

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

BREAKFAST MEETING

Thursday, January 20, 2011

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 Mary Sattler
 Danny Seybert
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 John Sturgeon
 Dan Sullivan
 Michael Terminel
 Jan Trigg
 John Zager

1. Call to order – Tom Maloney, President
2. Self Introductions
3. Headtable Introductions
4. Staff Report – Jason Brune, Executive Director
5. Program and Keynote Speaker:

2011 ENSTAR Outlook

Colleen Starring, President, ENSTAR Natural Gas Company

Next Meeting: February 3: Production Decline Signals A Need For Change, Marilyn Crockett, Executive Director, Alaska Oil and Gas Association

Please add my name to RDC's mailing list:

NAME/TITLE: _____

COMPANY: _____

ADDRESS: _____

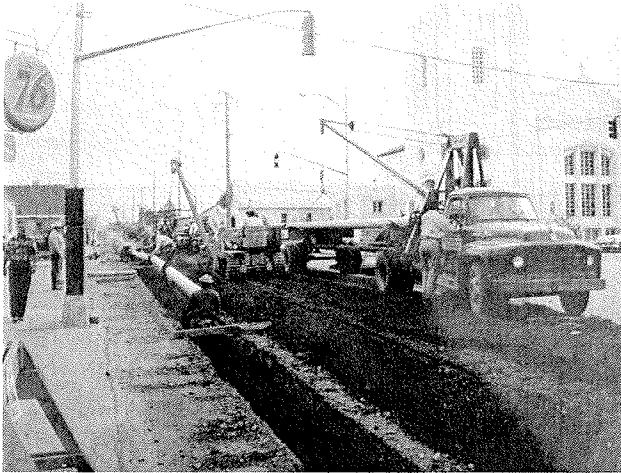
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Ex-Officio Members
 Senator Mark Begich
 Senator Lisa Murkowski
 Congressman Don Young
 Governor Sean Parnell



About ENSTAR



ENSTAR Natural Gas Company was founded in 1961, making it one of the oldest energy companies operating in Alaska. ENSTAR headquarters are in **Anchorage**, with additional offices in **Soldotna** and **Wasilla**. The history of ENSTAR is closely aligned with the history of Alaska since statehood. Over those years, ENSTAR has grown with the 49th state, supplying the energy which has helped communities grow and prosper, thereby improving the quality of life in South-central Alaska.

ENSTAR's residential and commercial rates have remained among the lowest in the United States while gas usage per-residential-customer is the highest among investor-owned utilities due to the

extremes Alaska experiences during winter heating months.

In recent years, however, the Cook Inlet has rapidly moved from a market of excess deliverability and supply to an environment where both may not always meet demand. On behalf of its consumers, ENSTAR has taken a leadership role in seeking new sources of long-term natural gas supplies. Storage options are under evaluation, which will allow ENSTAR to purchase gas in summer months for use during peak periods in winter months. Additionally, the Company is engaged in a feasibility study to build a natural gas pipeline from the North Slope to Cook Inlet within the next 5-7 years. ENSTAR believes these investments will encourage transformation in current Cook Inlet market conditions as well as improve our ability to better serve our current customers and perhaps new communities throughout Alaska.

ENSTAR Natural Gas serves approximately 350,000 Alaskans through 130,000 meters. In 2008, ENSTAR added more than 1,700 new customers to our gas distribution system. We operate more than 3,200 miles of distribution line throughout South-central Alaska and 450 miles of high pressure transmission line through our sister company, Alaska Pipeline Company (APC).

Alaskans have relied on ENSTAR to provide energy to their homes and businesses for nearly a half century. An executive team, with more than 140 years of utility experience, manages ENSTAR locally. Our employees deliver safe, dependable, and reliable service to our customers 365 days a year and we are committed to continuing that tradition.

Corporate Goodwill

Good corporate citizenship has always been a part of ENSTAR's commitment to the communities we serve.

The 182 employees of ENSTAR are encouraged to become active in community organizations, and they, in turn, provide countless hours of volunteer service to help improve the quality of life for all Alaskans.

ENSTAR also makes a difference through financial contributions and supports many special community events and programs that enrich the lives of Alaskan residents.

- Corporate Good Will Policy

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**Know what's below.
Call before you dig.**

What to do if you suspect a natural gas leak.

Please leave the affected area and immediately call ENSTAR's 24-hour dispatch center

277-5551 - Anchorage
376-7979 - Mat-Su Valley
262-9334 - Kenai Peninsula Area
1-877-907-9767 - Whittier

Search ENSTAR:

**Providing coverage of Alaska and northern Canada's oil and gas industry
January 2011**

Vol. 16, No. 2

Week of January 09, 2011

RCA sets service area for CINGSA

Responding to a petition from Cook Inlet Natural Gas Storage Alaska, requesting a change to the Regulatory Commission of Alaska's Dec. 17 order that granted a certificate for CINGSA's planned gas storage facility on the Kenai Peninsula, RCA has approved a service area for the facility, in the Sterling C sands of the Cannery Loop gas field on the south side of the city of Kenai. In an order issued Dec. 30 the commission has also dropped a stipulation that if CINGSA had not by Dec. 30 acquired the necessary property rights for operating the facility the commission would have cancelled an upcoming hearing to review testimony on the facility's tariff.

The commission's Dec. 17 order had not spelled out the storage facility's service area, but had merely required the facility to be in reasonable proximity to the Cook Inlet natural gas pipeline system. Without a specified service area CINGSA would not have the power of eminent domain over the land that it requires for the facility. And, given the 45 individual landowners with rights in the land that CINGSA needs, the absence of eminent domain authority would make it all but impossible to negotiate workable deals with all of the relevant property owners, thus making the RCA certificate unusable in practice, CINGSA had said in its petition.

