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Growing Alaska Through Responsible Resource Development

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 Congressman Don Young
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BREAKFAST MEETING

Thursday, March 7, 2013

1. Call to order – Phil Cochrane, President
2. Head table Introductions
3. Staff Report – Carl Portman, Deputy Director
4. Program and Keynote Speaker:

The Endangered Species Act in Alaska

Geoffrey Haskett

Regional Director, U.S. Fish and Wildlife Service

Upcoming Breakfast Meeting

Thursday, March 21: Update on the Tongass and Chugach National Forest Land Management Plans, Don Rees, Chugach Forest Plan Team Leader

Please add my name to RDC's mailing list:

Name/Title: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

E-mail: _____ Phone: _____

ACTION ALERT

*Urge the legislature to act now to reverse North Slope production decline
Tuesday, March 12, 4-6 p.m.*

Overview:

Governor Sean Parnell's oil production tax reform bill continues to advance in the Alaska Legislature, having recently passed out of the Senate Resources Committee. Alaskans will get an important opportunity to testify on the urgent need for tax reform when the Senate Finance Committee takes public comment from 4 to 6 p.m. Tuesday, March 12 on the committee substitute for Senate Bill 21. The hearing will be held at your local Legislative Information Office.

Throughput in TAPS is forecast to average 563,000 barrels per day in FY 2013 and is declining at a rate of 6-8 percent annually. The pipeline is Alaska's economic lifeline since 92 percent of the State's unrestricted general fund revenues are derived from oil production.

The decline is not because Alaska is running out of oil, it is in part due to Alaska no longer being competitive in attracting industry investment in production. High oil prices have expanded industry investment in production, but not here. Alaska has dropped behind North Dakota in production and is at risk of falling behind California.

Requested Action:

Please present brief testimony (two minute limit) at your local Legislative Information Office urging the legislature to make meaningful policy changes this session to attract new investment and increase North Slope production. Your participation at the hearing is vital and it can make a difference. Express support for Governor Parnell's efforts and his four guiding principles in oil production tax reform:

1. It must be fair to Alaskans;
2. It must encourage new production;
3. It must be simple, so that it restores balance to the system
4. It has to be durable for the long term.

For a list of Legislative Information Offices, visit:

<http://w3.legis.state.ak.us/misc/lios.php>

To read the latest version of the governor's bill (CSSB 21), please visit:

http://www.legis.state.ak.us/basis/get_bill_text.asp?hsid=SB0021B&session=28

Points to consider: *(Be brief, select only several points and it is best to personalize them)*

- With steadily declining production and Alaska's economy at risk, the legislature needs to act this session to reform oil production taxes, attract new investment and increase production.
- The forecast ten years from now indicates unless more oil comes online, Alaska's production will fall to about 400,000 barrels per day. Alaska projects need to be competitive with more profitable opportunities elsewhere in order to attract significant additional investment for more North Slope production.
- Accelerated North Slope production decline is unacceptable and puts Alaska's economy and jobs at risk. Production has fallen by more than 200,000 barrels a day since 2007 – a

decline of 6-8 percent annually – and TAPS is operating at one-quarter of the volume it once carried.

- Alaska is about to slip to the fourth largest oil producing state in America as California is on the verge of surpassing us. Alaska now supplies only 8 percent of domestic production, down from 25 percent in the 1980s.
- Oil production reform legislation should adhere to the governor's four guiding principles: it must be fair to Alaskans; it must encourage new production; it must be simple so that it restores balance to the system, and it has to be durable for the long term.
- Alaska has the highest costs and tax rates in the nation. Corporate capital is limited, and only the most profitable projects in a company's portfolio will get funded. Clearly, investors are taking their money where they get a greater return. We need new policy that encourages long-term planning and investment in new production in Alaska.
- Alaska has the oil but policy makers hold the keys to new production. The State can keep current policy that restricts investment or change it to something that attracts investments in production while securing a long-term future for Alaskans.
- With policy reforms that move the needle on major investments, Alaska would get a healthy oil and gas industry that could extend decades.
- New production will promote growth in the private sector economy, leading to more jobs and a more stable and long-term revenue stream for the State.
- Please achieve meaningful reform of oil production taxes to make Alaska a compelling place to invest. Doing so will prevent a steepening in the decline curve and put more oil in the pipeline, something virtually all Alaskans want.

