

Modern Technology Propells Peat Into Jet Age

The trouble with peat is that nobody takes it seriously. Mention peat and people think of old Ireland, where the ancient, obscure fuel is used on many farms. But the fact is, peat is the second largest fossil fuel in the world, containing more recoverable BTUs than petroleum, natural gas and shale oil combined. Moreover, it burns faster and more easily converts into synthetic fuels than coal. Fifty percent of the United States' peat resource is in Alaska.

Modern technological advances--developed in Sweden and Finland--have recently overcome problems associated with the harvest and use of peat, propelling one of our earliest energy sources into the modern age.

Peat is an accumulation of the undecomposed remains of grasses, trees, mosses and other marsh and swamp plants in a wet and cold environment. The water content of peat is normally 80 to 90% of weight.

The traditional method of harvesting peat entails extracting a thin surface layer of the fibrous mat and allowing it to dry in the sun. The resulting "product" has a very low density, which causes high storage and transportation costs, and is quite dusty, creating an ever-present danger of dust explosions, not to mention the problem of air pollution.

Large areas are needed for the field drying, resulting in expansive, dusty "brown deserts" and drainage ditches which create a more acidic water than normal surface runoff. Due to the

requirement of two weeks of rain-free weather, harvesting is seasonal and can vary substantially from year to year.

Rocketing peat into the jet age is a new process called "Wet-Carbonizing," wherein the wet peat is cooked at 200°C, breaking down the water-retaining colloids and opening the micropores. This enables 90% of the water to be squeezed out, producing an easily handled and transported, high-density pellet. The process has been known for more than a century, but was impractical until the recent development of new pulping, dewatering, pelletizing, pumping and water purification technologies and equipment.

The resulting fuel is comparable to coal but with very low sulphur and ash content. It is faster burning than coal and has lower transportation costs. Land reclamation is less expensive and easier than for coal strip mining operations, and can result in the conversion of wetlands into drier, productive agricultural lands.

Harvesting peat by "wet-carbonizing" can be carried out year-round and the peat can be "mined" vertically, allowing the extraction to be concentrated in a small area. Large areas for field drying and drainage ditches are not required and much higher production rates and lower costs result.

A pilot scale plant for the production of "PDF" (peat derived fuel), has been built and run experimentally in Finland. Although cost figures are yet to be substantiated, extrapolations from test

runs indicate a product cost of \$2 to \$3 per million BTUs. This compares with \$2.50/MMBTU for coal, \$5.00 for #6 fuel oil and \$4.00 for natural gas. Costs for products from an Alaskan operation are unknown.

Markets for the new fuel include commercial and residential users. Older boilers capable of burning coal but prevented by air quality regulations from burning fuels containing sulphur can be easily converted to PDF without the cost of sulphur controls. Peat derived fuels low ash content reduces problems of ash disposal.

Residential space heating is another potential market. Lower sulfur and ash content of PDF and its uniform fuel properties provide advantages over coal, wood chips and other exotic fuels.

Peat's high chemical reactivity makes it easier to convert to synthetic fuels through gasification and liquefaction, and other chemical derivatives show high potential as well.

Alaska has the only supply of peat on the Pacific Rim. Thirty million acres of potential fuel grade peat--an energy resource equal to an oil reserve of one hundred billion barrels--exist in Alaska (excluding permafrost areas). Significant amounts lie in the Kenai Peninsula, Matanuska Valley, Western Alaska and in the Interior's broad river valleys.

Environmental concerns are similar to the development of coal except for the advantages noted earlier.

