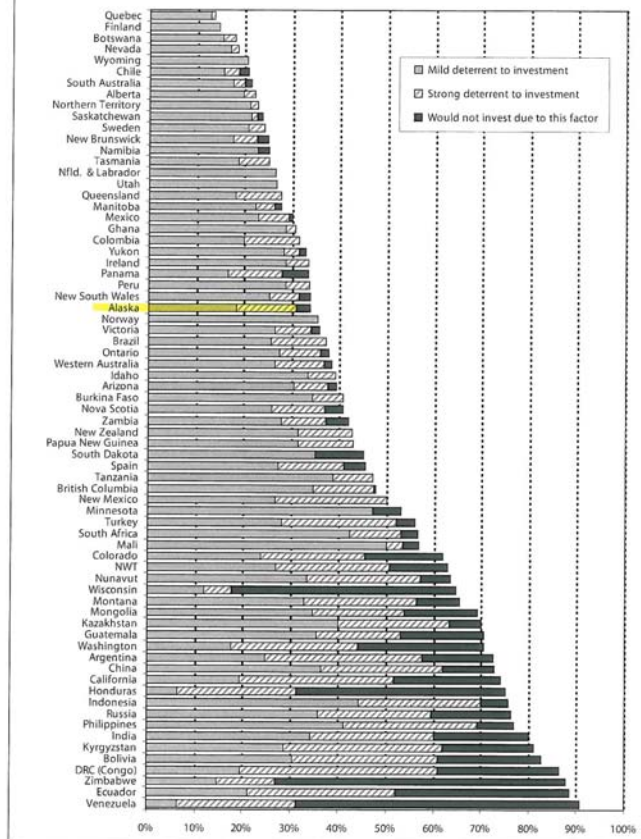
Area	Net migration (in minus out) 4/2000-6/2008
Out-migration:	
Bethel Census Area	-1,872
North Slope Borough	-1,777
Ketchikan Gateway Borough	-1,844
Kodiak Island Borough	-1,854
Valdez-Cordova Census Area	-1,307
Aleutians West Census Area	-1,242
Prince of Wales-Outer Ketchikan C.A.	-1,135
Yukon Koyukuk Census Area	-1,148
Wrangell-Petersburg Census Area	-891
Nome Census Area	-982
Northwest Arctic Borough	-926
Wade Hampton Census Area	-820
Sitka City and Borough	-776
Dillingham Census Area	-673
Skagway-Hoonah-Angoon C.A.	-619
Lake and Peninsula Borough	-354
Bristol Bay Borough	-290
Denali Borough	-172
Yakutat City and Borough	-244
Aleutians East Borough	-100
Haines Borough	-115
Total Out-Migrants	-19,150
In-Migration:	
Southeast Fairbanks Census Area	307
Total Net-Migration	-18,843

