

Proposed Kalskag Road: Reaction Mixed

Possible construction of a haul road from the Kuskokwim to Paimut Slough on the Yukon River has brought mixed reactions from residents of the Kalskag area.

Mayor George Morgan of Upper Kalskag

says he isn't taking a particular stand on the issue after learning that most residents of the area are against it. Originally the mayor was in favor of the road because he was told it would lower the cost of gasoline and propane for residents.

Residents fear the road may bring more hunters to their area to take the wild game the local people depend on. Morgan also expressed concerns that the road might cross land claimed by local residents as part of their 160-acre allotments under the Native Allotment Act. He said the road may also increase the flow of liquor into the area.

Currently a feasibility study of the project is underway and is expected to be finished by October. If construction is recommended, the earliest the Alaska Legislature could vote to fund design of the project would be 1983. Funds for actual construction could be made available the following year.

City Councilman, Dick Nash, of Lower Kalskag said that if the road is to be built, residents want training for local people as heavy equipment operators. He said their prime concern centers around local hire as

they don't want to see outsiders brought in to do the work.

"Personally I am in favor of the road, but I want a good feasibility study to show that it (road) is not going to harm subsistence or natural runs of fish," Nash told the Bethel Tundra Drums last month. Nash said he would oppose the road if the study showed that small streams in which white fish spawn would be harmed.

However, Nash said he has seen cases in which development has actually increased wildlife populations. He said that when the channel between Douglas Island and the mainland was dredged he observed more fish and sea lions in areas where they had never been seen before. Nash said waterfowl populations increased following road construction and dredging. "I've seen a lot of these changes, it can work both ways," Nash said.

Nash said the road would make it much easier for Kalskag residents to visit relatives in Russian Mission and along the Yukon. "A lot of village people will be running back and forth. It would be much nicer for them."

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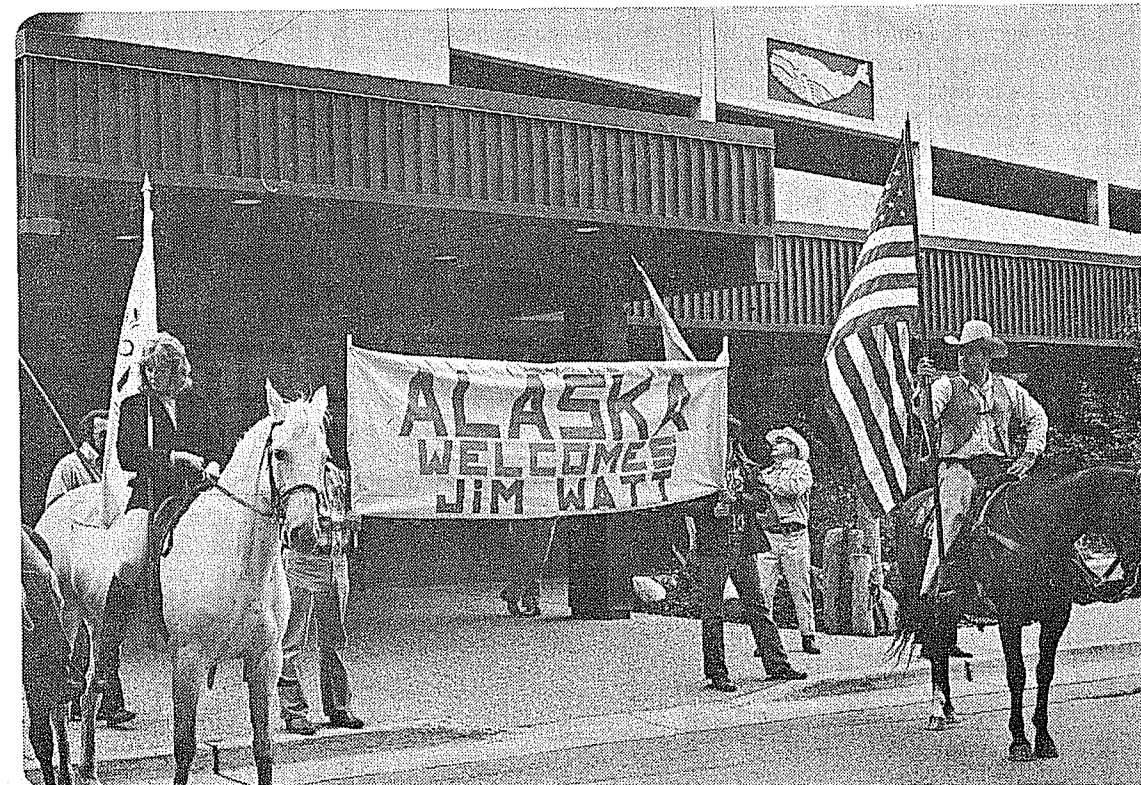
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Resource Review

August - September 1981



An impressive parade of horses, flags and scores of people carrying friendly welcome signs, greeted Secretary of the Interior James Watt during his recent visit to Anchorage. See stories and additional pictures inside.