The tariff hearing will now proceed, starting on Jan. 7 and lasting until Jan. 14. CINGSA is trying to fast track development of its facility, to head off an otherwise likely Southcentral Alaska utility gas shortfall in the winter of 2012-13.

—Alan Bailey

Tuesday, January 04, 2011

CINGSA storage project on track again

By Molly Dischner | *Peninsula Clarion*

The Regulatory Commission of Alaska has removed one hurdle from Cook Inlet Natural Gas Storage Alaska's effort to get approval for a natural gas storage facility on the peninsula.

In a Dec. 30 order, the commission said that CINGSA was no longer responsible for getting rights to develop the Sterling C Gas Storage Pool by Dec. 30, 2010, a deadline set in the commission's Dec. 16 order that granted conditional approval of the project. Marathon Oil Company has the rights in question. CINGSA said previously that approval as a public utility, a step they hope will happen this month, would make it easier for the entity to get those rights.

ENSTAR spokesman John Sims said the change meant the project was back on track to receive final approval of a Certificate of Public Convenience and Necessity. But the order specified that additional orders would follow, so Sims wasn't sure what other obstacles might appear in the company's path.

"We are positive, but again we're waiting to hear," he said.

The only order so far was released on Jan. 3, and denied a petition on behalf of Inlet Entities to intervene in the proceedings. Inlet Entities opposed CINGSA's petition to have the Dec. 30 condition removed.

The Dec. 30 order said that the hearings scheduled for Jan. 7 and Jan. 10-14 would go forward as planned. Sims said the hearings would be regarding the company's rates and tariffs, as well as whether or not CINGSA is a public utility.

CINGSA, ENSTAR, and a number of utilities including Homer Electric Association protested the Dec. 16 order that created the Dec. 30 condition.

CINGSA, a subsidiary of ENSTAR's parent company Semco Energy, is going through the permitting process for a natural gas storage facility in the Cannery Loop area that would be injected with natural gas when gas is at peak production so that producers could use that gas in the winter, when energy demands are higher than natural gas supplies.

Alaska Electric and Energy Cooperative, HEA's subsidiary, recently signed on as a customer of CINGSA. The utility uses natural gas at their Nikiski power plant, and anticipates using CINGSA's stored gas when needed after the facility comes online, said HEA's Joe Gallagher.

Molly Dischner can be reached at molly.dischner@peninsulaclarion.com.



FOR IMMEDIATE RELEASE

No. 11-012

Governor Parnell Offers Amendments to Oil and Gas Production Tax
Lowering Marginal Tax Rate Aimed at Job Creation

January 17, 2011, Anchorage, Alaska – In a move to increase Alaska’s competitiveness as a petroleum province, thereby adding jobs and stemming recent production declines, Governor Sean Parnell has introduced a bill for new tax incentives and credits for oil and gas exploration and development.

“We remain committed to getting more oil into the pipeline and increasing job opportunities for Alaskans,” Governor Parnell said. “As oil production declines and as the federal government moves on several fronts to block responsible projects, we must offer more incentives for development of state lands.”

Governor Parnell’s bill:

- Establishes a lower base tax rate for areas outside of current fields and units to encourage development of undeveloped leases or properties;
- Caps overall production tax rates to encourage investment at most commodity prices;
- Establishes a bracket system based on existing ACES tax rates;
- Extends tax incentives available in Cook Inlet to the North Slope to encourage in-field drilling in existing units;
- Limits the time for assessment of additional production taxes; and
- Reduces the interest rate on delinquent taxes and refunds.

These changes are aimed at ensuring that the state continues to receive fair compensation for the sale of its resource while establishing a more competitive investment climate for job creation.

Governor Parnell said that Alaskans expect that in exchange for lower taxes, more Alaska jobs will be created.

A copy of the bill is available at:

http://gov.alaska.gov/parnell_media/resources_files/OilGasTaxBill.pdf

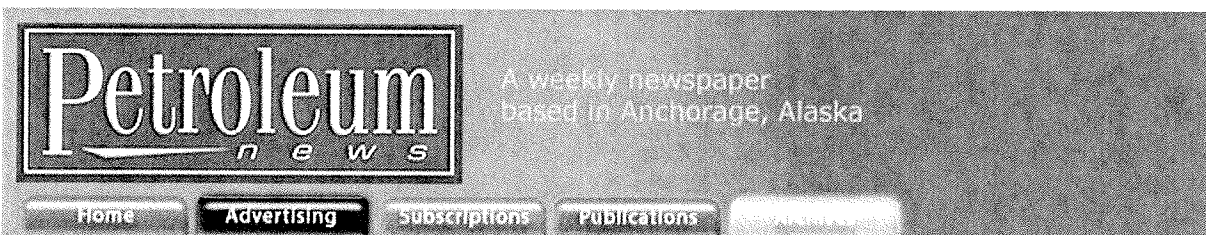
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From: Petroleum News <circulation@petroleumnews.com>
Subject: **Petroleum News' News Bulletin Service, January 17, 2011**
Date: January 17, 2011 3:13:10 PM AKST
To: jbrune@akrdc.org
Reply-To: circulation@petroleumnews.com

TO: Jason Brune Resource Development Council -- RDC

Petroleum News' News Bulletin Service - January 17, 2011

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NEWS BULLETIN

January 17, 2011 --- Vol. 17, No. 5

January 2011

North Slope independents praise Parnell,s tax changes

Five independent oil and gas companies that hold 1.1 million acres of leases on Alaska,s North Slope have come out in favor of Gov. Sean Parnell,s new bill that amends the state,s oil and gas production tax.