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Regulatory Framework

Mining 2008/2009

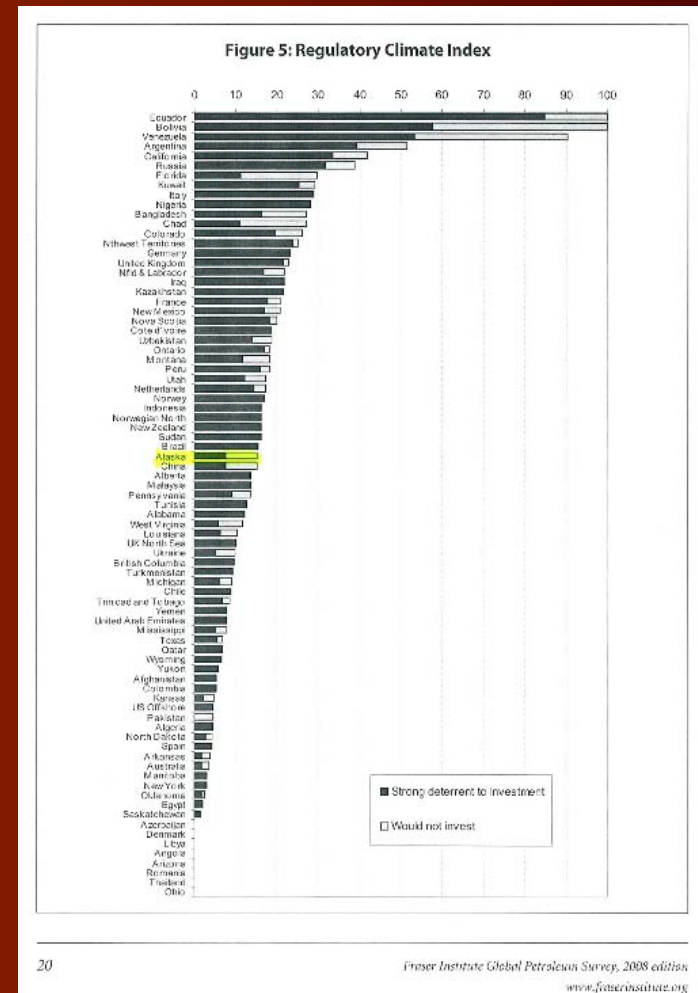
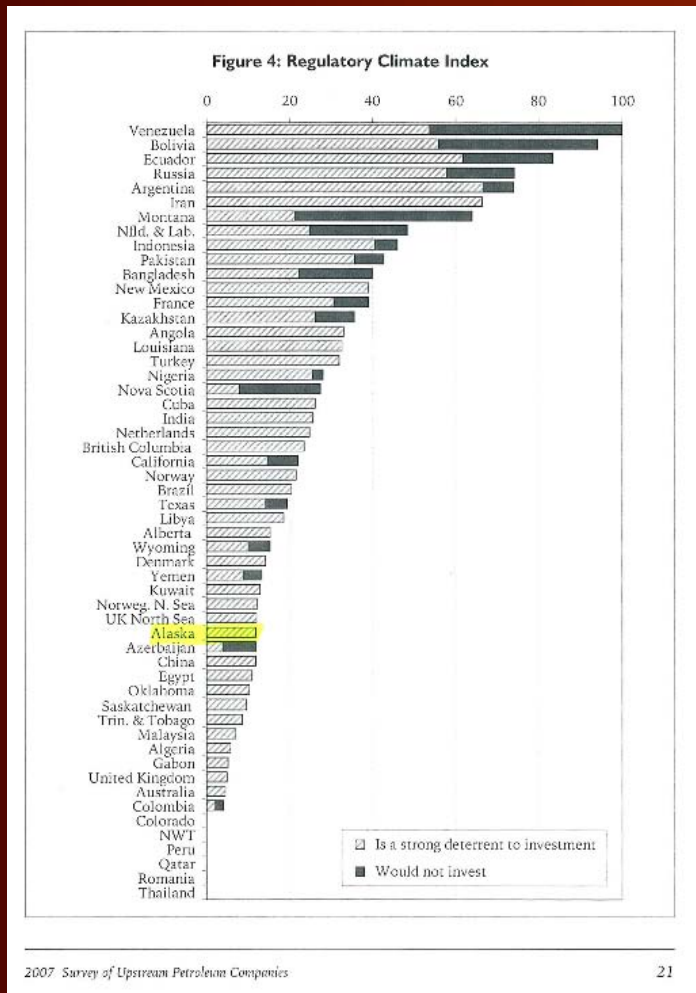
Figure 7: Regulatory duplication and inconsistencies



Regulatory Framework

Oil & Gas 2007

Oil & Gas 2008





Designating Endangered Species in Alaska

Endangered

- Humpback whale
- Beluga whale
- Fin whale
- Bowhead whale
- Steller sea lion
- Blue whale
- Right whale
- Sei whale
- Aleutian shield fern
- Short-tailed albatross

