



# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

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## BREAKFAST MEETING

Thursday, April 5, 2012

1. Call to order –Tom Maloney, President
2. Self Introductions
3. Head table Introductions
4. Staff Report: Rick Rogers, Executive Director
5. Program and Keynote Speaker:

***The Point Thomson Settlement  
and Gas Pipeline Alignment***  
 Commissioner Dan Sullivan, Alaska Department of Natural Resources

Next Meeting: April 19:  
 Sue Masica, Regional Director, Alaska, National Park Service

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**FOR IMMEDIATE RELEASE**

**No. 12-036**

### **Point Thomson Litigation Resolved, Historic Alignment on Gasline**

March 30, 2012, Anchorage, Alaska - Governor Sean Parnell announced today that two major milestones have been met in the state's effort to bring Alaska's natural gas to Alaskans and markets beyond.

First, the State of Alaska resolved its long-running litigation with ExxonMobil and other leaseholders regarding the Point Thomson field, which holds a quarter of the North Slope's known natural gas.

And, second, the three major producers - ExxonMobil, ConocoPhillips and BP - delivered a letter today to the governor announcing that they are now aligned with the Alaska Pipeline Project (APP) parties, and working on a gasline project focusing on bringing North Slope gas to tidewater in Alaska.

"Last fall, I told TC Alaska and the producers I wanted to see them pursue a large-diameter line in state to tidewater," Governor Parnell said. "And, in my State of the State speech in January, I gave a roadmap for commercializing Alaska's North Slope gas that included a number of critical benchmarks. I said the companies needed to finalize a Point Thomson settlement and align with the APP parties on an Alaska gasline project by the first quarter of this year.

"I am pleased to announce that the parties have resolved Point Thomson litigation and the three CEOs have stated their companies are now formally aligned with the APP parties. They have undertaken work together on the commercialization of North Slope gas with a specific focus on a large-scale LNG project from Southcentral Alaska."

Point Thomson, located 60 miles east of Prudhoe Bay, is Alaska's largest undeveloped oil and gas field, holding an estimated 8 trillion cubic feet of natural gas and hundreds of millions of barrels of oil and gas liquids. ExxonMobil is the unit operator at Point Thomson, with BP, ConocoPhillips and Chevron holding the majority of the leases. The state's legal dispute with the companies resulted from the lack of development at Point Thomson for the past 30 years.

"Today's settlement lays out strong near-term production commitments and a clear path for full development of Point Thomson's significant oil and gas resources, and it establishes clear consequences if the companies do not follow through," said Natural Resources Commissioner Dan Sullivan.

"The companies have agreed to firm timetables for production at Point Thomson. This will result in significant new investment, increased work for Alaskans and increased revenue for state and local government," Sullivan added.

"The animating principle of this settlement is that the companies must earn their acreage. The more work, more commitment, more investment and more production that occur, the more acreage the companies will retain," Sullivan said.

Major components of the settlement include:

- Increasing liquids production into the Trans Alaska Pipeline System (TAPS).
- Opening the Eastern North Slope to new development opportunities by adding infrastructure and a 70,000 barrels per day common carrier pipeline connecting to TAPS.
- Incentivizing and laying out a clear path and alternatives for full-field development, each of which will require billions of dollars in investment if pursued.
- Positioning North Slope gas for a large-scale gas pipeline project.
- Providing potential for significant gas volumes for in-state use no later than 2019.
- Requiring a commitment to develop a separate oil reservoir within Point Thomson.

A copy of the letter from the three major producers to the governor is available at:  
[http://gov.alaska.gov/parnell\\_media/resources\\_files/ceo\\_letter.pdf](http://gov.alaska.gov/parnell_media/resources_files/ceo_letter.pdf)

To read the settlement and related materials, please go to: <http://www.dnr.alaska.gov>

###





**CONTACT:**

Steve Rinehart, BP: (907) 564-5668  
Davy Kong, ConocoPhillips: (281) 293-2701  
Natalie Lowman, ConocoPhillips: (907) 229-9190  
David Eglinton, ExxonMobil: (713) 656-4376  
Shawn Howard, TransCanada: (800) 608-7859

FOR IMMEDIATE RELEASE: March 30, 2012

**ExxonMobil, ConocoPhillips, BP and Alaska Pipeline Project Working Together to Commercialize North Slope Natural Gas**

ANCHORAGE, Alaska -- ExxonMobil, ConocoPhillips, BP and TransCanada, through its participation in the Alaska Pipeline Project, announced today that they are working together on the next generation of resource development in Alaska.

The four companies have agreed on a work plan aimed at commercializing North Slope natural gas resources within an Alaska Gasline Inducement Act (AGIA) framework. Because of a rapidly evolving global market, large-scale liquefied natural gas (LNG) exports from south-central Alaska will be assessed as an alternative to a natural gas pipeline through Alberta.

"Commercializing Alaska natural gas resources will not be easy. There are many challenges and issues that must be resolved, and we cannot do it alone. Unprecedented commitments of capital for gas development will require competitive and stable fiscal terms with the State of Alaska first be established," the CEOs of ExxonMobil, ConocoPhillips and BP wrote in a joint letter to Governor Sean Parnell.