The companies applauding the tax changes announced by the governor this morning are 70 & 148, a subsidiary of Armstrong Oil and Gas; Brooks Range Petroleum Corp., the operating arm of the Kansas-based AVCG; GMT Exploration Co.; Great Bear Petroleum; and Savant Alaska.

In a written statement to Petroleum News, the independents said the governor,s bill „addresses the fundamental concerns of all companies that would like to explore for and develop reserves on the North Slope.%

„As the North Slope represents over 85 percent of the state,s revenue, it is imperative that the state of Alaska recognize and address the fundamental issues that have created the continuing decline of the North Slope,s production,% the independents said.

The governor,s proposal, they said, „will assist all oil companies on the North Slope.%

More importantly, it will „guide companies to find and produce oil reserves that would not otherwise be developed.%

The governor,s proposed legislation, which is designed to increase Alaska,s competitiveness as a petroleum province, „demonstrates to the oil industry that Alaska is truly ready to usher in a new wave of exploration and development that will not only address the decline of the TAPS pipeline,% but create good jobs for Alaskans.

The five independents said they are looking forward to working with the Parnell administration to „pass this bill and put Alaskans to work.%

A copy of the bill is available at: http://gov.alaska.gov/parnell_media/resources_files/OilGasTaxBill.pdf

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S U B S C R I B E

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HOUSE BILL NO. 106

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/18/11

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act extending the termination date of the Alaska coastal management program and**
2 **relating to the extension; relating to the review of activities of the Alaska coastal**
3 **management program; providing for an effective date by amending the effective date of**
4 **sec. 22, ch. 31, SLA 2005; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** AS 44.66.020(a) is amended to read:

7 (a) Agency programs and activities listed in this subsection that are
8 specifically designated as provided in AS 44.66.030 are subject to termination during
9 the regular legislative session convening in the month and year set out after each:

10 (1) programs in the budget categories of general government, public
11 protection, and administration of justice - January, 1980;

12 (2) programs in the budget categories of education and the University
13 of Alaska - January, 1981;

14 (3) programs in the budget categories of health and social services -

1 January, 1982;

2 (4) programs in the budget categories of natural resources
3 management, development, and transportation - January, 1983;

4 (5) the Alaska coastal management program (AS 46.40) - January,
5 2017 [2011].

6 * **Sec. 2.** The uncodified law of the State of Alaska enacted in sec. 22, ch. 31, SLA 2005, is
7 amended to read:

8 **Sec. 22.** Sections 1 - 13 and 18 of this Act take effect July 1, 2017 [2011],
9 unless the state's revised coastal management program has not been approved by the
10 National Oceanic and Atmospheric Administration, Office of Ocean and Coastal
11 Resource Management, United States Department of Commerce, under 16 U.S.C.
12 1455 and 1457 (Coastal Zone Management Act of 1972) before January 1, 2006. If the
13 state's revised coastal management program is not approved before January 1, 2006,
14 by the National Oceanic and Atmospheric Administration, Office of Ocean and
15 Coastal Resource Management, United States Department of Commerce, then secs. 1 -
16 13 and 18 of this Act take effect May 10, 2006. The commissioner of natural resources
17 shall notify the revisor of statutes on February 1, 2006, whether the revised coastal
18 management program has been approved as described in this section.

19 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

Division of Coastal & Ocean Management



Alaska Coastal Management Program (ACMP)

The Division of Coastal and Ocean Management (DCOM) within the Department of Natural Resources is the lead agency for the Alaska Coastal Management Program (ACMP). Through this program, DCOM oversees the responsible development of coastal uses and resources, federal activities within the coastal zone, and activities on the Outer Continental Shelf (OCS).

ACMP Mission Statement

“The Alaska Coastal Management Program provides stewardship for Alaska’s rich and diverse coastal resources to ensure a healthy and vibrant Alaskan coast that efficiently sustains long-term economic and environmental productivity.”

ACMP Structure and Organization

The ACMP is a voluntary program, authorized by the Coastal Zone Management Act of 1972 (CZMA). Several state agencies participate in ACMP implementation, and several coastal municipalities and service areas (collectively known as coastal districts) also voluntarily implement the program. This networked implementation structure is designed to manage coastal uses and resources comprehensively.

The primary tool used to implement the ACMP is the consistency review process at 11 AAC 110. Through this process, proposed coastal development activities are reviewed for consistency with State standards and district enforceable policies.

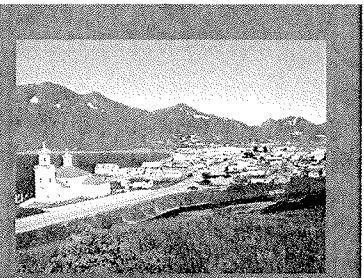
Value of ACMP

Having a federally-approved coastal management program allows the State the opportunity to:

- Balance coastal economic development with protecting coastal uses and resources
- Provide project applicants with a coordinating agency for review of permit applications
- Represent the State when federal agencies permit activities within Alaska’s coastal area or OCS
- Act as the State’s liaison to federal agencies regarding federal laws/initiatives that effect development in Alaska’s coastal zone
- Act as the department’s lead on issues affecting Alaska’s coastal waters
- Apply ACMP enforceable policies to federal agency activities
- Incorporate coastal district input and knowledge for reasoned decisions

Key FY11 Priorities

- Repeal or extend the ACMP sunset language found at AS 44.66.020
- Re-evaluate regulations at 11 AAC 110 to strengthen the consistency review process
- Determine what, if any, program changes are needed to strengthen the ACMP
- Participate with the NOAA and CSO to secure reauthorization of the CZMA