Testimony of Carl Portman
Deputy Director, Resource Development Council
Before Senate Finance Committee, Wednesday, March 6, 2013

Good afternoon. My name is Carl Portman and I am the Deputy Director of the Resource Development Council. I am here to express RDC's support for meaningful oil production tax reform this session.

RDC is a diverse statewide business association comprised of members from the oil and gas, mining, timber, tourism, and fishing industries.

We have heard that Governor Parnell's approach to oil production tax reform is a "give-way." In our view, the real give-away is the oil stranded in the ground because we're simply looking at maximizing short-term tax revenue at the expense of encouraging investment and new production.

Consider that since 2007 we have lost over 210 million barrels per day with a gross value at point of production of over \$17 billion. If a less aggressive tax regime could cut our decline rate in half, over 8 billion new dollars would be circulating in our economy. We are giving away our future for short-term and clearly unsustainable tax revenue.

Some of the most vocal proponents of production tax reform among our members are from those not directly involved in the oil and gas industry. The business community is fearful what continued TAPS throughput decline will do to our economy as a whole.

The Governor has shown leadership in outlining his four guiding principles that we firmly support: fairness to Alaskans; encouraging new production; simplification and durability over the long term.

The discussion needs to be how to encourage more production, a more long-term view. Taxing ourselves to prosperity is a poor strategy and will undermine future production and the health of the private sector economy. We remain concerned that the legislative process will result in a tax policy that is too timid and does not encourage the investment needed to stem the production decline.

There is an urgent need to compete, to stem the production decline, to increase investment. We need a tax policy that makes Alaska a compelling place to invest. Alaska needs to stand out from its competitors. The resources are in the ground, all we need is the right policy to get the oil into the pipe.

In concluding, I urge the committee to do sufficient due diligence to ensure the goals set out in the legislation are fully achieved. Thank you for your service and for this opportunity to testify.



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

March 5, 2013

Senator Bill Wielechowski
Alaska State Capitol
Juneau, AK 99801

Re: SJR 5, Federal revenue-sharing from offshore oil and gas development

Dear Senator Wielechowski:

The Resource Development Council (RDC) is writing to support SJR 5, which urges the U.S. Congress to provide a means for consistently sharing with all coastal energy-producing states revenue generated from oil and gas development on the Outer Continental Shelf (OCS).

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. Our membership includes all of the Alaska Native Regional Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to expand the state's economic base through the responsible development of our natural resources.

Under the Gulf of Mexico Energy Security Act of 2006, the federal government recognized the contributions of national security made by the oil-producing states of Alabama, Louisiana, Mississippi, and Texas and agreed to distribute to those states 37.5 percent of revenue from oil and gas development in newly leased federal waters in the Gulf. Alaska also contributes to national energy security through onshore oil and gas development, and has generated billions of dollars to the federal treasury through offshore leasing. These leases could contain tens of billions of barrels of oil, which in turn could generate hundreds of billions of dollars in revenue.

RDC has consistently supported federal revenue sharing to benefit the State of Alaska and local communities. We agree that states sustaining offshore energy development and production deserve a share of the revenue generated because they support offshore operations and experience impacts to local services and infrastructure.

RDC endorses SJR 5 and fully supports Alaska sharing in the revenues generated from offshore oil and gas leasing, development, and production.

Sincerely,

Carl Portman
Deputy Director

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March 1, 2013

The Honorable John Coghill, Chair
Senate Judiciary Committee
Alaska State Legislature
State Capitol Room 119
Juneau, AK 99801

Re: SJR2 – A resolution to limit federal intervention in the State of Alaska

Dear Senator Coghill:

The Resource Development Council is writing in support of SJR2, an act commending and supporting actions taken by the Office of the Governor, the attorney general, and the commissioner of natural resources to protect the state from federal government incursion into the care and management of state resources and to promote the economic prosperity of the state; and urging United States Congress and the President of United States to limit federal government overreach into management of state resources.