The producing companies support meaningful Alaska tax reform, such as the legislation introduced by Governor Parnell, which will encourage increased investment and establish an economic foundation for further commercialization of North Slope resources.

With Point Thomson legal issues now settled, the producers are moving forward with the initial development phase of the Point Thomson project. Alaska's North Slope holds more than 35 trillion cubic feet of discovered natural gas, and Point Thomson is a strategic investment to position Alaska gas commercialization.

**About BP**

BP has invested more in the United States over the last five years than any other oil and gas company. With more than \$50 billion in capital spending between 2007 and 2011, BP invests more in the U.S. than in any other country. The company is the nation's second largest producer of oil and gas, a major oil refiner and a leader in alternative energy sources including wind power and biofuels. With about 23,000 U.S. employees, BP supports nearly a quarter of a million domestic jobs through its business activities. For more information visit [www.bp.com](http://www.bp.com).

**About ConocoPhillips**

ConocoPhillips is an integrated energy company with interests around the world. Headquartered in Houston, the company had approximately 29,800 employees, \$153 billion of assets, and \$245 billion of revenues as of Dec. 31, 2011. For more information go to [www.conocophillips.com](http://www.conocophillips.com).

**About ExxonMobil**

ExxonMobil, the largest publicly traded international oil and gas company, uses technology and innovation to help meet the world's growing energy needs. ExxonMobil holds an industry-leading inventory of resources, is the largest refiner and marketer of petroleum products, and its chemical company is one of the largest in the world. Follow ExxonMobil on Twitter at [www.twitter.com/exxonmobil](http://www.twitter.com/exxonmobil).

#### **About TransCanada**

With more than 60 years experience, TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure including natural gas and oil pipelines, power generation and gas storage facilities. TransCanada's network of wholly owned natural gas pipelines extends more than 57,000 kilometers (35,500 miles), tapping into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 380 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns or has interests in over 10,800 megawatts of power generation in Canada and the United States. TransCanada is developing one of North America's largest oil delivery systems. TransCanada's common shares trade on the Toronto and New York stock exchanges under the symbol TRP. For more information visit: <http://www.transcanada.com/> or check us out on Twitter @TransCanada.

#### **About The Alaska Pipeline Project**

The Alaska Pipeline Project is a joint initiative between TransCanada and ExxonMobil that seeks to build and operate a pipeline system to transport Alaska's North Slope natural gas resources to markets.

-END-

## **RDC ACTION ALERT**

Susitna Hydro Project Scoping Hearings Scheduled

Deadline for Comment: April 27, 2012

Public Hearings: March 26-29, 2012

### **Overview:**

The Federal Energy Regulatory Commission (FERC) will hold public “scoping meetings” this month for the proposed Susitna-Watana Hydroelectric Project. The meetings are planned for March 27-March 30. They are the first step in a required federal Environmental Impact Statement for the project. FERC is the lead agency on the EIS and will be the agency conducting the hearings. The public scoping process allows for public input so that all pertinent issues, concerns, and opportunities are identified as the environmental review is undertaken. Following the scoping meetings, the next step would be preparation of a draft EIS, followed by a final EIS and Record of Decision. The EIS determines whether, and under what conditions, to issue a license for the project.

On a separate regulatory track, FERC must also issue a federal certificate for the project. The Alaska Energy Authority (AEA) filed a Preliminary Application Document in December and anticipates filing a full license application by 2015 with hopes that the agency can issue the license in 2016 or 2017.

In 2010, the Alaska State Legislature passed legislation outlining a State energy policy. The bill directs the State to receive 50 percent of its electrical generation from renewable and alternative energy sources by 2025. Hydropower, the lowest cost energy for Alaska consumers, currently provides approximately 24 percent of the electrical energy used in Alaska. The only way to achieve the new goal of deriving 50 percent of our electricity from renewable and alternative sources is for a new, large hydroelectric project to be built in the Railbelt region.

The 2010 Legislature provided funding to AEA for the preliminary planning, design, permitting and field work for the Susitna-Watana Project. AEA recommends that the Lower Watana site on the Susitna River should be the primary hydroelectric project for Alaska’s Railbelt. Of the projects examined, Susitna not only has the best chance of being built; AEA believes it will provide cost-effective, reliable, power for the Railbelt at a constant price for decades, and it will help the State meet its recently established long-range goal.

The proposed project would be located approximately halfway between Anchorage and Fairbanks on the upper Susitna River. The Susitna-Watana dam would be located within a steep-sided valley of the Susitna River at 184 miles above the mouth. The single dam would be at the same location below Watana Creek as in the much larger two-dam Susitna project proposed in the 1980s.

The project would have a capacity of 600 megawatts and meet half of the electricity requirements expected in the future for communities now connected to the regional power grid. Construction would get underway in 2017 and under the present schedule it could be in operation by 2023. At its peak, about 1,000 people would be employed in construction, with an additional 2,000 support jobs. The most recent cost estimate is \$4.34 billion.