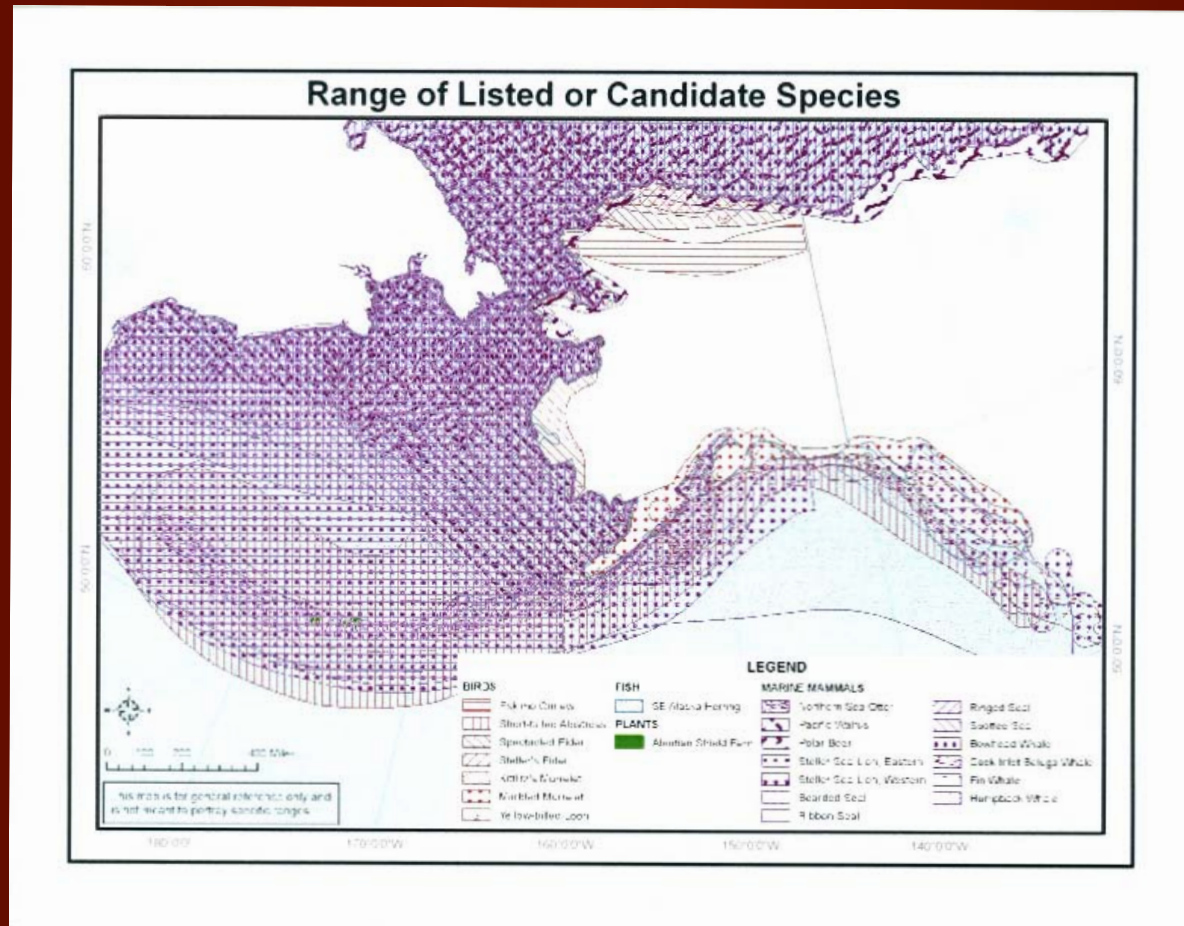
Threatened

- Polar bear
- Spectacled eider
- Steller's eider
- Northern sea otter

Under Consideration

- Pacific walrus
- Yellow-billed loon
- Kittlitz's murrelet
- Marbled murrelet
- Ice seals (4 species)
- SE Alaska herring

Designating Endangered Species in Alaska





Hoops & Hurdles

Not exclusive to the mining industry



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NGO's - Opposition Through Litigation

Environmental groups sue over
Tongass timber sale



Lawsuit aims to stall oil and
gas development in federal
reserve in Alaska

Kensington Mine dispute to be
settled in US Supreme Court



NGO's - Opposition Through Litigation

TRUSTEES FOR ALASKA

A Nonprofit Public Interest Law Firm Providing Counsel to Protect and Sustain Alaska's Environment

- Feb. 16, 2010 - vs. Red Dog and EPA re: NPDES permit reissuance
- Jan. 8, 2010 - vs. DNR's Beaufort Sea Areawide Oil & Gas lease sale
- Jan. 6, 2010 - vs. Alaska Railroad & Aurora Energy Services
- Jul. 29, 2009 - vs. DNR re: constitutionality of Pebble exploration permits
- Apr. 8, 2009 - vs. Alaska Board of Game re: wolf/bear hunting on state land
- Dec. 15, 2008 - vs. Unocal and EPA re: reissuance of water discharge permit
- Dec. 4, 2008 - vs. EPA re: decision to give AK authority to issue/enforce permits under the CWA
- Nov. 14, 2008 - vs. Kensington requesting ban of mining discharge in US waters
- Oct. 17, 2008 vs. National Marine Fisheries Service re: beluga whale listing

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NGO's - Opposition Through Litigation



- 2006 - \$2.1 billion OCS lease purchase
- \$1 billion investment to pursue project
- 2007 - Lawsuit filed by Alaska Wilderness League, Natural Resource Defense Council
- 2007 - Shell cancels exploration program;
-\$200 million
- 2008 - Shell cancels exploration program;
-\$108 million



NGO's - Opposition Through Litigation

The ConocoPhillips logo, featuring a red checkmark above the company name "ConocoPhillips" in a bold, black, sans-serif font.