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 members regularly witnesses first hand the uncertainty, delays, lost opportunities and unnecessary costs of doing business that result from federal actions that fail to acknowledge the limits of federal authority. Misuse of the Endangered Species Act; failure to acknowledge state jurisdiction over navigable waters; land management decisions in conflict with the compromise embodied in the Alaska National Interest Land Conservation Act (ANILCA); the Environmental Protection Agency's (EPA) misguided Bristol Bay watershed assessment; and disregard for the principles embodied in the Statehood Compact are all examples of issues where the State needs to stand up to the federal government.

March 1, 2013

In some instances, RDC intervenes in State legal challenges, such as the ongoing complaint against the EPA and the State Department with regard to the imposition of the Emission Control Area (ECA), clearly a one-size-fits-all approach with disproportionate costs and a lack of demonstrated benefit for Alaskans. Federal land management policies have decimated the timber-based economy of Southeast Alaska, are compromising the health, safety and welfare of our citizens in King Cove, and are eroding the resource potential from lands as demonstrated by the recent integrated resource plan for the National Petroleum Reserve Alaska, a plan which closes the most prospective lands in the petroleum reserve to oil exploration and development.

SJR 2 will demonstrate a united front, showing elected federal officials and agencies that Alaska is committed to defending its sovereignty and rights against federal over reach. We encourage the committee to consider prompt passage of this resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Rogers", with a long horizontal flourish extending to the right.

Rick Rogers
Executive Director

CC: Senator Dyson, SJR2 sponsor



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March 1, 2013

Russell Kirkham

Manager, Coal Regulatory Program

Division of Mining, Land, and Water

550 West 7th Avenue, Suite 920

Anchorage, AK 99501

Via email to: coalprogram@alaska.gov

Re: Support of the Two Bull Ridge Mine Permit #S-0606

Dear Mr. Kirkham:

The Resource Development Council for Alaska (RDC) is writing to support approval of the permit revision application for coal mining activities at Two Bull Ridge Mine Permit #S-0606.

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.

Usibelli Coal Mine, Inc. (UCM) currently uses the Poker Flats Mine area for coal ash disposal, however, disposal in that area is being phased out. UCM has requested a revision to permit #S-0606 to allow for coal ash disposal at Two Bull Ridge.

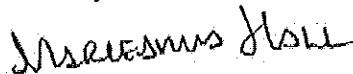
UCM has used coal ash from Golden Valley Electric Association's Healy 1 Power Plant at Poker Flats Mine for mine reclamation since the 1980s. UCM has monitored the down gradient groundwater during the entire operation period and there has been no indication of an increase in concentration of any constituents. The Two Bull Ridge Mine is the same geologic formation as the Poker Flats Mine, and thus, should have no impacts to ground water. As the Poker Flats Mine ends its operational life, it is a logical progression to relocate the coal ash site to the Two Bull Ridge Mine.

While the application for this revision is still being evaluated to determine if it meets Alaska Surface Coal Mining Program requirements, RDC is encouraged it will. RDC supports surface mining activities in the area, and encourages approval of the revision to the permit to ensure no delay to the mine.

Usibelli has been mining coal in Healy since 1943 and has demonstrated a commitment to maintaining and improving the environment through its reclamation process at similar operations in the area. RDC believes that the aforementioned factors merit timely issuance of a revised permit to allow for coal ash disposal to the new area being mined, Two Bull Ridge.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink that reads "Marleanna Hall". The signature is written in a cursive style with a large initial "M".

Marleanna Hall
Projects Coordinator



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

February 28, 2013

Brianne Blackburn
5310 Bodenburg Spur Road
Palmer, AK 99645

Re: Division of Agriculture proposed changes to regulations

Dear Ms. Blackburn:

The Resource Development Council for Alaska (RDC) is writing in regard to proposed changes in regulations in Title 11 dealing with plant health and quarantine. According to the Division of Agriculture (DOA), the proposed changes seek to more clearly define invasive weeds as pests in the existing regulations and develop a process for the management and eradication of invasive plants.