### **Action requested:**

RDC members are welcome to participate and provide testimony to FERC in support of the project. It is important to communicate your support for the EIS to reinforce the multiple environmental studies that have been completed, and the need for a sustainable and reliable energy source for Railbelt communities and businesses. By arriving at the meeting early, you can sign up to be among the first to speak. Comments may be limited to three to five minutes. Written comments are also accepted online or by mail.

### **Hearing Schedule:**

- 3/26/12: **Anchorage:** Loussac Library, 6-10 pm
- 3/27/12: **Anchorage:** Loussac Library, 9 am-2 pm; **Wasilla:** Menard Sports Center, 6-10 pm
- 3/28/12: **Talkeetna:** Su-Valley Jr/Sr High School, 6-10 pm; **Glennallen:** Caribou Café, 6-10 pm
- 3/29/12: **Fairbanks:** Westmark Hotel, 6-9 pm; **Cantwell:** Cantwell Community Hall, 6-10 pm.

**E-file comments:** <http://www.ferc.gov/docs-filing/efiling.asp>.

**Mail comments:** Federal Energy Regulatory Commission , 888 First Street NE, Washington, D.C., 20426.  
Reference Susitna-Watana Hydroelectric Project, Docket Number P-14241.

Additional information on the project is available at:

<http://www.susitna-watanahydro.org/Index.html>

Sign up for email alerts on the project: [Susitna-Watanahydro.org](http://Susitna-Watanahydro.org). (Contact Us)

### **Benefits of the Susitna-Watana Hydro Project:**

- FERC and all permitting agencies should not delay the completion of the environmental review and approval for this sustainable energy infrastructure project. The FERC process provides five years for studies and analysis. Considering the studies performed in the 1980s, this is more than ample time for completing environmental work and monitoring. It is also important to recognize that data analysis for modifying or improving upon environmental enhancement can continue during the five-year construction period. Railbelt energy consumers may be at risk if the project is needlessly delayed.
- The Susitna-Watana Hydroelectric Project will address Railbelt energy uncertainty by providing stable, reliable, long-term power for generations to Alaskans. The benefit of stable energy prices will become more pronounced over time because the fuel that drives hydropower – water – is free.
- The project will diversify the Railbelt's energy portfolio and provide needed security to help our economy resist disruptions caused by potential interruptions in fuel supplies and market fluctuations in energy prices. Price volatility and high cost of electricity is a limiting factor in economic development.
- Alaska cannot achieve the 50 percent renewable energy goal without a project like Susitna-Watana.
- The proposed project is important to economic growth and resource development in Alaska.
- The project will lead to economic benefits, including new business and jobs. Project construction will produce an estimated 1,000 jobs, with an additional 2,000 support jobs. Moreover, it has the potential to expand the economy by attracting new business to the region.
- The certainty of achieving the intended outcome of stable, predictable, lower cost energy is relatively high, considering the abundance of success with hydropower in Alaska, the U.S., and globally. In Alaska, Bradley Lake is now one of the cheapest sources of electricity on the Railbelt, costing about a third less than natural gas. When built in 1991, Bradley Lake hydropower was about twice the cost of natural gas, but gas prices have risen while the cost of Bradley Lake water has not.
- In the US, recent studies by the National Hydropower Association show that hydropower offers the lowest levelized cost of electricity of all major energy sources and costs less than energy efficiency options.
- Once built, hydro projects can last 50-100 years with very low operating costs and without needing major replacement or repairs.
- The Susitna-Watana Project is compatible with, and complimentary to, other forms of energy. The need for natural gas, renewables, and other forms of generation to fill Alaska's energy demand will not go away. For example, natural gas is likely a better source for heating than electricity.
- Multiple studies have demonstrated that once built, hydropower's carbon footprint drops virtually to nothing, and the infrastructure lasts for decades.
- Resource industries in Alaska will benefit from stable, and long-term electrical energy that can be the baseload for economic growth and diversification.
- The project can be safely built in our seismically-active state, just like other major infrastructure and dam projects that are built in earthquake zones around the world.
- The project will include mitigation measures to stabilize Susitna River salmon runs, as well as moose and caribou abundance. In fact, there are opportunities for improvement. At a minimum, the project has the ability to help manage river flows that are favorable to fisheries. The Bradley Lake Hydro Project on the Kenai Peninsula is a model for fish and wildlife abundance and good public policy.
- A recent Hellenthal survey of Alaskan voters showed 60 percent support for the project.





## RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

### **RDC Action Alert: Shadura Natural Gas Development Project**

**Deadline for Comment is April 13, 2012**

#### **Overview:**

The U.S. Fish and Wildlife Service has received a right-of-way application from NordAq Energy, Inc., for the construction and operation of facilities associated with exploration and production of natural gas in the northwestern portion of the Kenai National Wildlife Refuge. While the Service owns the land surface, Cook Inlet Region, Inc., (CIRI) owns the subsurface oil and gas resources. CIRI has entered a lease with NordAq Energy to develop these gas resources. The application is being made subject to CIRI's rights under certain provisions of the Cook Inlet Land Exchange, as codified in certain amendments to the Alaska Native Claims Settlement Act (ANCSA).