ConocoPhillips



- \$600 million invested
- 400 direct new jobs
- 100+ support jobs



NGO's - Opposition Through Litigation

Red Dog Mine

BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

IN THE MATTER OF:
TECK ALASKA, INCORPORATED
NPDES Permit AK-003865-3

Case No.

PETITION FOR REVIEW

BY

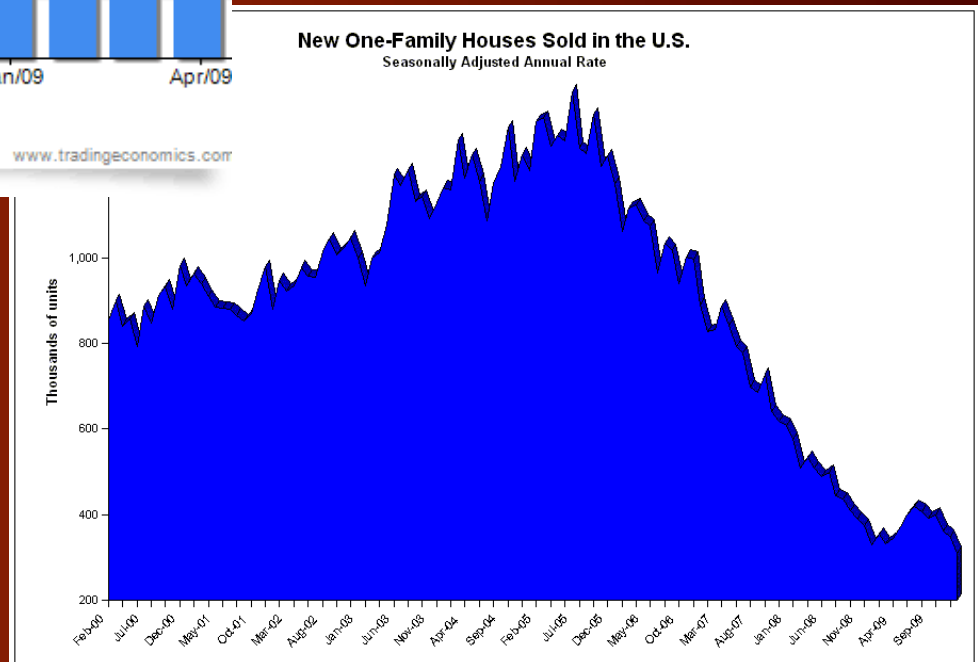
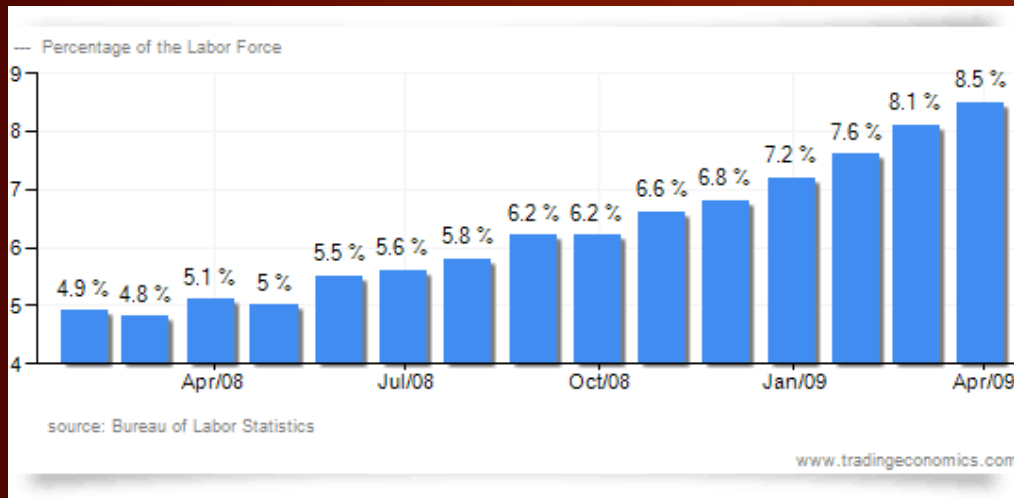
ATATIVE VILLAGE OF KIVALINA IRA COUNCIL
ATATIVE VILLAGE OF POINT HOPE IRA COUNCIL
ALASKA COMMUNITY ACTION ON TOXICS
ORTHERN ALASKA ENVIRONMENTAL CENTER
ENOCH ADAMS, JR.
LEROY ADAMS
ANDREW KOENIG
JERRY NORTON
JOSEPH SWAN, SR