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Secretary James Watt Calls For A "Common Sense" Development Approach

Interior Secretary James Watt told a standing-room-only crowd of 900 at the Captain Cook Hotel in Anchorage last month that Alaska can and must play a major role in solving America's energy crisis, in averting a strategic minerals crisis in the near future, and in helping to increase supplies of needed resources so that we can bring and keep inflation under control.

Watt addressed the Anchorage Chamber of Commerce August 10 as he began an eight-day swing through Alaska to discuss issues directly with the state's residents. Alaska's entire Congressional delegation along with

Governor Jay Hammond and the state's three former chief executives were seated with Watt at the head table.

The controversial Watt reaffirmed what he termed a "common sense" approach to balancing resource development with environmental preservation.

"Alaska has contributed greatly to America, and you will be asked to do even more," Watt said. "I want to emphasize that this administration is not going to sacrifice any state in an effort to meet the economic needs of the nation - not Alaska for oil, not my home state of Wyoming for coal, not Colorado

for oil shale."

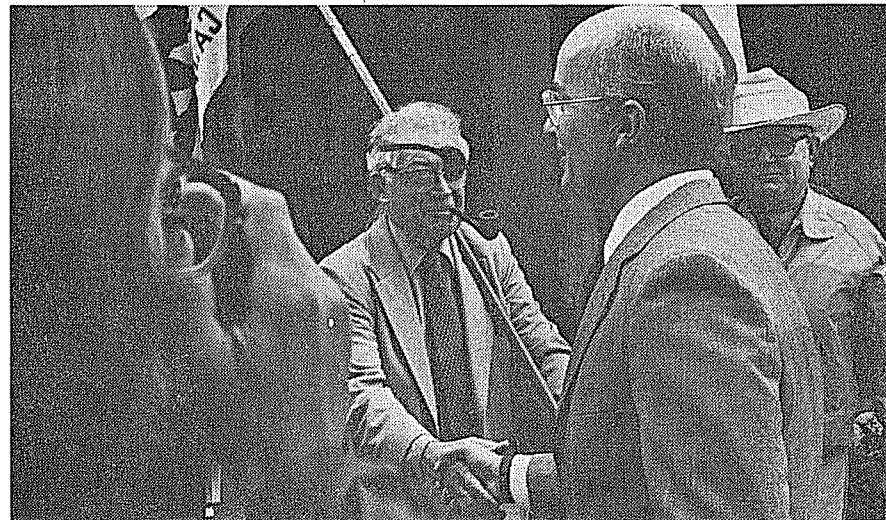
Watt said neither he nor President Reagan will ask Alaska to sacrifice the environment. "We don't believe that it is necessary to wreck the environment to harvest the economic resources essential to a modern society. Nor do we believe that we have to send people back to cave dwellings to protect the environment."

Common sense was the guiding principle in revising the department's management rules for parks and refuges in Alaska Watt said. "We went as far as possible in helping to maintain traditional Alaskan lifestyles without onerous requirements for permits or other red tape," Watt said. "Our rules encourage coordinated management of federal lands in Alaska responsive to local needs."

Watt suggested that more of Alaska's vast federal land be made available for mining and homesite settlement. He announced plans to open 400,000 acres in the Minchumina area of Central Alaska.

"Common sense makes it apparent that we already have waited too long in developing the energy and mineral resources of Alaska," Watt stated. "In December we plan to hold the first onshore federal oil and gas lease offering in Alaska in 15 years."

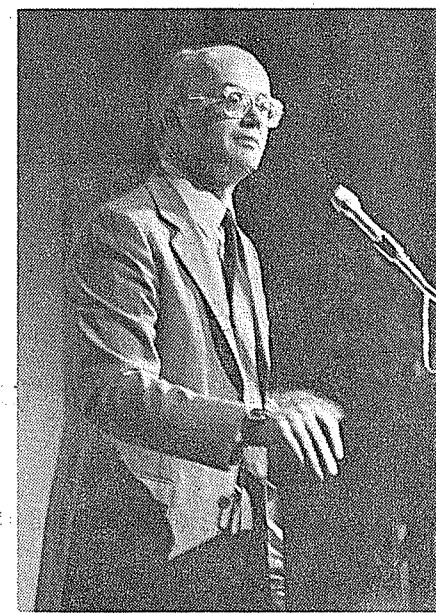
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Resource Development Council President Chuck Herbert greets Secretary Watt at a welcome rally organized by RDC.



RDC President Chuck Herbert and Executive Director Paula Easley prepare to present Secretary Watt with petitions bearing the names of over 9,000 Alaskans who support his policies. At right, the Secretary is all smiles upon receiving the petitions.



Secretary Watt's address before a standing-room-only crowd of 900 at the Hotel Captain Cook was well received.