The proposed Shadura Natural Gas Development Project is located in the northwestern portion of the Kenai Peninsula, approximately four miles southeast of the end of the road in Captain Cook State Recreation Area. Scoping meetings will be held March 20 in Kenai and March 22 in Anchorage where the Service intends to gather information necessary for the preparation of an environmental document. The Service uses this process to obtain suggestions and information from other agencies and the public on the scope of issues to be addressed in the document. These meetings will explain the project, hear concerns, and receive comments.

#### **Public Hearings:**

March 20 6:00 - 8:00 p.m.

Challenger Learning Center of Alaska, Kenai  
9711 Kenai Spur Highway

March 22 6:00 p.m. - 8:00 p.m.

Campbell Creek Science Center, Anchorage  
5600 Science Center Drive

**Deadline for Comment is April 13, 2012**

#### **Submit comments to:**

##### **Mail:**

Mr. Peter Wikoff  
U.S. Fish and Wildlife Service  
1011 East Tudor Road, MS-231  
Anchorage, AK 99503

**Email Comments:** [fw7\\_kenai\\_planning@fws.gov](mailto:fw7_kenai_planning@fws.gov)

#### **Points to consider in your comments:**

- The proposed Shadura Natural Gas Development Project is in the public's best interest given a shortfall in Southcentral Alaska's gas supply is expected to occur by as early as 2014.
- According to a recent update to the Cook Inlet Gas Supply Study by Petrotechnical Resources of Alaska, chronic shortfalls in gas supplies will begin in two years, forcing local utilities to import expensive liquefied natural gas, leading to higher prices for energy.
- The proposed project will mean new jobs for the Kenai Peninsula, jobs and royalties for shareholders of Cook Inlet Region, Inc. and a stable source of energy for the local



characteristics of Cook Inlet region, and a stable source of energy for the local communities of Southcentral Alaska.

- More than half of Alaska's population depends on natural gas from the Cook Inlet region for home heating, electricity and commercial enterprise. Continued development of Alaska's natural gas resources is critical to our State's economic well-being and the quality of life of Alaska's citizens.
- CIRI owns the subsurface rights to the project area. Under the provisions of the Cook Inlet Land Exchange, as codified by certain amendments to ANCSA, CIRI has the right to access its oil and gas resources in the subsurface estate within the Kenai National Wildlife Refuge. The proposed project represents a forward step toward meeting the economic obligations to the Native people of Alaska as envisioned by ANCSA.
- Revenues CIRI receives from the Shadura project will be shared with other Native corporations and their shareholders throughout Alaska through the section 7(i) revenue-sharing provisions of ANCSA.
- The project area will impact only a fraction of the Kenai National Wildlife Refuge. Responsible energy development has occurred inside the refuge since 1959.
- We are confident NordAq Energy and CIRI will work diligently to insure a successful, environmentally-sound project. We urge the Fish and Wildlife Service to move forward as quickly as possible.

**Deadline for Comment is April 13, 2012**

[Return to Action Alerts](#)

Resource Development Council for Alaska, Inc.  
121 West Fireweed, Suite 250 Anchorage, AK 99503  
[resources@akrdc.org](mailto:resources@akrdc.org) Phone: 907.276.0700 Fax: 907.276.3887



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**Rick Rogers**  
**Executive Director**  
**Resource Development Council for Alaska**

**Testimony on Alaska's Sovereignty in Peril:  
The National Ocean Policy's Goal to Federalize Alaska  
April 3, 2012**

Good morning Members of the Subcommittee. My name is Rick Rogers, Executive Director of the Resource Development Council for Alaska (RDC). RDC is a statewide membership-funded non-profit trade association representing the combined interest of the Forestry, Fishing, Tourism, Mining, and Oil and Gas industries in Alaska. Our membership is truly a broad cross section of Alaska businesses, including the aforementioned industries as well as local communities, all twelve Alaska Native Regional Corporations, organized labor, utilities and support businesses that recognize the important role resource development plays in our economy. I have submitted a copy of our most recent annual report for the record.

The National Ocean Policy will have a disproportionate impact on Alaska's resource dependent industries and our economy as a whole. It is appropriate the Subcommittee chose to hold a field hearing here in Alaska. At approximately 34,000 miles, Alaska has more coastline than that of all other states in our nation combined.

The National Ocean Policy adds uncertainty and anxiety to an already cumbersome and complex regime of state and federal permitting and oversight. Increased bureaucracy could hamper the already slow processes with no added benefit to the environment. In our view the Coastal Marine Spatial Planning/Regional Planning Body structure is an unauthorized new regulatory program that suggests a federal level "top down" approach to management resources with minimal local input.

The ecosystem-based management goal requires a vast amount of scientific data to be fully implemented. The lack of sufficient information is often the basis for third party legal claims by Environmental Non-government Organizations (eNGOs) to block development projects and their corresponding jobs. Natural resource managers need to use best available data to move forward and make the best decisions with information available. Ecosystem Based Management runs the risk of "paralysis-by-analysis."