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

RDC members work hard to protect fish and wildlife habitat in adherence to state and federal laws and regulations. While RDC recognizes the need to protect habitat from aggressive invasive weeds that truly pose a serious threat to our natural resources, a number of our members are concerned with the broad reach of the regulations. The regulations as written could potentially apply to virtually all state and private lands and impact all resource industries. Some are concerned the proposed regulations could be abused by a future administration and other interests in ways that could impact private property rights and development on private and public lands.

Other concerns include the potential cost to the landowner for the eradication of invasive weeds, including vast tracts of remote Alaska Native corporation lands. The regulations appear to expand DOA authority to the point where the agency could prescribe to a property owner what treatment and timeline will be required for eradication, no matter the cost. In the case of large property owners or operations, such as gravel facilities, the cost could be enormous or prohibitive. In the case of a gravel operation, the company may be forced to pass on the costs, resulting in significant increases in the cost of public, commercial and residential construction projects. There is also concern with the precedent this sets with regard to private property rights.

The overly broad definition of pest, appliance, carrier, and vector is also troublesome. The amendments to the regulations broaden the definitions to virtually everything from agricultural products and equipment to gravel and logging operations, oil rigs, and mines. The definitions

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appear to expand DOA jurisdiction over any inter or intrastate commerce, activity or equipment, including private passenger and recreational vehicles, that could spread or carry what the division considers an invasive weed or plant that could potentially harm any natural resource in the state.

There is also concern of how plants and weeds are listed as invasive. As with the listing of a species under the Endangered Species Act, listing a plant or weed as invasive has significant ramifications and should be done through a full public and transparent process, based on science. Opportunities to appeal the listing of specific plants and weeds, as well as prescribed methods of eradication and control, should be provided. Such decisions should not be left to the sole discretion of an agency director.

While RDC recognizes the State needs to be given the ability to respond efficiently and effectively to a major invasive weed outbreak that truly threatens a natural resource, the regulations should not violate private property rights, nor threaten or endanger future economic opportunities and projects that will benefit local communities. RDC is continuing to discuss this issue with our members and will continue to assess changes in the regulations. We appreciate the opportunity to provide comments.

Sincerely,

Resource Development Council, Inc.



Carl Portman
Deputy Director

cc: Franci Havemeister, Director, Alaska Division of Agriculture
Ed Fogels, Deputy Commissioner, Alaska Department of Natural Resources

Support of CS HB 99:
Before House Resources
Testimony provided by Marleanna Hall
February 27, 2013 • Anchorage

Good afternoon, Co-chairs Feige and Saddler, and members of the committee. My name is Marleanna Hall. I am a Projects Coordinator for the Resource Development Council. RDC is a membership funded, statewide business association representing forestry, oil and gas, mining, tourism, and fishing industries.

Historically, the mining industry has been a cornerstone of Alaska's economy. Many roads, docks and other infrastructure throughout Alaska were originally constructed to serve the mining industry. RDC believes the Commission provides a necessary voice on issues, as well as providing recommendations for the betterment of the State of Alaska's mineral industry.

This appointed group makes recommendations to the legislature and the governor in an effort to promote Alaska's minerals and mineral exploration and development industry. The Commission continues to be an effective means of ensuring policy makers have the benefit of the collective input of lead practitioners in the industry.

The Committee Substitute for HB 99 has incorporated term limits for commission members and term limits for members selected as Chair and Vice Chair. RDC believes these proposed term limits will help keep a fresh perspective on the mineral industry.

CS HB 99 will bring the Alaska Mineral Commission into line with other Boards and Commissions, extend the AMC for another 10 years, and help keep the members fresh and active in identifying ways to mitigate constraints on mineral development in Alaska.

RDC urges you to move CS HB 99 out of House Resources in a timely manner. Thank you for your consideration of these comments.