ACMP Originally Approved:
1979

Coastal Population in 1979:
330,960

Coastal Population in 2009:
569,307

Miles of Coastline:
44,500

FY11 CZMA Funds:
\$2,566,000

FY11 State and Other
Matching Funds:
\$2,030,000

FY11 Total:
\$4,596,000



Division of Coastal & Ocean Management

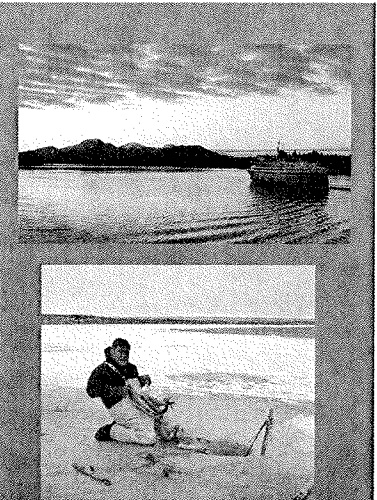
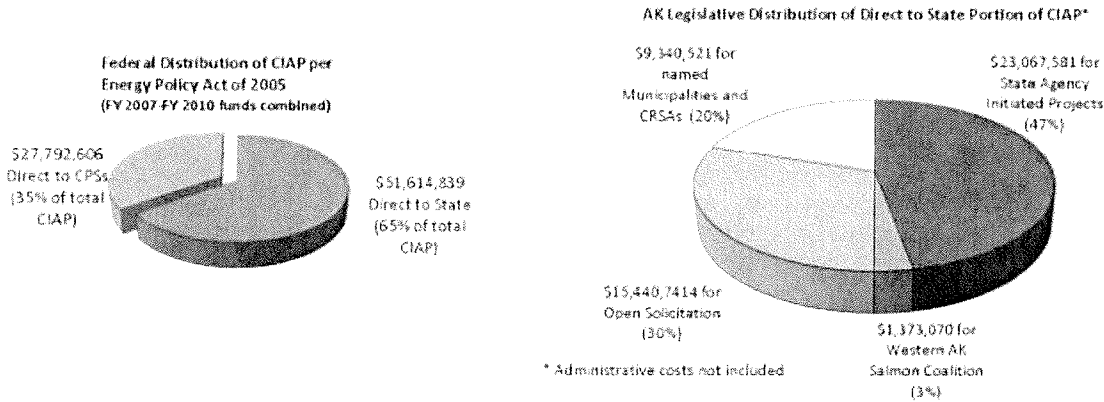


Coastal Impact Assistance Program (CIAP)

DCOM is the lead agency for the Coastal Impact Assistance Program (CIAP), which authorizes the distribution of Federal funds to Outer Continental Shelf (OCS) oil and gas producing states to mitigate the impacts of OCS activities. Alaska is allocated over \$79.4 million as one of only six states to receive CIAP funding under Section 384 of the Energy Policy Act of 2005.

In March 2010 DCOM received approval of a CIAP plan including \$47.5 million in projects from state agencies and coastal political subdivisions (CPSs). To date, fifteen state agency-initiated projects have received funding and are in progress. DCOM anticipates approval of the December 2010 Amendment to the Alaska CIAP Plan in early 2011. This amendment accounts for nearly all of the remaining allocation to Alaska and includes publicly-solicited projects and projects from the twelve Alaska legislatively-named municipalities and coastal resources service areas. The amendment is consistent with Senate Bill 75 passed by the Alaska legislature in 2009.

Distribution of CIAP Funds



State of Alaska Eligible Coastal Political Subdivisions:

- Bristol Bay Borough
- Kenai Peninsula Borough
- Kodiak Island Borough
- Lake and Peninsula Borough
- Matanuska-Susitna Borough
- Municipality of Anchorage
- North Slope Borough
- Northwest Arctic Borough

For More CIAP Information:

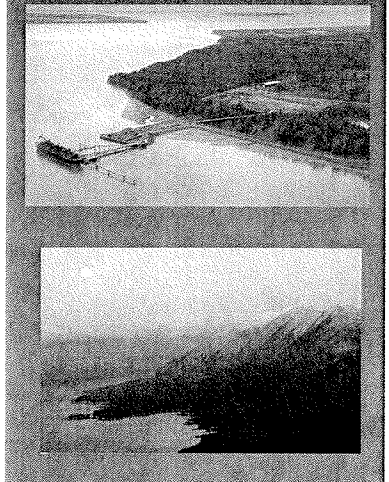
AK CIAP Project Coordinator
Sylvia Kreel
sylvia.kreel@alaska.gov
907-465-3177

Key FY11 Priorities and Needs

Implement CIAP and be the liaison between the federal government and the State of Alaska. Receive grant awards and initiate remaining CIAP projects.

Division of Coastal and Ocean Management (DCOM) State Contact

Randy Bates, DCOM Director
T: 907.465.8797, F: 907.465.3075
E-mail: randy.bates@alaska.gov





FOR IMMEDIATE RELEASE

No. 11-011

Governor Parnell Proposes State Forest Expansion

January 14, 2011, Juneau, Alaska – Governor Sean Parnell today transmitted legislation adding lands to the newly established Southeast State Forest from state lands presently used for timber harvest.

“Adding lands to the Southeast State Forest demonstrates our commitment to helping assure an increase in timber production over the long term,” Governor Parnell said. “This bill is one important piece in our overall strategy to stabilize and revitalize the timber industry, and expand wood energy opportunities in Southeast Alaska.”

Lands added to the state forest would continue to be open for multiple uses, including wildlife habitat and harvest, mining and recreational activities.