Report Shows Feds Have Edge

Federal employees enjoy an average 4.7 percent edge in fringe benefits, plus job security worth 6 percent, giving them a total advantage of 10.7 percent over their counterparts in business and association, reports a three-year study of the Office of Personnel Management. Cost-of-living allowances from 17-25% of gross earnings give federal employees in Alaska an added edge.

However, federal unions are denouncing President Reagan's proposed 4.8 percent annual pay raise for the government's 1.4 million white-collar workers as politically motivated and a further slap at civil servants who are being hit with budget and job cuts. Ken Blaylock, president of the American Federation of Government Employees, said the proposed raise is far less than the rise in the cost of living and is not only unfair, but totally insensitive to government workers who suffer from inflation like everybody else."

Reagan, saying his decision would save taxpayers \$4.5 billion a year, rejected government salary data showing it would take an average 15.1 percent increase to equalize pay with comparable jobs in private industry. The President said his proposal is based on total worker compensation and aligned himself with the Office of Personnel Management study which contends that federal fringes are higher than in the private sector.

The old pay comparability system said government employees should have had a 13.5 percent raise last fall instead of the 9.1 percent raise approved by President Carter. If the new study had been in force, the proper raise would have been 8.8 percent.

Using data compiled by the Bureau of Labor Statistics on private benefit packages, the analysts assigned values to them and to comparable federal benefits, using a standard cost method. The system balances off such differences as the early federal retirement age and the fact that bureaucrats don't get social security and have to pay taxes on their pensions.

Comparison of federal with Business Fringe Benefits

	Federal	Private
Basic Health Benefits	\$760	\$1,045
Retirement	28.2%	16.7%
Life Insurance	.3%	.5%
Secondary benefits (car, profit sharing, stock purchase, bonus...)	.3%	5.5%
Average yearly hours	2,080	2,062
Leave and vacation time	367	360
Retirement age	55	65
Fringe benefit Advantage	4.7%	---
Value of job security	6.0%	---
Total Advantage	10.7%	---

SOURCE: Office of Personnel Management

Maritime - Port Meeting Set in Anchorage

A Conference on Maritime Commerce and Port Development in Alaska will take place September 21-24 at the Anchorage Sheraton Hotel.

Sponsored by the Department of Transportation and Public Facilities, Corps of Engineers, United States Coast Guard and the Maritime Administration, the conference will cover a wide range of topics dealing with resources, commerce, port operations and administration, facilities and technology and legislation and regulation.

Three workshops have been set up, including a Wednesday afternoon session on port needs for resource development. Major luncheons have been scheduled for Tuesday and Wednesday and guest speakers include Lt. Gov. Terry Miller.

Registration may be obtained by calling Brenda Melteff at the University of Alaska Sea Grant Program in Fairbanks. Registration will also be available at the door beginning at 4:00 p.m. on Monday, September 21. Advance fees are \$40 and \$50 if paid at the door.

Resource-oriented members of RDC are urged to attend this informative conference, particularly the workshop session scheduled Wednesday.

WESTPO Opposes Limit On Coal Tax

Western Policy Office (WESTPO) governors agreed to combine their resources in a multi-state program to oppose Congressional efforts to place a limit on state coal severance taxes.

In a recent Denver meeting, the governors agreed to form a Gubernatorial Steering Committee to develop and implement a collective, regional approach by the western states to combat federal interference with state taxing authority which is inherent in the proposed severance tax legislation.

Two bills have been introduced in Congress to limit state coal severance tax to 12 and a half percent. The Senate bill, S. 178, differs from the House version, H.R. 1313, by applying the limit only to coal produced on federal lands. The House bill would place a tax ceiling on all coal. The bills will be considered by the full Committee on Energy and Natural Resources in the Senate, and the subcommittee on fossil and Synthetic Fuels of the Energy and Commerce Committee in the House.

Governor Ted Schwinden (MT) chairs the WESTPO Steering Committee which will act to mobilize resources to develop useful data, allocate revenues, determine the anticipated costs of energy development and assess the regional impacts of selected state taxes. Other WESTPO governors will be invited to participate on the Committee.

In arguing against limits on state coal severance taxes, WESTPO governors have traditionally cited a major reason for maintaining taxing authority:

The ability of a state to raise revenue to provide for the needs of its citizens is a basic authority provided by the federal system. If Congress can reduce the coal severance tax in Montana to produce cheaper electricity for the rest of the nation, it can reduce the oil severance tax in Texas and Louisiana to produce cheaper gasoline, the forest products tax in Oregon to produce cheaper lumber, the iron ore tax in Minnesota to produce cheaper steel products and the single business tax in Michigan to produce cheaper automobiles.

RDC Says Alaska Railroad Transfer To State Must Include All Existing Rights-of-Way

Portions of proposed Federal legislation by Senators Ted Stevens and Frank Murkowski on the transfer of the Alaska Railroad to the State of Alaska have drawn stiff opposition from the Resource Development Council.