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cjohnson@trustees.org



National Unemployment & Home Sales



Federal Permitting

THE WALL STREET JOURNAL.
 WEDNESDAY, APRIL 2, 2008 • VOL. CCLXIX, 73 ***** \$1.50

 NASDAQ 2362.71 ▲ 1.71 NYSE 12066.42 ▲ 1.71 DJ STOCK W 12235.4 ▲ 1.71 30-YR TREAS 4.767% ▲ 0.001% ON 1202.76 ▼ 0.04 GOLD 1242.56 ▼ 0.04 EUR 1.4180 YEN 101.91

BUSINESS | FEBRUARY 16, 2010, 10:47 A.M. ET

Permits Drag on U.S. Mining Projects

With an Average Wait Time of Seven Years, Companies Look Elsewhere for Needed Metals, Minerals

By ROBERT GUY MATTHEWS

Obtaining the permits and approvals needed to build a mine in the U.S. takes an average of seven years, among the longest wait time in the world. So despite having vast underground stores of raw materials, the U.S. is one of the last places miners go to start a project.

At the proposed Kennecott Eagle nickel mine in Michigan's sparsely populated Upper Peninsula, the wait is at seven years and growing. Global miner Rio Tinto says the project would fill a raw-material gap in the U.S. economy, but the company has yet to produce an ounce of nickel there.

Last month, a state agency issued a final order making state water, air and mine permits effective, but Rio still needs a federal water permit. And the company expects challenges from environmental groups.

Overall, the U.S. is tied with Papua Guinea for the longest approval process among the 25 top mining countries in the world, according to Behre Dolbear Group, an international mining and mineral advisory group. In Australia, a huge mining center, the process takes an average of one to two years.

The length of the mine-approval process means that the U.S., while having the reserves as well as the market appetite for metals and minerals, remains one of the top importers of the materials from Australia, Brazil, Canada and Africa.

"We are becoming more and more dependent on metal imports in the U.S.," said Luke Popovich, spokesman for the National Mining Association, an industry group. Imports into the U.S. for selected metals—including gold, copper and zinc—rose 8.7% from 1998 to 2008, according to the U.S. Geological Survey.

The time frame in the U.S. isn't necessarily reflective of tougher laws. Australia and Canada have environmental laws for mine building that are on par with U.S. rules. But mine building often draws more opposition in the U.S. than in those countries. Part of that is due to mining's checkered history and reputation for pollution, abandonment and sometimes-shoddy management. Mining companies in the U.S., have cleaned up their management for the most part, but reputations haven't caught up.

Emily Bernhardt, ecologist and assistant professor at the biology department at Duke University, says a focus on the length of the permitting process in the U.S. is misplaced. "The length of time it takes for permitting is almost irrelevant because they are not always looking at the right issues," she said.

This month, Ms. Bernhardt co-authored a scientific paper calling on the Environmental Protection Agency and the Army Corps of Engineers to stay all new mountaintop mining permits. One issue is the permits focus on mainly local mining-site environmental impacts but don't take into account impacts far from the mine site, she said.

"Obtaining the permits and approvals needed to build a mine in the U.S. takes an average of seven years, among the longest wait time in the world."

"In Australia, a huge mining center, the process takes an average of one to two years."

"Australia and Canada have environmental laws for mine building that are on par with U.S. rules."