The Governor’s June 2010 signing of legislation establishing Alaska’s third state forest in Southeast Alaska was aimed at providing a long-term land base to support the forest industry in southern Southeast Alaska. While state land holdings in Southeast are limited, the administration sees an opportunity to double the size of the state forest to approximately 50,000 acres.

A copy of the bill is available at:

http://gov.alaska.gov/parnell_media/resources_files/11411_sestateforest.pdf

###



FOR IMMEDIATE RELEASE

No. 11-03

Governor Outlines Strategy to Fight Federal Overreach

January 6, 2011, Fairbanks, Alaska – In a speech before hundreds attending the Rotary Club of Fairbanks, Governor Sean Parnell today focused on how recent federal restrictions have crippled resource development and blocked jobs for Alaskans. From the offshore drilling moratorium, to ocean zoning, to the effort to lock up the National Petroleum Reserve-Alaska, the governor outlined numerous ways Washington is encroaching on Alaska’s sovereignty in developing its natural resources.

“What the federal government owns, it regulates. And, what it doesn’t own, it seeks to control – by regulatory mandate,” Governor Parnell said. “For our economy, it’s death by a thousand cuts.”

The governor said job creators in Alaska and across the country face a tough battle. He called on Alaskans to stand together, build alliances outside the state, and fight to force the federal government back into its constitutional limits.

“Rather than managing public resources for public benefit, a number of federal agencies act more like the night watchman of a locked warehouse,” Governor Parnell added. “Well, we have a message for Washington. We want our state back.”

During his visit to Fairbanks, Governor Parnell also met Mayor Jerry Cleworth, city officials, and with members of the Interior delegation.

###

Subject: PR 11-009 Governor's Bill Paves Way for Susitna Dam Project 011411

Date: Friday, January 14, 2011 3:51 PM

From: Soukup, Michael D (GOV) <michael.soukup@alaska.gov>

To: <sharon.leighow@alaska.gov>

Cc: "Soukup, Michael D (GOV)" <michael.soukup@alaska.gov>



FOR IMMEDIATE RELEASE
11-009

No.

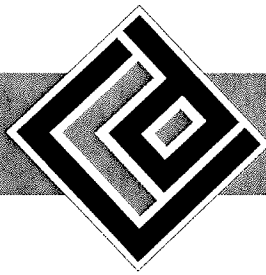
Governor's Bill Paves Way for Susitna Dam Project

January 14, 2011, Juneau, Alaska – Governor Sean Parnell today transmitted legislation that would authorize the Alaska Energy Authority (AEA) to move forward on pursuing a large hydroelectric project to supply much-needed energy to Interior and Southcentral Alaska.

"Alaska must invest now to create new opportunities for economic development and jobs for Alaskans," Governor Parnell said. "A Susitna Dam hydroelectric project will not only provide an important supply of energy for Alaskan homes and businesses, it will create jobs for Alaskans."

The bill would authorize AEA to acquire, construct, own, and operate new power projects; create a new Alaska Railbelt Energy fund, as a fund of AEA; repeal the existing Railbelt Energy fund (AS 37.05.520) after the balance of the existing fund is appropriated and transferred into the new fund, or appropriated and expended for other purposes; address quorum requirements of the AEA board, and allow for the adoption of regulations to govern the procurement of supplies, professional services, and construction.

Alaska's energy policy target is to reach 50 percent of its electricity generation through renewable resources by 2025. The legislation has been designed to give AEA the ability to continue with environmental and feasibility studies, positioning the state to seek preliminary approval from the Federal Energy Regulatory Commission for a project that would provide half of Southcentral Alaska's electricity demand. The bill will also define the board of director's quorum to be four of seven members.



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

January 5, 2011

Mr. Chris Maisch, State Forester
Division of Forestry
550 W. 7th Avenue, Suite 1450
Anchorage, AK 99501

RE: Additional Lands to Southeast State Forest

Dear Mr. Maisch:

The Resource Development Council (RDC) is writing to support the inclusion of an additional 23,181 acres to the Southeast State Forest. This state land in southern Southeast Alaska is appropriately suited for inclusion into the new state forest as it has been consistently managed for timber harvest. A state forest designation over these lands would expand the Southeast State Forest to 48,472 acres and ensure they will remain in state ownership and contribute to the long-term viability of the forest products industry in Southeast Alaska.

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.

RDC supported the creation of the 25,291-acre Southeast State Forest, which was established in June 2010. In Southeast Alaska, demand for state timber exceeds supply and local mills are dependent on a consistent supply to stay in business. The majority of the timber in Southeast Alaska is on federal land, but federal timber sales have declined sharply. Subsequently, the demand for state timber from local mills has increased significantly.

Much of the new state forest was inherited from the U.S. Forest Service with young second-growth stands. There is broad support for shifting timber harvesting in Southeast Alaska from old growth to second growth stands. The new state forest and the proposed additional parcels to it will help provide a sustainable timber supply to local mills and accelerate the harvest of second-growth timber. Actively managed second-growth stands will provide more timber volume per acre on shorter rotations.

The shift to second-growth harvesting can be accelerated and timber volume increased on state land by thinning these stands. However, thinning is a long-term investment and is only justified if the land will be available for timber harvesting.

The Division of Forestry will manage the state forest for a long-term supply of timber to local processors, and retain the land in state ownership for multiple use, including wildlife habitat and harvest, as well as recreational activities. The forest will be managed as part of the State Forest System in accordance with a new management plan that will be developed within the next three years. In the interim, existing guidance under the current Prince of Wales Island Area Plan and Central/Southern Southeast area plans will apply.

RDC supports the proposed additions to the Southeast State Forest from lands currently available for timber harvest and believes a larger state forest in the region will benefit the economy.