Although RDC supported State acquisition of the Railroad at the Senate Committee Hearings last month, Ron Hauver, Chairman of the Council's Transportation Division, says the legislation as currently proposed is not appropriate because it would make it impossible for the State to extend the ARR. The proposal has excluded existing railroad rights-of-way across both federal and patented land.

One original purpose of the Alaska Railroad was to provide the transportation means which would enable private enterprise to develop the natural resources of the interior, Hauver noted. "The purpose of any transfer to the State should have the same goal and should not place any impediments to its accomplishment," he said.

Hauver says the bill is a wholly unwarranted denial to the State of power to use the right-of-ways which are now reserved on private lands for the benefit of railroad expansion. He said the rights-of-way reserved

represent a valuable and essential asset to assure the future viability of the Alaska Railroad.

The cost to the State and its taxpayers of acquiring these same rights-of-way through exercise of the power of eminent domain would be enormous, perhaps prohibitive, and would probably involve time-consuming litigation. The RDC spokesman indicated that the provisions of the legislation to transfer the ARR should not delete any interest which would be needed for expansion.

RDC considers the Stevens-Murkowski bill less than fully responsive to Alaska's needs because it does not encourage future expansion. Hauver said certain corridors which would be given early consideration for expansion of the Railroad to the north and east already have been tentatively identified.

"Alaskans don't want to be saddled with interminable litigation," Hauver said. He urges Congress not to hoist the Railroad on Alaska with only a portion of the assets needed for its continued viability and extension.



An Alaska Railroad train pulls into Talkeetna.

Red Deer Prospers With Petrochemicals

Continued . . .

chemical plant or the recently announced additional plants, which are being built outside the city. Scott says many new projects have developed since 1975, including the construction of four major hotels, a convention facility, new shopping complexes,

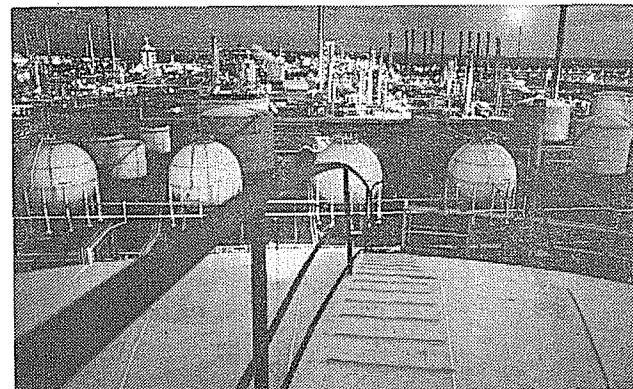
development of a number of small industries and a complete industrial park, a new regional hospital, a government center, college facilities, office buildings consisting of 1.3 million square feet and a soon-to-commence court house.

"We used to have only one major department store in Red Deer," Scott smiled. "Now we have five major department stores and a lot of other facilities." The list goes on and on. "If you've got a problem with your teeth, you can phone a dentist, and usually get in to see him the next day," Scott continues. "You used to wait three or four months."

"Prior to 1975, Red Deer was a quiet city...it was a pretty city and the citizens were friendly," Scott remembers. "Business people in the community looked forward to Thursday, because that was auction day, and therefore the busiest business day of the week."

"In 1981, Red Deer is a bustling city of 45,000 people. It is still a pretty city, inhabited by friendly people. Thursday is still a busy day in Red Deer, but so are the other five business days, and the business community has never had it so good."

Our thanks to Ben Harding of the Fairbanks North Star Borough for sending us Mr. Scott's comments.



New technology provides for a clean environment surrounding this petrochemical facility in The Netherlands.



Secretary Watt is surrounded by RDC members, including President Chuck Herbert, Executive Director Paula Easley and at far right Deputy Director Joyce Munson, at the welcome rally.

Watt Receives Warm Welcome

All elements of a Resource Development Council welcoming campaign for Interior Secretary James Watt were a complete success, says the Council's elated executive director.

"It was a lot of work and expense, but it was worth it," said Paula Easley. "Our public efforts were designed to neutralize the 'Dump Watt' campaign staged by environmental groups."

A petition drive which netted over 9,000 signatures, an airport welcome, a rally at the Hotel Captain Cook and a newspaper-ad with almost 2,000 names in it was organized by RDC for Watt's arrival in Anchorage August 9. At the hotel rally August 10, scores of RDC members and friends paraded politely in single file, dressed in business suits and work clothes, out of the way of hotel guests. Meanwhile, long-time Alaskan Rex Harmes led a parade of horses and riders, carrying the American and state flags and a huge welcome banner, through downtown streets.

Secretary Watt was quite impressed with the event and greeted each rider and others in the rally before receiving the large stack of petitions from Easley.

"We hoped any network coverage would show both sides or nothing at all," Easley said. "Because of our efforts, two of the networks did not get the story they wanted, so it wasn't used. One showed our rally and not the protest!"