RESOURCE DEVELOPMENT COUNCIL

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February 25, 2013

The Honorable Lesil McGuire, Chair
Senate Rules Committee
State Capitol Room 103
Juneau, AK 99801

Re: Support of SJR 8, a resolution supporting the mining/processing of rare earth elements

Dear Senator McGuire:

The Resource Development Council for Alaska (RDC) is writing to support SJR 8, a resolution supporting the mining/processing of rare earth elements (REE).

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.

It is a policy of RDC to encourage the expansion and increased production from existing deposits as well as new exploration and responsible development of Alaska's mineral and coal resources. Encouraging the passage of SJR 8, which *supports the continued and increased exploration, extraction, processing, and production of rare earth elements in the state; and urging the United States Congress to support efforts of the state to develop rare earth elements in the state for the benefit of the economic and national security of the United States*, corresponds with RDC's policy.

Alaska contains some of the highest-grade REE prospects in world. These prospects will not only provide an economic benefit to Alaska, but will also benefit our nation.

Additionally, the mining industry, consisting of exploration, development, and production, in Alaska provides for 9,000 direct and indirect jobs with a payroll of \$620 million. These are some of Alaska's highest paying jobs with an average annual wage of \$100,000, significantly higher than the state average for all sectors of the economy.

RDC urges you to move SJR 8 out of Senate Rules in a timely manner. Thank you for your consideration of these comments.

Sincerely,

Marleanna Hall
Projects Coordinator

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121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503

Phone: 907-276-0700 • Fax: 907-276-3887 • Email: resources@akrdc.org • Website: akrdc.org



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

February 25, 2013

The Honorable Eric Feige, Co-Chair
The Honorable Dan Saddler, Co-Chair
House Resources Committee
State Capitol Room 124
Juneau, AK 99801

Re: Support of HJR 9, a resolution supporting the mining/processing of rare earth elements

Dear Representative Feige and Representative Saddler:

The Resource Development Council for Alaska (RDC) is writing to support HJR 9, a resolution supporting the mining/processing of rare earth elements (REE).

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.

It is a policy of RDC to encourage the expansion and increased production from existing deposits as well as new exploration and responsible development of Alaska's mineral and coal resources. Encouraging the passage of HJR 9, which *supports the continued and increased exploration, extraction, processing, and production of rare earth elements in the state; and urging the United States Congress to support efforts of the state to develop rare earth elements in the state for the benefit of the economic and national security of the United States*, corresponds with RDC's policy.

Alaska contains some of the highest-grade REE prospects in world. These prospects will not only provide an economic benefit to Alaska, but will also benefit our nation.

Additionally, the mining industry, consisting of exploration, development, and production, in Alaska provides for 9,000 direct and indirect jobs with a payroll of \$620 million. These are some of Alaska's highest paying jobs with an average annual wage of \$100,000, significantly higher than the state average for all sectors of the economy.

RDC urges you to move HJR 9 out of House Resources in a timely manner. Thank you for your consideration of these comments.

Sincerely,

Marleanna Hall
Projects Coordinator

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February 25, 2013

Jennifer Keese

Coal Program Geologist

Division of Mining, Land, and Water

550 West 7th Avenue, Suite 920

Anchorage, AK 99501

Re: Jumbo Dome Mine Road Corridor Surface Coal Mining Permit #S-0605

Dear Ms. Keese:

The Resource Development Council for Alaska (RDC) is writing to support renewal of the surface coal mining permit for the Jumbo Dome Road corridor, permit #S-0605.

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.

The requested permit term is a renewal for five years, and it is expected the Jumbo Mine Road corridor construction will be completed early in this second permit term. The major activities during the term covered by this permit application will include construction of roads, drainage control and incidental coal removal.

Jumbo Dome is located in the Healy Coal field on State land approximately nine miles north of two of Usibelli's existing mines, Two Bull Ridge and Poker Flats. The Jumbo Dome Mine will sustain Usibelli's current workforce of 130 year-round employees.

RDC encourages the State to renew the permit and issue it for a five-year term, as the existing approved permits meet current requirements.