Sincerely,

Carl Portman
Deputy Director

Founded 1975
Executive Director
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L.F. "Len" Horst, Vice President
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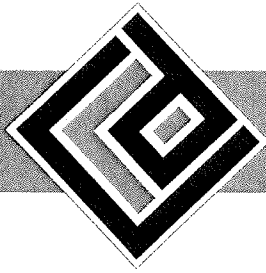
Allan Dolynny
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Dan Graham
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Scott Habberstad

Karl Hanneman
Rick Harris
Paul Henry
Steve Hites
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

January 19, 2011

Mr. Russell Kirkham
Department of Natural Resources
550 W 7th Ave Ste 290
Anchorage, AK 99501

Re: Petition to Designate the Chuit River Watershed as Unsuitable for Surface Coal Mining

Dear Mr. Kirkham:

The Resource Development Council for Alaska, Inc., (RDC) urges you to reject the petition filed by Trustees for Alaska on behalf of Chuitna Citizens Coalition and Cook Inletkeeper to designate the Chuit River watershed unsuitable for coal mining.

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.

This is the Petitioners' second request to designate the area unsuitable for coal mining. The Petition filed in July 2007 was deemed incomplete and rejected by the Commissioner. Apart from minute details and a narrower scope of the area to be designated, the current petition is nearly identical to and contains the same arguments as the rejected one.

The Chuit River watershed lies in the area now covered by the State Kenai Area Plan. Area planning is a management tool used by the Department of Natural Resources that involves extensive public input. The Kenai Area Plan was developed over an eight-year period and included four rounds of public comment, and public meetings in six communities, including Tyonek and Beluga. The final plan concluded that the highest value use for the Chuit River lands was coal development, and specifically addressed coal development in the petitioned area.

PacRim Coal, LP assumes a responsibility of operating under the Alaska Surface Coal Mining Control and Reclamation Act (ASCMCRA) and employing the most advanced mining practices and environmental standards possible. The Petition alleges that these standards will not be met. If this were true, a permit would not be issued and the mine would not be allowed to operate. PacRim has not only committed to adhering to the highest environmental standards, but has also submitted improvements to current habitat designed in collaboration with area stakeholders.

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In its request to intervene in the Petition, Tyonek Native Corporation (TNC) states its support for responsible coal development in the area. TNC has engaged in efforts to increase local employment opportunities for its shareholders, who comprise the majority of the area's population. The corporation states that developing the Chuitna coal resources is critical to economic growth and would attract shareholders living outside the region to return, should jobs be available for them. This local support from Alaska Native people refutes the Petition's claim that development activities will damage cultural values in the region.

In its intervention in the Petition, the Alaska Mental Health Trust Authority Trust Land Office (TLO) asserts its position as lessor of lands in the area subject to the Petition. TLO receives annual lease payments during the exploration stage, and should production occur, an estimated \$300 million in royalties could be collected to benefit mental health programs in Alaska. Designating the lands as Unsuitable to Mining would affect land specifically conveyed to the TLO for its potential coal and mineral value.

RDC urges you to reject the Petition to designate the Chuit River watershed as Unsuitable for Coal Mining. PacRim should be allowed the opportunity to navigate the State's thorough permitting process, and at the time a mine plan is submitted, the Petitioners will be given ample opportunity to provide input.

Thank you for the opportunity to provide comments on this important issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deantha Crockett".

Deantha Crockett
Projects Coordinator

Native groups may file suit over polar bear habitat designation

They say government didn't address their concerns.

By ELIZABETH BLUEMINK
ebluemink@adn.com

(01/18/11 13:28:11)

Some of the Arctic's largest Alaska Native organizations are threatening to sue the federal government over its decision to designate more than 187,000 square miles of land and ocean as critical habitat for polar bears.

Arctic Slope Regional Corp. and 10 other Native organizations, along with the North Slope Borough, contend that the Interior Department's decision two months ago to establish polar bear critical habitat was illegal because it didn't address Alaska Native concerns.

The polar bear issue is intertwined with the debate over climate change and the push to develop new oil and gas projects on the North Slope and in federal waters off Alaska's coast. While a few Native organizations have sued to block oil and gas drilling, some of those involved in the potential lawsuit have been working for years with the oil and gas industry, including Arctic Slope and the North Slope Borough.

The Interior Department said it won't put oil and gas projects off limits in the vast swath of land and water it designated as polar bear critical habitat -- an area that stretches from Kaktovik to south of Norton Sound in western Alaska. But the designation, announced last November, will potentially create more red tape for those projects.

Arctic Slope had asked federal regulators to exclude all Native-owned lands from polar bear critical habitat, but regulators rejected that request, company officials said Monday.

As for the borough, mayor Edward Itta said, "We want and need to be part of the discussions."

North Slope residents are worried about climate change and the future of polar bears, Itta said. But the Interior Department decision "doesn't create more ice and doesn't increase the polar bear population," he said.

Instead, it threatens the economic lifeblood of the Slope -- the oil and gas industry, Itta said. Drilling must be made safer, but polar bears and other animals shouldn't be used as a tool to block projects, he said.

"This is a poor attempt to legislate climate change through regulation," said Rex Rock Sr., chief executive of Arctic Slope, in a statement on Monday.

The Interior Department's decision on polar bears is being attacked from many directions.

Last week, the non-profit Center for Biological Diversity said it plans to sue the Interior Department over its agencies' failure to implement the critical habitat decision to protect polar bears from oil and gas development in offshore waters.