Easley is especially pleased with news coverage in major newspapers across the nation regarding the broad support Watt enjoys in Alaska. An Associated Press picture of Watt receiving the petitions bearing the names of thousands who support his policies was recently printed in major newspapers

across the nation.

The welcoming would not have been as successful without the dedicated efforts of a welcoming committee comprised of over 100 Alaskans. These people worked long hours planning the events. Laborers Local 341 and the Anchorage Central Labor Council not "big business" as one environmental group charged -- funded all costs of the rally. Volunteers carried such signs as "We're for development and a clean environment," and "You've got our support."

RDC thought it might be nice to present the Secretary's wife, Leilani, with photo albums and a scrapbook of her husband's visit to the 49th state. The photo albums and scrapbook containing detailed newspaper clippings of the visit will be hand-carried to Mrs. Watt.



RDC's Chuck Herbert leads the welcome Jim Watt parade through downtown Anchorage.

Watt Calls For Common Sense Action

Continued . . .

According to Watt, industry has been given an opportunity to identify those areas which it believes have the greatest potential. "We are examining those areas, plugging in the estimates of the U.S. Geological Survey, and assessing environmental effects," Watt said. "Appropriate tracts will be offered for lease and then exploration can begin."

Watt's remarks were received warmly as he was interrupted by applause many times and given two standing ovations. After his Anchorage meeting, Watt toured Denali National Park, Fairbanks, Bristol Bay, Katmai National Monument and Glacier Bay National Monument.

Before returning to Washington, D.C. on August 16, Watt joined Lt. Gov. Terry Miller in Juneau to ink a major out-of-court settlement pledging each year to give Alaskans at least 13 million acres of its long-delayed statehood land entitlement. Watt, to the surprise of his critics, also made permanent regulations limiting powerboat travel in Glacier Bay to protect whales during a study period to determine why they have sought new feeding grounds. However, during his visit, Watt made no specific promises to immediately respond to the pleas of Governor Hammond and others that he postpone or cancel accelerated federal offshore oil lease sales in Alaska coastal areas, particularly Bristol Bay. Watt said the Interior Department will make its final decisions on Bristol Bay lease sales in several months, possibly in January.

Coal Policy Group's Proposed Tax Hike Draws Strong Opposition

A proposal by Governor Jay Hammond's Coal Policy Group to boost Alaska's tax on the state's developing coal industry has drawn strong opposition from industry officials who say it will increase the cost of mining and weaken their efforts to market coal in the Far East.

Bill Noll, vice president of Suneel Alaska Corp., the state's first and only foreign coal customer, says the tax and royalty increases threaten the fragile balance that now makes Alaska coal competitive. "It's a buyers market as far as Alaska coal is concerned, and those buyers must be convinced that they are getting a commodity they can use at a price which is at least competitive," Noll said. "Obviously, Suneel and the Korean users will be watching carefully for any unexpected upward motion in coal costs which will throw that fragile balance into a negative stance."

Suneel Alaska is the local branch of the shipping company that will transport more than seven million metric tons of coal to South Korea customers during the next decade. A ten-year contract has been signed between Suneel and the Usibelli Coal Mine, but according to Healy miner Joe Usibelli the Koreans may choose not to extend the contract if the state's tax policies are unfavorable.

The Coal Policy Group recommended the state adopt a 3%

severance tax to replace the current state mining license tax. It also proposed that royalties be tied to the adjusted gross value of the coal rather than set on a cents-per-ton basis.

Usibelli said the severance tax alone could add between \$1 and \$1.50 a ton on the coal from his mine about 100 miles south of Fairbanks. "The severance tax is about two to three times what we pay now," Usibelli said. "That cost will be passed on to the buyers and they will have to pass it on to the customers."

Usibelli fears that foreign buyers may shift to Australian or Canadian coal if the price here climbs too much. Usibelli also said the proposed royalty leasing rates were too high and urged the state to adopt firm rather than flexible royalty rates. "We agree that the current royalty rates are probably too low, but five percent is too high," he said. "When they say no less than five percent, it means maybe 110 percent and that's unworkable."

The long-time Alaskan miner pointed out, however, that industry officials support the coal group's recommendations regarding strip mining reclamation policies and state-backed financing.

RDC's recommendations are being formulated for submission to the administration this month.

Reagan Aims To Cut Unneeded Regulations

When President Reagan entered office he pledged to revamp the role of the federal government as a regulator of American business. After nine months in office, Reagan appears to be keeping his word to business.

Between January and July, the Reagan administration has delayed, withdrawn, rewritten or targeted for review more than 100 regulations. Nearly all are aimed at curbing the government's power to dictate how industry, states and local communities should conduct their affairs.

Only 31 of the 182 regulations pending since last November are now in effect while 29 have been withdrawn. Twenty regulations have been postponed, six downgraded to minor rules and three vacated by executive order. Only 20 new proposals have been announced by the federal government since November.

The administration is considering easing regulations affecting auto pollution and safety standards, environmental barriers to mining and industrial development, affirmative action requirements for employers, restrictions on drug and chemical manufacturers, industrial pollution and waste disposal, nuclear plant licensing, hospital planning and shipping operations.