The National Ocean Policy's stated goal of reaching to onshore activities adds to the uncertainty and anxiety for upland land use and resource development. Section 404 of Clean Water Act and ubiquitous nature of wetlands means upland activities are

already highly regulated in Alaska. Ever increasing and stringent clean air standards are already burdensome offshore and inland. A plethora of petitions to list additional species under the Endangered Species Act on and offshore add burden to landowners and resource industries. The hardrock mines in Alaska require over 60 State and Federal authorizations to proceed with development. The National Ocean Policy adds yet another hurdle to overcome, and may serve to provide an additional platform for third party eNGOs to litigate against projects that appear to lack the informational requirements or expectations for the National Ocean Policy.

RDC is concerned that Coastal and Marine Spatial Planning may lead to far reaching use restrictions on marine waters that will over-ride the social and economic needs of Alaskans. Broad swaths of submerged lands could be restricted in exclusionary zones for a nebulous national agenda of "ecosystem-based-management". Even if restricted zones were more modest in size and scope, use restrictions in strategic marine corridors necessary for resource transport and shipping could be devastating to our marine-dependent industries.

One of the key justifications for Coastal and Marine Spatial Planning is to resolve conflict among diverse resource interests, yet RDC members representing Mining, Tourism, Forestry, Oil and Gas, and Fisheries interests are firmly aligned. These industries are all concerned that NOP will create far more difficulties than it will resolve.

RDC is concerned that funds used to implement National Ocean Policy will come at the expense of congressionally-mandated activities. RDC's member companies require mandatory permits and often federal leases to operate, and declining federal resources should not be expended on National Ocean Policy at the expense of these congressionally mandated obligations. RDC members also require the best scientific data to address the impacts of their activities and funding diverted to National Ocean Policy could come at the expense of needed scientific efforts.

We urge Congress to maintain an integral role in these broad efforts to change the way ocean and coastal resources are managed, and the power of appropriation should be considered in restraining the premature implementation of the National Ocean Policy. Congressional oversight is needed to ensure implementation of the National Ocean Policy does not constrain the ability of federal agencies to fulfill their congressional mandates to adjudicate needed federal permits and leases.

RDC is concerned with the process being used to roll out this far-reaching policy. RDC has repeatedly requested meaningful stakeholder engagement without the suspected bias toward conservation and blocking responsible resource access and development. These concerns are underscored by the fact that Regional Planning Bodies charged with developing zoning plans will be comprised solely of government officials.

Detailed economic analysis of impacts of the policy should be completed and available for full public and Congressional review before policy implementation. The Handbook for Coastal and Marine Spatial Planning must be subject to public input, review, and comment before implementation.

We have urged the National Ocean Council to utilize pilot projects in geographic areas where NOP and CMSP has broad acceptance, before large swaths of ocean and marine areas, such as Alaska, have this policy imposed upon them.

In this time of tenuous economic recovery and high unemployment, Congress and the administration should be untangling the complex web of statutes and regulations that are strangling our productive resource sectors of our economy. The National Ocean Policy does the opposite by adding complexity and jurisdictional ambiguity. Congress, the states, and the private sector should have a more meaningful role in

development and implementation of such far-reaching policies for state and federal waters and upland resources.

Thank you for the opportunity to comment on this far-reaching initiative. We thank the members of this Subcommittee for watching out for the best interests of Alaskans and all Americans.

### **Additional Background to Augment RDC verbal testimony.**

Natural resources are vital to the economic survival of Alaska and its residents. In part, Alaska was granted statehood due to our vast natural resources; the federal government expected Alaska to utilize its bounty of natural resources to build and sustain its economy. Alaska's constitution includes a unique provision, Title 8, the preamble of which states "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." To fulfill the vision of Alaska's Constitution, we must have access to our resources, and avoid uncertainty and unnecessary regulations that offer no added benefit to the environment.

The National Ocean Policy will have a disproportionate impact on Alaska's resource-dependent industries and our economy as a whole. It is appropriate the Subcommittee chose to hold a field hearing here in Alaska. At approximately 34,000 miles, Alaska has more coastline than that of all other states in our nation combined.

RDC members know that Alaska's economy is based on responsible resource development conducted in accordance with existing local, state, and federal environmental protections and laws. Alaskans must continue to have access to our valuable and traditional resources. The responsible development of these resources creates jobs in communities throughout Alaska, many of which have few other jobs available. Many of these communities will disappear if overly burdensome regulations are added to existing and new projects.

Alaska fisheries provide over half of the commercial seafood harvested in U.S., and these sustainably managed fisheries are a model for the world. Oil and Gas reserves in the Beaufort/Chukchi Seas alone could result in 26 billion barrels of oil and 32 trillion cubic feet of natural gas over next 50 years, yielding 54,700 new jobs, \$145 billion in payroll, and \$193 billion in government revenue. All Alaska industries, forestry, tourism, oil and gas, fisheries and mining, are highly dependent on ocean access and marine transportation.

For the record, RDC submits four publication summaries highlighting the economic significance of oil and gas, mineral, tourism and fisheries resources. Unfortunately we do not have a similar report of our timber industry, except to report that it is a mere shadow of its former self, having precipitously declined due to what RDC views as failed federal public land policy constraining timber supply. The decline of the timber industry in Alaska highlights our need to be ever vigilant regarding the unintended consequences of policy initiatives such as the National Ocean Policy and Coastal and Marine Spatial Planning.