The state of Alaska also plans to sue. In December, Alaska Attorney General John Burns told the

Interior Department that Alaska's polar bear population is healthy and the critical habitat decision will impose unnecessary, costly regulation on Alaska. It could also prevent new development that could create hundreds of millions of dollars in state income, according to Burns. He said the department violated its own rules for designating critical habitat -- by relying on faulty science and ignoring some of the state's input, for example.

The Interior Department says its designation merely requires federal agencies to consult with the federal Fish and Wildlife Service to ensure that development projects do not harm the polar bear population.

The critical habitat designation was triggered by the Bush administration's decision in 2008 to list polar bears as a threatened species due to climate change. It classifies barrier islands, coastal areas used for denning and offshore sea ice as critical habitat for polar bears. Roughly 96 percent of the total area is in offshore waters of the continental shelf.

The designation exempts Barrow, Kaktovik and all existing man-made structures within its boundaries. It also exempts subsistence hunting for polar bears. However, it does not exclude allotments or undeveloped Native village or corporation-owned land.

The Alaska Native groups planning to sue are Barrow-based Arctic Slope, Bering Straits Native Corp. from Nome, NANA Regional Corp. from Kotzebue, Calista Corp. from Bethel, the Inupiat Community of the Arctic Slope and the village corporations for Kaktovik, Nuiqsut, Barrow, Wainwright, Point Lay and Point Hope -- all on the North Slope.

Find Elizabeth Bluemink online at adn.com/contact/ebluemink or call 257-4317.

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Introduced By: Natural Resources Committee
Date Introduced: January 10, 2011
Date Passed: January 10, 2011
Date Transmitted: January 11, 2011

RESOLUTION 11-0110

A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE (GFCC) BOARD OF DIRECTORS ENCOURAGING THE GOVERNOR, THE LEGISLATURE AND THE ALASKA CONGRESSIONAL DELEGATION TO TAKE AGGRESSIVE ACTION TO OPPOSE THE FORMATION OF NEW DE FACTO WILDERNESS AREAS ON BLM-ADMINISTERED LANDS IN ALASKA

WHEREAS, through ORDER N0. 3310 the U. S. Secretary of the Interior on December 22, 2010 essentially sets new POLICY for the SINGLE-USE management of lands which the U. S. Bureau of Land Management (BLM) may classify as lands with “wilderness characteristics” and designate such lands as “Wild Lands”; and

WHEREAS, the BLM is purported to be a Federal Land Management Agency with a MULTIPLE-USE land management mandate under the Federal Land Policy and Management Act of 1976 (FLPMA); and

WHEREAS, the 1964 Wilderness Act (P.L. 88-577) established the National Wilderness Preservation System (NWPS) with a total of 9.1 million acres; and

WHEREAS, the Congress of the United States of America retains the authority for additions to the NWPS; and

WHEREAS, the BLM relies on Section 2(c) of the Wilderness Act for the definition of “wilderness characteristics”; and

WHEREAS, the BLM manages approximately 245 million acres of federal land and thus under this new departmental level POLICY could potentially create multiple areas of a new wilderness preservation system that are much greater than the NWPS established by P.L. 88-577; and

WHEREAS, under ORDER No. 3310 the Secretary of Interior has usurped the authority of the Congress of the United States of America; and

WHEREAS, the MULTIPLE-USE management of the 245 million acres of BLM land is essential to the economic well being of every individual in every state with such Federal land and is essential to the utilization of renewable and non-renewable resources from these lands by every individual in the United States of America; and

INVESTORS

DIAMOND

- BP Exploration
ConocoPhillips
ExxonMobil
Fairbanks Daily News-Miner
FMH & Denali Center
Flint Hills Resources Alaska

PLATINUM

- Alyeska Pipeline Service Co.
Carlson Center
Doyon, Limited
Fred Meyer Stores
Golden Heart Utilities
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- Birchwood Homes
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Key Bank
Northrim Bank
Personnel Plus
Spirit of Alaska FCU
Tanana Valley Clinic
TDL Professional Staffing
TOTE
WAL-MART Stores, Inc.
Yukon Title Company

WHEREAS, through ORDER NO. 3310 the Secretary of the Interior has set in motion actions that will adversely affect the economy of the State of Alaska and the economy of the entire United States of America; and

WHEREAS, the Wild Land designation of BLM lands in Alaska violates the "no more" provisions of Section 1326 of the Alaska National Interest Lands Conservation Act (ANILCA) by creating de facto wilderness without Congressional oversight; and

WHEREAS, the Statehood Compact clearly defines the State's rights in regards to land and water; and

WHEREAS, the Wild Lands policy disregards the ANILCA compromises designed to protect access for traditional activities and provide for the future development of Alaska's infrastructure; and

WHEREAS, Alaska already has more than 57 million acres of Congressionally-designated wilderness areas; and

WHEREAS, rather than placing wilderness values on an equal footing with other resources on BLM lands as claimed, the Wild Lands policy creates a land management system where those values predominate.

NOW THEREFORE BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce strongly supports all actions by the Governor, the Legislature, and the Alaska Congressional Delegation to work together and/or with other states to defeat the imposition of the proposed new wilderness preservation systems on states with BLM managed lands.