Reagan says he is aiming to eliminate unneeded and costly regulations and to reduce the government's presence in the private economy.

Secretary Watt Takes On Regulations

In 1789 Thomas Jefferson wrote: "The execution of laws is more important than the making of them." Today any observer of the federal bureaucracy's tendency to write 50 pages of regulations to carry out one page of law can appreciate that statement made 192 years ago.

In the 1970s we saw an explosion of federal regulations. In fact today it's our number one growth industry. Business spends \$100 to \$150 billion a year complying with these regulations — many of them absurd and inappropriate — and Secretary of Interior James Watt believes some of these can be eliminated.

Interior Secretaries Andrus and Udall were not pro-development, so the regulations reflected that philosophy. James Watt recognized the profound effect excessive regulation has on our nation's economic security, on inflation and unemployment and has set out to do something about it. It is in the national interest that he do so.

Red Deer Prospers With Petrochemicals

Nestled in a parkland setting in Central Alberta is the relatively small city of Red Deer. In 1975 the population of Red Deer was just under 30,000 after an annual 1.64 percent growth rate over the past decade. The economy of the area was based on agriculture and the community depended heavily upon the surrounding communities, as they provided an additional population of 75,000 people.

However, by 1975 the petroleum industry had taken over as the number one employer in the area. Nevertheless, principal industries remained agriculture-oriented, with such facilities as packing plants, rapeseed crushing plants, short-line farm machinery manufacturing, a small brewery and a very large dairy products processing facility.

To the liking of Red Deer residents, the community suddenly changed. The growth that Red Deer had so long anticipated and desired came about with the construction of a major petrochemical facility.

Speaking before the Fairbanks Chamber of Commerce, Alan Scott, Director of Economic Development for the City of Red Deer, traced the development of Red Deer and the impact of the petrochemical facility upon the community.

In late 1974, "almost as if it was a Christmas present, the Alberta Gas Ethylene Company, announced plans to make application for the construction of a world scale ethylene extraction plant at the village of Joffre, about 12 miles east of Red Deer," Scott said. "The development would cost \$300 million and, during construction, would employ as many as 1,600 persons. When

completed, 170 to 180 highly skilled technicians and engineers would be employed to operate the plant," Scott said.

Scott explained that the plant would use natural gas as its feedstock, and "would conform with the most stringent environmental standards." Water from the Red Deer River would be utilized for cooling processes, and would be returned to the river "as clean if not cleaner than when it was extracted."

In the fall of 1975, Alberta Gas Ethylene received the necessary approvals to proceed with the construction of the facility. (*Editors note: We should have Alberta do our permitting!*) Suddenly changes began to occur. A much higher demand for housing was noted as key personnel from the main contractor, Dow Chemical Corp., settled in.

But of more immediate importance than the increased activity, was the changed attitude of Red Deer citizens, Scott said. "All of a sudden we realized that we did have a future, and that we hadn't been forgotten, and that we were going to prosper, and grow, and create opportunities for our young people." Scott said.

Scott admitted that the city and its residents were caught by surprise as to the impact of the development. "We're talking about an industry which was expected to take three years to construct, and during that time about 40 key employees would be living in Red Deer," Scott explained. "Once Alberta Gas Ethylene was in production, about 180 families would derive their livelihood from the plant...so when you look at this type of

employment factor, it's easy to assume that the demand upon services would not be that much greater."

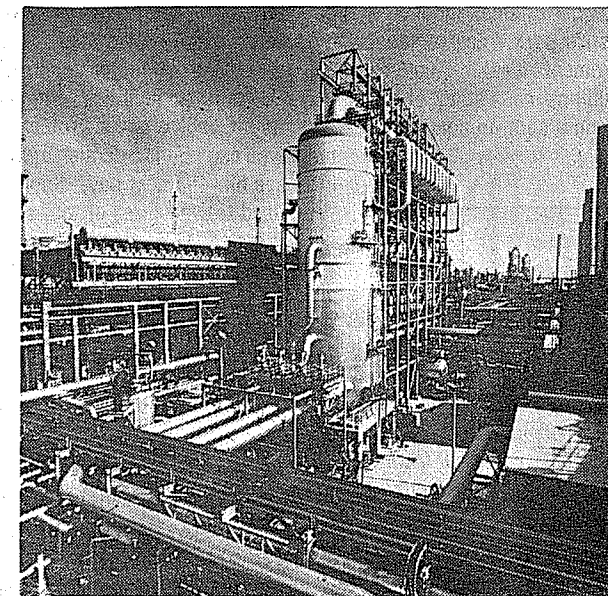
But Scott said "we hadn't considered the psychological impact of an investment of \$300 million, with an indication of future investments to occur, and the spin-offs that were possible." Scott added, "It would take us four and a half years before we were able to again say we had an inventory of building lots."