Federal Permitting

2010 RANKING OF COUNTRIES



RANK	COUNTRY	ECONOMIC SYSTEM	POLITICAL SYSTEM	SOCIAL ISSUES	PERMITTING DELAYS	CORRUPTION	CURRENCY STABILITY	TAX REGIME	TOTAL POINTS	CHANGE VS. 2009
1	AUSTRALIA	10	9	8	8	10	9	7	61	+1
2	CANADA	10	10	5	5	10	9	7	56	0
3	CHILE	9	8	7	6	8	7	4	49	-1
4	MEXICO	8	8	2	7	7	5	8	45	0
5 TIE	UNITED STATES	8	9	3	1	10	7	4	42	-6
5 TIE	BRAZIL	7	7	5	5	5	7	6	42	0
7	COLOMBIA	6	7	6	6	5	5	4	39	+2
8 TIE	GHANA	6	6	2	6	4	6	6	36	-2
8 TIE	BOTSWANA	6	5	5	5	4	5	6	36	0
8 TIE	MONGOLIA	6	6	5	6	3	6	4	36	+4
11	CHINA	8	2	4	5	3	8	5	35	+1
12	PERU	6	5	3	3	4	7	5	33	+2
13	TANZANIA	5	5	3	7	3	4	5	32	0
14 TIE	NAMIBIA	4	5	3	5	3	5	6	31	-3
14 TIE	ARGENTINA	3	4	6	6	4	4	4	31	-2
16	INDIA	6	6	2	3	3	5	4	29	0
17	PHILIPPINES	5	5	1	5	2	4	4	26	-2
18	KAZAKHISTAN	4	4	4	3	1	4	4	24	0
19 TIE	ZAMBIA	5	4	2	5	2	2	3	23	-2
19 TIE	SOUTH AFRICA	3	4	1	5	2	6	2	23	+1
21	PAPUA NEW GUINEA	4	4	1	2	2	4	5	22	0
22	INDONESIA	3	6	4	3	1	1	3	21	+2
23 TIE	RUSSIA	2	1	3	3	1	3	6	19	+1
23 TIE	D.R. CONGO	3	3	3	3	2	1	4	19	+2
25	BOLIVIA	2	1	1	4	3	4	3	18	0



Hoops & Hurdles

Not exclusive to Alaska



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NGO's - Opposition Through Litigation

Lawsuit filed to stop logging near Rio Grand headwaters

Group sues to stop road building at Oregon Dunes

Advocacy group lawsuit targets 11th Street Bridge (DC)

Stop that train says group, Lawsuit filed over expo line

Lawsuit demands environmental study for Riverwalk



Project No Project

- Hook Canyon Hydropower Project, Utah
Opposition: Environmentalists, NGO's
Status: Dead
- Pelican Island LNG, Texas
Opposition: Environmentalists, NGO's
Status: Dead
- Tondu/MSWDC Northern Lights Coal Project, Michigan
Opposition: NGO's
Status: Dead
- TrAIL Project, Pennsylvania and Virginia
Opposition: NGO's
Status: Indeterminate

NGO's



Environmental Defense Fund

Top salary + compensation
\$496,174



World Wildlife Fund

Top salary + compensation
\$486,394



Natural Resources Defense Council

Top salary + compensation
\$432,959

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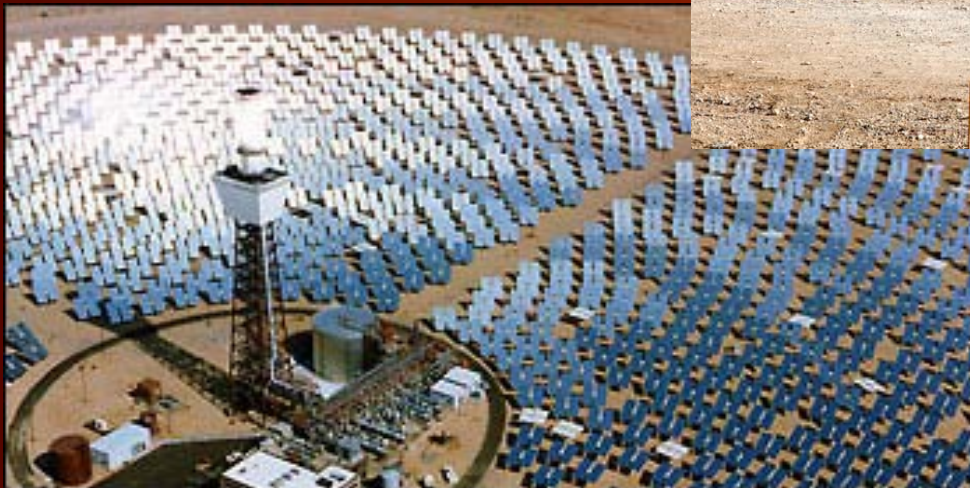