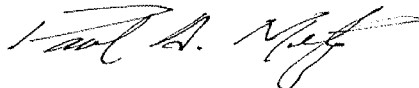
BE IT FURTHER RESOLVED that this resolution be distributed to:

Governor Sean Parnell, State of Alaska
Mike Nizich, Chief of Staff, Governor Sean Parnell
Randy Ruaro, Deputy Chief of Staff, Governor Sean Parnell
U. S. Senator Lisa Murkowski
U. S. Senator Mark Begich
U. S. Representative Don Young
U. S. Secretary of the Interior Ken Salazar
Commissioner Dan Sullivan, Alaska Department of Natural Resources
Steve Borell, Executive Director, Alaska Miners Association
Shanna Brown, Director, Western Governors' Association
Alaska State Chamber of Commerce
Thomas Donohue, President/CEO, U. S. Chamber of Commerce
Rod Arno, Executive Director, Alaska Outdoor Council
Norm Phillips, President/CEO, Doyon, Ltd.
Jason Brune, Resource Development Council
John Burns, Attorney General, State of Alaska
Stan Leaphart, Executive Director, Citizens Advisory Commission on Federal Areas, Alaska Department of Natural Resources

GREATER FAIRBANKS CHAMBER OF COMMERCE



Richard Heieren
Board of Directors, Chair

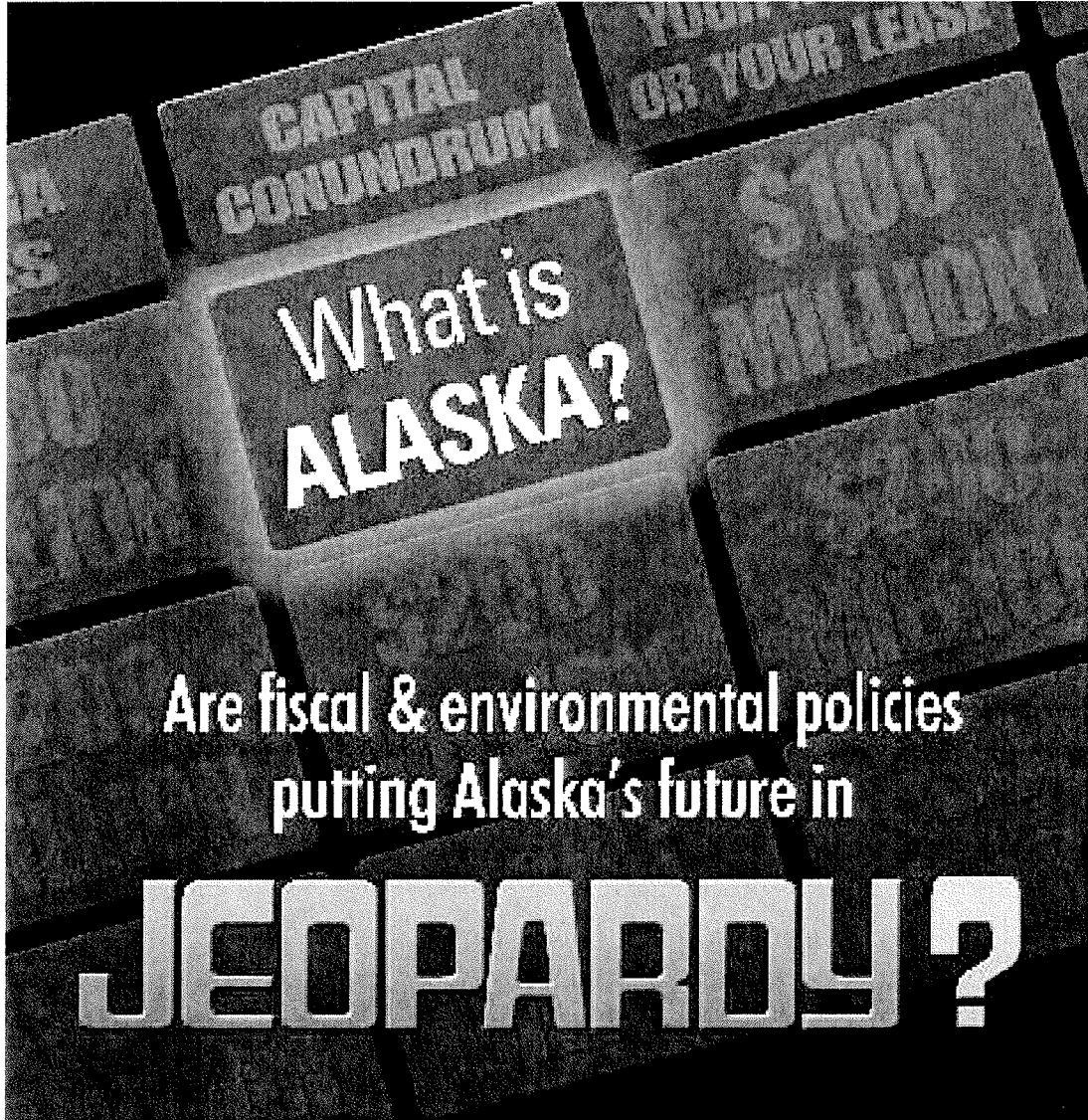


Paul Metz
Natural Resources Committee, Chair



Meet Alaska

2011 Meet Alaska Energy Conference
& Trade Show
Registration Packet



January 21, 2011
Sheraton Anchorage Hotel & Spa
Program starts at 8:30 a.m.

Packet includes:

Speaker line-up ● Registration form ● Sponsor invitation ● Trade Show Application



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ED KELLY, VICE PRESIDENT, NORTH AMERICAN GAS & POWER



121 West Fireweed Lane, Suite 250
Anchorage, Alaska 99503
(907) 276-0700

www.akrdc.org



Membership Application

Resource Development Council for Alaska, Inc.

121 W. Fireweed Lane, Suite 250

Anchorage, AK 99503-2035

(907) 276-0700

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The Resource Development Council for Alaska, Inc. is classified a non-profit trade association under IRS Code 501(c)(6). Membership dues and other financial support may be tax deductible as an ordinary and necessary business expense, however, 15.9% of the dues are non-deductible. Dues are not deductible as charitable contributions for federal income tax purposes.