However, Red Deer's growth was not without some pain. Prices of virtually everything have increased in the six years since the decision was made to go forward with the plant. Building lots which sold for \$6,000 in 1975, are now selling for \$22,000. A new house in 1975 would have probably cost about \$30,000, according to Scott, but today the same house would be \$85,000. Scott said taxes have increased, utilities costs are substantially higher and the crime rate has increased.

"But have these changes occurred solely because of the development of the petrochemical industry near Red Deer? Scott says probably not, since costs are up across North America. He said a building lot in Red Deer is still cheaper than one of Edmonton or Calgary.

Today the population of Red Deer is approaching 46,000 and during the past six years, the city has issued over \$200 million worth of building permits, excluding the petro-

(Continued page 8)



Complex piping systems, like those pictured here, are typical to petrochemical operations. These operations can bring new technology and wealth beyond mere additional city revenues to the communities in which they are built, as the community of Red Deer, Canada discovered.

RDC, AOGA Push For Reduced Regulations

The combined efforts of the Resource Development Council and the Alaska Oil and Gas Association may have persuaded Governor Jay Hammond from implementing the Uniform Procedures Regulations.

During the past legislative session, the Senate addressed permit reform through creation of SB 84, which would result in sweeping changes in the state's permit procedures. SB 84 failed to pass and Hammond's Uniform Procedures Regulations were adopted. However, the regulations have yet to be put into effect as the House and Senate will likely pass the final version of SB 84 early in the 1982 session.

In a strongly worded letter addressed to Hammond, RDC Executive Director Paula Easley urged the Governor to refrain from implementing the new regulations and encourage speedy legislative approval of regulatory reform bills. She called SB 84 a bill that is "truly aimed at correcting the problems of permit processing," while faulting the administration's regulations as a "blatant abuse of power which will only support the interests of no-growth and no-development philosophies."

Easley says she cannot understand why the administration has dismissed out of hand the substantive research compiled by the Alaska Oil and Gas Association which supports the contention that the proposed regulations are a "roadmap to disaster." AOGA spent some 385 man hours researching the impact of the new regulations and formulating a flow chart which dramatically reflects why the oil industry is alarmed with the state's regulation laws.

Easley asked Hammond to consider the view of RDC's membership of nearly 10,000 citizens. "These are people who want to build homes, move equipment, construct bridges, harvest fish and trees, extract and process resources, etc., and they run the gamut from taxi drivers to school teachers to government workers," Easley said. "It is their interest, their livelihoods and their quality of life that concern us. The uniform regulations can only succeed in making their lives unnecessarily miserable."

Easley concluded her letter by imploring Hammond to reconsider his position. "The State of Alaska will be better served if the concerns of the majority of its citizens are addressed now, rather than having to admit the new system failed after much damage has been done."

Apparently Governor Hammond has reconsidered his position to the advantage of the state and its citizens.

RDC Appoints

NBA's Steven Hasegawa Named Trade Advisor

Steven H. Hasegawa has been appointed International Trade Advisor to the Resource Development Council, according to its president Chuck Herbert.

Hasegawa is Senior Vice President of National Bank of Alaska and Director, Secretary/Treasurer of NBA International Banking Corporation.

As the Council's International Trade Advisor, Hasegawa will direct the group's activities to attract foreign investment and expand export markets for Alaskan resources and goods. Hasegawa will assist the Council in determining major factors influencing foreign investment decisions and in formulating policy recommendations for improved state trade activities.

Born in Toyko, Japan Hasegawa became a naturalized U.S. citizen in 1962. He graduated from Meiji University in Toyko in 1955 with a Bachelor of Arts Degree in Economics. Four years later Hasegawa earned a BA Degree in Business from the University of Washington in Seattle.

Hasegawa is a member of the Alaska-Japan Chamber of Commerce and the District Export Council.

NOTEABLE QUOTES

"Only government can - and does - create jobs in order to serve needs we didn't know we had, in a manner which we definitely know we don't want."

Jesse Carr, Secretary/Treasurer
Teamsters Local 959

"Courage is a quality most often displayed when there's no alternatives."

Malcolm Forbes

"A ship in harbor is safe - but that is not what ships are built for."

John A. Shedd

"Recently released results of a government-funded study show there is a lot of money to be made doing government-funded studies."

Robert Fleming

"In times past, we in the United States have always been proud to believe and to proclaim that we were basically a self-sufficient nation. If we needed more food, we grew it; if we needed more raw material, we mined it or pumped for it; if we needed more machinery, we built it; if we needed new technology, we invented it."

"The case for our agricultural self-sufficiency is still strong, but that is not the only case that can be made. The OPEC oil embargo showed us all, through long gas lines, just exactly how insufficient we are in that important area. And when we look at our non-fuel minerals position today, the self-sufficiency myth is completely destroyed. In terms of many essential non-fuel minerals, the U.S. is a have-not nation."