The NIMBY Mindset



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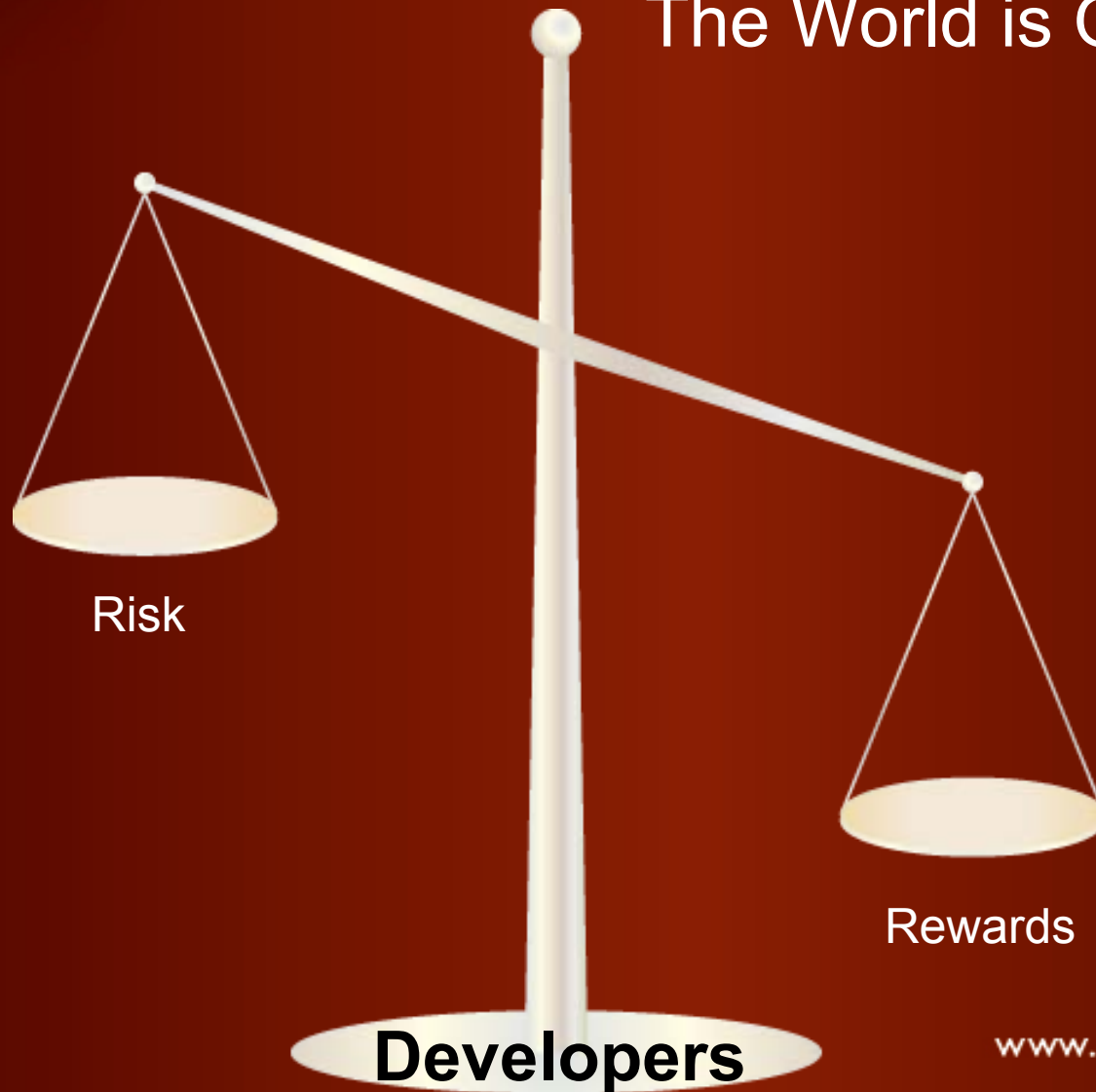
The NIMBY Mindset



Doom, Gloom & Misinformation

Appeals & Litigation

The World is Out of Balance



Appeals & Litigation

The World is Out of Balance





What the Hell Are the Solutions?

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