The policy raises significant concerns from the fisheries community regarding the future role of the stakeholder driven Regional Fishery Management Councils. The North Pacific Fishery Management Council is a model for sustainable and adaptive management of this renewable resource. The old adage, "if it isn't broke, don't fix it" should apply and it needs to be abundantly clear that the decision authority of the stakeholder driven Regional Fisheries Management Councils is not compromised by a new National Ocean



Policy structure. The Regional Fishery Management Councils are working well and should not be coopted by a new regional planning and management structure.

RDC is concerned that Coastal and Marine Spatial Planning may impose disproportionate restrictions on the ability of Alaskans to have a balanced and robust resource based economy. Consider that 58.6% of uplands in Alaska are federally managed lands, 65% of which are in restrictive conservation system units such as parks, Wilderness Areas, refuges and wild and scenic rivers. For the record, we have submitted an RDC publication entitled "Who Owns Alaska" which highlights the dominance of federal management of uplands in Alaska with priorities that are often in direct conflict with the economic interest of Alaskans.

RDC shares the concerns expressed by Alaska Governor Sean Parnell and the six other Governors in the Outer Continental Shelf Governors Coalition in their letter to President Obama dated March 13, 2012. In that correspondence, the Governors raise concerns of unintended consequences for all types of energy development. RDC notes that the same unintended consequences are likely to also affect fisheries, forestry, mineral development and tourism activities.

RDC has weighed in on this important policy initiative several times. We have asked that the National Ocean Council improve coordination of existing protection measures, such as the Clean Water Act, the National Environmental Policy Act, and the Magnuson-Stevens Fishery Conservation Act instead of adding another layer of bureaucracy. In reference to the other Strategic Action Plan objectives not addressed in RDC verbal testimony, included are copies of two detailed letters RDC wrote to the NOC in 2011, and our most recent written input on March 28, just last week.

Attachments submitted for the record include:

2011 Annual Report of the Resource Development Council for Alaska. Available online at <http://akrdc.org/membership/annualreport/annualreport2011.pdf>

*Economic Report Overview, Potential National-Level Benefits of Oil and Gas Development in the Beaufort and Chukchi Sea*, University of Alaska Institute of Economic Research and Northern Economics. Available online at <http://www.northerneconomics.com/pdfs/ShellOCS/National%20Effects%20-page%20brochure%20FINAL.pdf>.

*The Economic Benefits of Alaska's Mining Industry*, Alaska Miners Association, January 2012. <http://www.alaskaminers.org/mcd11sum.pdf>

*The Seafood Industry in Alaska's Economy*, Prepared by Northern Economics for the Marine Conservation Alliance, available online at [http://www.marineconservationalliance.org/wp-content/uploads/2011/02/SIAE\\_Feb2011a.pdf](http://www.marineconservationalliance.org/wp-content/uploads/2011/02/SIAE_Feb2011a.pdf)

*Alaska Visitor Statistics Program VI, Summer 2011, Executive Summary*, Prepared by The McDowell Group for Alaska Department of Commerce, Community and Economic Development. Available online at <http://www.commerce.state.ak.us/ded/dev/toubus/pub/2011AVSP-ExecSummary-StandAlone.pdf>

*Who Owns Alaska, A Special Issue of Resource Review*, A periodic publication of the Resource Development Council for Alaska. Available online at <http://akrdc.org/newsletters/2009/whoownsalaska.pdf>

RDC written comments to the National Ocean Council dated April 29, 2011, July 1, 2011 and March 28, 2012.



## RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

### **RDC Testimony: SB159 - Susitna State Forest**

**Before Senate Finance Committee  
Testimony provided by Rick Rogers, RDC**

**April 2, 2012**

Good morning Co-chairs Stedman and Hoffman and members of the committee. My name is Rick Rogers, Executive Director of the Resource Development Council. RDC is a statewide business association representing forestry, oil and gas, mining, tourism, and fishing industries. Our mission is to grow Alaska through responsible resource development.

RDC is already on record in support of SB 159, having testified before the Senate Resources committee and by letter dated January 19 to the Senate Resource Committee co-chairs. In the interest of time I won't elaborate on that support other than to say that RDC believes the proposed state forest will be of much benefit to the local economy – creating and sustaining much needed jobs in the forest products industry while providing many other opportunities.

RDC also supports section two which the Senate Resources committee has added to the bill to help address critical timber supply issues in Southeast Alaska. The State was limited to community development land selections in Southeast Alaska at Statehood because Congress assumed that federal national forest lands in the Tongass would continue to be managed to provide the raw materials necessary for an integrated timber industry in Southeast Alaska. Hence, Congress assumed there was little need in Southeast Alaska for a substantial state land base since the natural resources on federal lands, including timber and minerals, would serve as a foundation for the 49th state's economy.