Thank you for the opportunity to comment.

Sincerely,

Marleanna Hall

Projects Coordinator



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February 25, 2013

Mr. Kevin Banks

Alaska Division of Oil and Gas

550 West Seventh Avenue, Suite 1100

Anchorage, AK 99501-3560

Dear Mr. Banks:

The Resource Development Council (RDC) is writing to support the proposed new royalty oil contract between the State of Alaska and Flint Hills Resources Alaska (FHR).

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. Our membership includes all of the Alaska Native Regional Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to expand the state's economic base through the responsible development of our natural resources.

The proposed contract fully meets the criteria set out for the sale of royalty oil under Alaska Statute 38.05 and 38.06. RDC requests that approval of the negotiated contract occur in an expeditious manner before the State Royalty Advisory Board and the Alaska Legislature.

The proposed sale of royalty oil to FHR is needed to meet in-state need for crude and facilitate continued operations of the North Pole refinery with significant benefits to Alaskans and the Interior Alaska economy. RDC agrees with the Commissioner of Natural Resources that the proposed contract for the sale of the State's royalty oil to FHR is in the public's best interest.

The proposed contract commits the State to deliver a maximum of 30,000 barrels per day to FHR between April 1, 2014 and March 31, 2019.

For decades, the refinery at North Pole has been a major component of the Interior Alaska economy, providing good-paying jobs and tax revenues to the Fairbanks North Star Borough. The refinery has provided reasonably-priced fuels, and shipments from the refinery have benefited Alaskan entities, including the Alaska Railroad Corporation. Moreover, FHR has been an excellent corporate citizen, supporting many organizations statewide.

RDC encourages the State Royalty Advisory Board and the Alaska Legislature to expeditiously approve the negotiated contract. It will serve Alaskans well.

Sincerely,

Carl Portman

Deputy Director



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February 22, 2013

Senator Peter Micciche
State Capitol, Room 125
Juneau, AK 99801

Re: SJR 3, Urging the U.S. Congress to open the Coastal Plain of ANWR to oil and gas exploration, development, and production and relating to renewable and alternative energy technologies

Dear Senator Micciche:

The Resource Development Council for Alaska (RDC) is writing to support SJR 3, which advocates for opening the coastal plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration and development.

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. Our membership includes all of the Alaska Native Regional Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to expand the state's economic base through the responsible development of our natural resources.

RDC has consistently supported opening the "1002 area" of ANWR's coastal plain to oil and gas development. The coastal plain is considered America's best onshore prospect for major oil and gas discoveries.

SJR 3 advocates for the State of Alaska's and, indeed, our nation's interests in recommending the 1002 area be opened to responsible oil and gas development, as was recommended by the Department of Interior and Congress in the 1980s and 1990s.

The 1002 area was excluded from the Wilderness designation in a compromise struck under the Alaska National Interest Lands Conservation Act (ANILCA) over 30 years ago. In exchange, Congress doubled the size of the refuge and designated eight million acres outside the 1002 area as Wilderness. In recognizing the 1002 area's enormous oil and gas potential, Congress mandated a study of the 1002 area's petroleum resources, as well as its wildlife and environmental values. In 1987, the Department of the Interior recommended the 1002 area be opened "to an orderly oil and gas leasing program." A 1987 Environmental Impact Statement (EIS) noted in its summary that impacts from "exploration and development drilling were minor or negligible on all wildlife resources on the 1002 area" and that production would

directly "affect only 0.8 percent of the 1002 area." In 1995, Congress voted to open the area to responsible oil and gas development, but President Bill Clinton vetoed the bill.

According to the Energy Information Administration, ANWR oil and gas development could result in new domestic production ranging from 510,000 to 1.45 million barrels per day for a period extending for approximately 12 years, with additional production for many years following. Such production would save the nation billions of dollars in imported oil while creating thousands of new jobs and generating billions of dollars in new revenues to the federal and Alaska treasuries. It's time we bring these opportunities to American soil where environmental oversight and protection are second to none, and the 1002 area is the most prospective onshore prospect in our country with an estimated 5.7 to 16 billion barrels of technically recoverable oil.