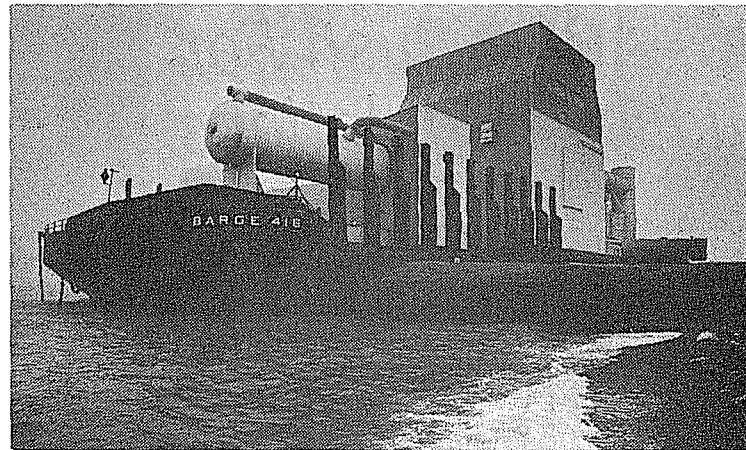
"I believe it's a gross contradiction to think that we can maintain our position as a first-rate military power with a second-rate industrial base. It's never been done in the history of the world."

General Alton D. Slay,
Commander, Systems Command
United States Air Force

"Business is looked at by most people as either a wolf to be killed or a cow to be milked. Why don't they recognize it as the horse that pulls the carriage?"

Anonymous

What Is Really Happening At Prudhoe Bay?



Large ocean-going tugboats were used to pull 14 barges to the North Slope in the 1981 sealift.

According to Paul Norgaard, President of Arco Alaska, Inc., the most significant happening at Prudhoe Bay today is the daily production of 1.5 million barrels of oil through the pipeline. Norgaard joined two other oil industry executives in updating a Resource Development Council breakfast audience August 20 on North Slope activities.

The number one priority at Prudhoe Bay this year centers around the summer barge flotilla, Norgaard says. Heavy equipment to be used in second-stage recovery from the Prudhoe Bay deposits is in modules, some of which are ten stories high and weigh 2,000 tons. The modules are now moving across the tundra at very slow speeds after being unloaded from the barges. They will soon be linked to wells in the area.

The equipment in these modules will drain off gas and thus speed the flow of petroleum up the well pipe. The \$1.5 billion addition to field equipment this summer will add 1.2 billion barrels to the life of the field, Norgaard says. In 1982 an additional \$2.5 billion will be invested in the field, Norgaard revealed.

"We've invested about \$6 billion so far in Prudhoe Bay and we plan to invest an additional \$6 billion in the coming years," Norgaard said.

A sizeable portion of the oil industry investment is targeted for

the Kuparuk field, believed to hold about 750 million barrels of recoverable oil. Initial facilities were installed last year and an oil and gas processing plant is being built this year, Norgaard said.

Production from the Kuparuk field will begin in 1982. The field is expected to produce 60,000 barrels a day shortly after startup and reach a peak of 100,000 barrels a day in several years.

The Prudhoe Bay Field (Sadlerochit deposit) is believed to hold 30 billion barrels of oil of which more than 9 billion barrels are said to be recoverable. However, Robert Vickery, President of Arctic Alaska Drilling Company, told the group the Sadlerochit deposit would begin a sharp decline in about eight years. In 1984, Vickery says the industry will begin a water injection program to shove the remaining oil toward the existing wells. This will cost \$1.9 billion and will increase by 1 billion barrels.

According to Sohio Alaska Petroleum Geologist Bob Metzger, Prudhoe Bay production will continue for about 30 years and possibly beyond because of technological breakthroughs. He rates the Prudhoe Bay field as a "semi-mature exploration area." New exploration activity is underway on the North Slope, Metzger says. Promising areas include Sag Delta, Duck Island, Flagstan and Lisburne. Overall 5,000 people now work on the North Slope, 2,000 in production and drilling operations and 2,500 in construction.

Energy Bureau Sets Two-Day Conference

The Energy Bureau is holding a two-day conference on Alaskan Energy Development November 5-6 at the Sheraton Washington Hotel in Washington, D.C.

Participants in the conference will analyze and discuss, with leading experts from industry, finance, state and federal government and the legal community, the forces and factors shaping Alaskan energy development onshore and offshore. A detailed look at resource development, energy tax policies and regulations, the Alaska Lands Act, native corporations as well as the latest estimates of crude oil, natural gas and coal will occur. The conference will also examine the recently completed Dow-Shell Group Petrochemical Study.

To register, call Anna Denton at 212-687-3178 or write, The Energy Bureau, 41 East 42nd Street, New York, New York, 10017. Registration fee is \$650.

You're Invited . . .



The Resource Development Council stages breakfast meetings each Thursday at 7:15 A.M. in the Anchorage Elks Club. The public is invited to attend these meetings which feature local and nationally known speakers. For information and reservations, call 278-9615.