Since statehood, the federal land management regime has evolved from one of true multiple uses to very restrictive management plans which have closed the vast majority of our nation's largest national forest to timber harvesting. As a result, the region's forest products industry is a mere shadow of itself and is struggling to survive with only a few very small sawmills and one medium sized family-owned sawmill remaining. The survival of the remaining mills dependent on Federal timber is at risk due to constrained timber supply.

Section two of the bill encourages the administration to pursue a remedy to this inequity by encouraging the governor to negotiate amendments to the statehood act, or failing that a purchase of lands in Federal ownership that are not contributing in a meaningful way to a balanced economy in Southeast Alaska. RDC supports this amendment as a forward-looking approach to breaking the otherwise gridlocked timber supply issues for Southeast Alaska.

We urge your support of the CSSB159 (RES) to help grow a renewable forest products industry in south-central and southeast Alaska. Thank-you for the opportunity to testify and for your continued public service.

Resource Development Council for Alaska, Inc.  
121 West Fireweed, Suite 250 Anchorage, AK 99503  
[resources@akrdc.org](mailto:resources@akrdc.org) Phone: 907.276.0700 Fax: 907.276.3887



## **RDC Testimony:**

### ***HB 352 - an Act regarding Resource Development Curriculum***

**Before House Education (via teleconference)**

**Testimony provided by Marleanna Hall**

**April 2, 2012**

My name is Marleanna Hall, I am a projects coordinator at the Resource Development Council. Good morning Chairman Dick and Members of the House Education Committee. In brief, RDC is a statewide business association with members in forestry, oil and gas, mining, tourism, fishing, all 12 Native regional corporations, and many others. Our mission is to grow Alaska through responsible resource development.

First, thank you to Representative Dick for introducing HB 352 – an Act regarding Resource Development Curriculum in Alaska’s schools.

RDC recognizes Section 8.1 of the Alaska State Constitution, [reading, “It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.”]

RDC supports programs educating students on Alaska’s natural resources, and specifically on the responsible development of our resources. It is a policy of RDC to support programs, including Alaska Resource Education, to educate students and the general public on responsible resource development activities in Alaska.

You've already heard about ARE this morning, so I will not repeat details about their mission to educate students about Alaska's natural resources.

[The State of Alaska partners with Alaska Resource Education, formerly AMEREF, an education non-profit whose mission is to educate students about Alaska's natural resources. ARE offers educators across the state Resource Education Kits containing nearly \$300 worth of materials to help provide students and teachers with balanced information about Alaska’s rich heritage of mineral, energy, and forest resources. These non-biased kits have been accepted by all 53 school districts, and are available at no cost to teachers. In addition, a free training is offered, when available, so that teachers are able to correctly utilize the materials in the kits.]

I would like to note, it is somewhat appalling that incorporating resource development in the curriculum isn’t mandated while conservation education is. Alaska’s education curriculum should include educating our students on activities related to and the responsible development of our natural resources. Future generations of Alaskans should have access to a firm foundation of our constitutional principals that guide our state, including multiple-use of resources and land along side conservation education. Thank you again Representative Dick for recognizing this shortcoming in Alaska’s curriculum, and for proposing HB 352, which will help provide more balance in educational curriculum in our public schools. In addition to my comments today, RDC will submit a formal letter of support. Thank you for the opportunity to comment.

*[ ] bracketed portions of testimony omitted to reduce redundancy of testimony*

[Return to Testimony List](#)



# ALASKAN OIL & GAS EXPLORATION 101

REPEAT SEMINAR

## OVERVIEW

The oil and gas industry has provided as much as 78 % - 92 % of state revenue for last 10 years depending upon crude price. Alaska has not had a state income tax since 1980 and has paid out a maximum of \$34,565.41 in Permanent Fund Dividends for its residents since 1982.

### Do you know why?

This seminar will serve as an introduction to the oil and gas industry in general and the Alaskan oil and gas industry in particular. It will focus on the basic functions of the industry as it utilizes scientific evaluation methods combined with physical exploration operations to find and produce its product. Of special importance will be the manner in which these operations are carried out in the onshore and offshore areas of Alaska.

Oil and gas wells have been drilled for approximately 130 years with significant refinements occurring over that time. Computers have increased the body of knowledge available to the drilling contractor and the dynamics of the producing formations has increased almost exponentially. The various types of drilling rigs needed for differing conditions will be presented and discussed.

The benefit to the State of Alaska and its residents will also be presented in terms of jobs, local and state taxes and other benefits to Alaskans. How does Alaska compare with the other forty-nine states? Where is the greatest impact to the economy?

## TOPICS COVERED

Course Introduction  
Petroleum  
Ownership  
Petroleum Exploration  
Players

Operators  
Project Economics  
Permitting  
Science  
Types of Drilling Rigs

Other Equipment  
Rolling Stock  
Ice Road Construction  
Mob & Demob  
Logistics

Exploration Drilling  
Well Control  
Manpower  
Results  
Producing Alaska Oil & Gas Fields

### LOCATION:

Crowne Plaza Midtown, 109 W. International Airport Road  
(International and C Streets)

### DATE:

Wednesday, April 11, 2012

### TIME:

8:00 am – 8:30 am: Registration – coffee provided  
8:30 am – 12:00 pm: Presentation – coffee provided  
Noon: lunch – provided at the Crowne Plaza Midtown  
1:00 pm - 3:30 pm: Presentation – coffee & soft drinks provided

### COST:

\$495 Single Registrant  
\$475 Multiple Registrants from the same employer/department (each employee)

Registration includes hard copy of slide material and a glossary of terms.