What we need in Alaska is more economic opportunities, and if the 1002 area is opened, not one acre of designated Wilderness would be disturbed by development. With advances in technology significantly diminishing the footprint of development, we do not have to choose between energy production and environmental protection. It is possible to develop the 1002 area's energy reserves while directly utilizing only a fraction of the area. This can be accomplished without significant disturbance to wildlife. In fact, wildlife populations have grown or remained stable in other areas of the North Slope where oil development is already occurring. One example at Prudhoe Bay shows the central arctic caribou population has grown from 5,000 animals in 1970 to more than 66,000 animals today. Development and protection of the environment do co-exist in Alaska and this environmental ethic will continue to be a priority.

In conclusion, the 1002 area of ANWR should be opened up to responsible onshore oil and gas exploration and development. Our national security and Alaska's economy depend on it. Moreover, we can have oil and gas development in a very small area of ANWR while maintaining the special values of the refuge.

With Alaskans consistently and overwhelmingly supporting oil and gas development in the 1002 area, RDC strongly encourages passage of HJR 7.

Sincerely,

Resource Development Council, Inc.



Carl Portman
Deputy Director

National Marine Fisheries Service, Alaska Regional Office

NOAA Fisheries News Releases

NEWS RELEASE

February 12, 2013

Julie Speegle, 907-586-7032 w., 907-321-7032 c.

NOAA FISHERIES FINDS ESA LISTING OF ALASKA COLD-WATER CORALS IS NOT WARRANTED

NOAA Fisheries has concluded that a petition to list 44 species of cold water corals off Alaska as threatened or endangered does not present substantial information that listing under the Endangered Species Act may be warranted. The agency will not conduct a formal status review of the species.

The Center for Biological Diversity petitioned NOAA Fisheries last August to list 44 species of corals under the ESA, citing threats of ocean warming, ocean acidification, commercial fisheries, oil spills and other factors.

NOAA considered these factors, but found that there are no empirical studies that have shown harmful effects of these threats to these corals or to similar corals in the area. The ocean acidification research cited in the petition was conducted on types of corals--mostly tropical, reef-building corals--that are very different from the corals the Center asked to be listed.

The Alaska coral species in the petition are non-reef building, and exhibit many different characteristics than shallow-water tropical corals, which have been comparatively well researched. All of the species covered in the petition have a type of external tissue that protects them from acidic water, and may not be as susceptible to the effects of ocean acidification as other organisms.

In November, NOAA Fisheries proposed the ESA-listing of 66 species of reef-building corals, including 59 in the Pacific and seven in the Caribbean.

The 44 species of corals included in this recent petition for listing occupy a vast array of habitats across thousands of miles at up to 4,500 meters in depth, mostly in western Alaska.

Alaska has closed more than 600,000 square nautical miles to fishing since 2005, and many of these closures protect cold water coral habitat in the Aleutian Islands, Bering Sea and Gulf of Alaska from the effects of fishing. According to scientists, these closures provide substantial protection for corals.

Although NOAA Fisheries will not review the status of the Alaska cold-water coral species at this time, the agency is encouraging interested parties to continue to gather data that will assist with the conservation of cold water corals in Alaska.

According to NOAA Fisheries scientists, the study of deep-sea corals in Alaska is a new science, and very little information exists on their basic biology and distribution, environmental variables, or species-specific responses to stressors.

In 2012, NOAA Fisheries began a three-year, \$2.4 million field research program in Alaska, as part of NOAA's Deep Sea Coral Research and Technology Program, to help answer some of the unknown questions about corals in Alaska. The goals of the program are to better understand the location, distribution, ecosystem role and status of deep-sea coral and sponge habitats.

More information is available online at <http://www.alaskafisheries.noaa.gov/protectedresources/coral/>.

NOAA's mission is to understand and predict changes in the Earth's environment, from the depths of the ocean to the surface of the sun, and to conserve and manage our coastal and marine resources. Join us on Facebook, Twitter and our other **social media channels**.

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