PRESENTED BY

ARLEN EHM

OF



ALASKAN SEMINARS

SEMINARS IN OIL & GAS TOPICS

PLEASE VISIT  
[WWW.ALASKANSEMINARS.NET](http://WWW.ALASKANSEMINARS.NET)

FOR MORE INFORMATION OR TO REGISTER

ARLEN EHM T 907-333-8880 F 907-333-3454 C 907-230-8144 E ARLENEHM@GCI.NET  
2420 FOXHALL DRIVE ANCHORAGE, AK 99504-3342



# Alaska Coal Association

Presents the 20th Annual

## Coal Classic

Golf Tournament

Wednesday, June 13, 2012 at Anchorage Golf Course

Breakfast, Registration & Hosted Driving Range 6:00 am, Shotgun Start 7:00 am

Proceeds benefit Alaska Resource Education

Alaska Resource Education is an industry-state partnership whose mission is to provide Alaska's students with the knowledge to make informed decisions related to mineral, energy, and forest resources.

Alaska Resource Education is a 501(c)(3) non-profit, tax ID #92-0117527



## SPONSORSHIP OPPORTUNITIES

\_\_\_\_\_ \$400 Breakfast Sponsor

\_\_\_\_\_ \$500 Beverage Cart Sponsor

\_\_\_\_\_ \$600 Lunch Sponsor

\_\_\_\_\_ Donate a door prize!

\_\_\_\_\_ \$200 Driving Range Sponsor

\_\_\_\_\_ \$300 Hole Sponsor

\_\_\_\_\_ Specialty Item Sponsor\*

\_\_\_\_\_ Donate goodie bag items!

Prize/item description: \_\_\_\_\_

\*Item of your choice with your logo and AK Resource logo, given to each golfer. Call 907-276-0700 ext. 4 for details.

## REGISTRATION FORM

\_\_\_\_\_ \$1,000 Team (four golfers)

\_\_\_\_\_ \$300 Individual Golfer

**Great prizes and lunch included!**

Team Name \_\_\_\_\_

Golfers \_\_\_\_\_

Contact person \_\_\_\_\_

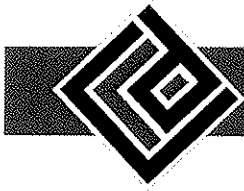
Address \_\_\_\_\_ City/State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

VISA/MC \_\_\_\_\_ Expiration \_\_\_\_\_ 3 Digit Code \_\_\_\_\_

Return this form with your check payable to Alaska Resource Education  
601 E. 57th Place, Suite 104 Anchorage, AK 99518 • Fax 907-276-5488 • [golf@akresource.org](mailto:golf@akresource.org)

To guarantee your slot, please register by Friday, June 1, 2012



# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

## Membership Form

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.

To view a list of current members, please visit <http://www.akrdc.org/links/>

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Company: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

(corporate members only)

Referred by (if applicable): \_\_\_\_\_

### Membership Levels

	<i>Corporate</i>	<i>Individual</i>
Platinum	\$3000 and up	\$500 and up
Gold	\$1500	\$300
Silver	\$750	\$150
Basic	\$500	\$75

Please select the category in which your organization should be classified:

- |                                                    |                                                  |                                                      |
|----------------------------------------------------|--------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Communications/Technology | <input type="checkbox"/> Legal/Consulting        | <input type="checkbox"/> Timber                      |
| <input type="checkbox"/> Communities               | <input type="checkbox"/> Media                   | <input type="checkbox"/> Tourism                     |
| <input type="checkbox"/> Construction              | <input type="checkbox"/> Mining                  | <input type="checkbox"/> Trade/Business Organization |
| <input type="checkbox"/> Engineering/Environmental | <input type="checkbox"/> Native Corporations     | <input type="checkbox"/> Transportation              |
| <input type="checkbox"/> Finance/Insurance         | <input type="checkbox"/> Oil and Gas             | <input type="checkbox"/> Utilities/Energy            |
| <input type="checkbox"/> Fishing                   | <input type="checkbox"/> Other Industry Services |                                                      |
| <input type="checkbox"/> Government                | <input type="checkbox"/> Support Services        |                                                      |

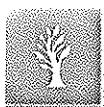
Membership Amount \$ \_\_\_\_\_  Please Invoice Me  Check Enclosed

Charge my card: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

*RDC is classified as a 501(c)(6) non-profit trade association. Membership dues and other financial support may be tax deductible as an ordinary business expense, but not as a charitable contribution. 15.9% of RDC support is non-deductible.*



Oil & Gas



Forestry



Fisheries



Mining



Tourism

121 West Fireweed Lane Suite 250 · Anchorage, AK 99503  
resources@akrdc.org · www.akrdc.org · (907) 276-0700