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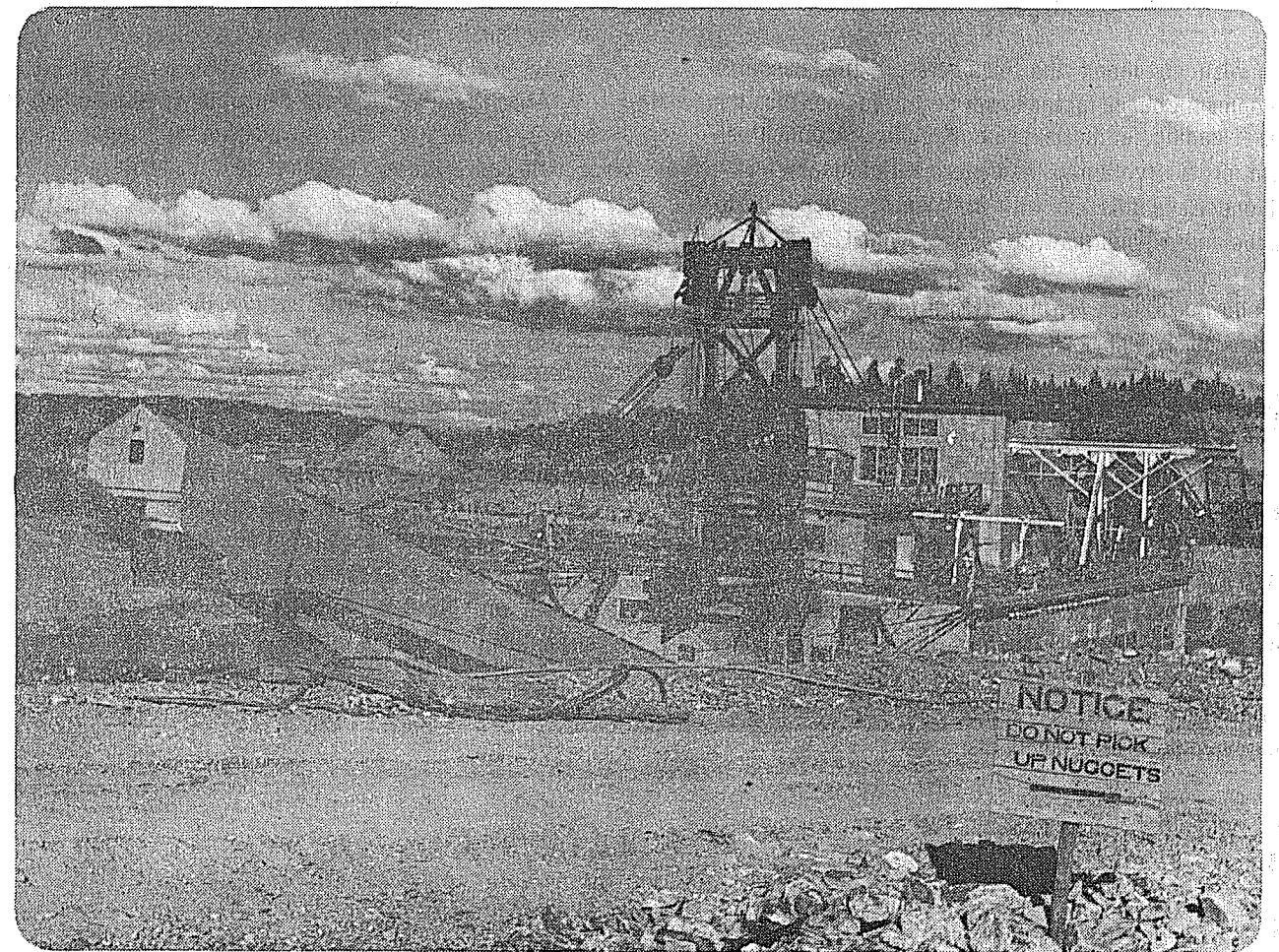
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Resource Review

April-May 1982



Placer dredge at Ester, near Fairbanks, in 1947.
Photo by: Oro Stewart

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President's Message

by
Mano Frey

I wish to thank the members of the Resource Development Council for the honor bestowed upon me...the honor of leading, for the next year, this citizens council well known for its devotion to the betterment of Alaska.

I undertake this job with a sense of urgency -- to continue and expand the work of the Council.

Following Chuck Herbert as president of RDC, is an awesome task. Chuck has been a leader in Alaskan endeavors for many years...and it has been a pleasure to work so closely with him during this past year.

Alaska is poised. We are on the verge of greatness. Our oil and natural gas; our fisheries; our hydroelectric potential; our agriculture and timber lands; our minerals and our coal, are all destined to play world-class economic roles.

Our greatest resource, however, is our people. And our people's aspirations are nowhere better reflected than today.

This Council is a forum for labor and management, for local government and individuals.

New President, Executive Committee, Officers Elected At Annual Meeting

Mano Frey, Business Manager of Laborers Local 341, has been elected president of the Resource Development Council.

Outgoing president Charles F. Herbert handed the gavel to Frey at the Council's annual meeting April 16 at the Anchorage Sheraton Hotel. Herbert, a former Alaska Department of Natural Resource Commissioner, works as a mining consultant in Anchorage.

Frey joined the Laborers union in 1971 in Valdez. He worked in the position

of Business Manager for one year.

Frey also serves on the board of directors for the Boy Scouts and has for the past year served as vice president of the Resource Development Council's Executive Committee.

Other Executive Committee officers elected were vice presidents Dorothy Jones, Matanuska-Susitna Borough, and Bill Sumner, Aviation Alaska. Bob Swetnam, Phillips Petroleum, was elected secretary and Darrel Rexwinkel, Calista Corp., was chosen treasurer.

The Council is a common ground where divergent Alaskan interests can present views and become involved in issues of the day.

As a non-partisan organization we listen to and appreciate others' thoughts and approaches, outside the rhetoric of political campaigns or the adversary arena of bargaining sessions or the courts.

This common ground -- this openness -- and this recognition that one faction of society cannot do without the others, is the secret of the success of the Resource Development Council.

In my job I represent labor...and labor has always been a strong element in the Council.

But, as president of the Resource Development Council I will work toward the common goals we have established for the benefit of all Alaskans.

As I said before, Alaska is poised.

After nearly eight years of counting and spending our state's oil wealth; after evaluating our potential and studying our options, the 49th state is ready to start moving again:

A new governor with fresh ideas and new approaches, with a dedication to progressive development of Alaska's resources will assume the leadership of our state.

As RDC's president, I want to assure whoever may lead the new administration that we will be right there working with him to bring Alaska to greatness. We have laid the ground work and I for one, believe it's time for the ceremony. I hope all of you, whatever your interest, whether it be in the board room of a resource industry, the council chambers of local government, riding the seat of a D-8 cat, or whatever, I hope you will help us continue and strengthen the work of the Resource Development Council.

Jobs, opportunity and an enhanced environment will be the result of our efforts.

Thank you.....

The 1982-83 Executive Committee also includes E.W. "Pete" Casper, Green Construction Company; Ethel H. "Pete" Nelson, Texaco; John Abshire, Iron Workers Local 751; Joseph R. Henri, Builders for Alaska; Robert Fleming, former Alaska broadcaster; O.K. "Easy" Gilbreth, Alaska Oil and Gas Association; H. Glenzer, Jr., Associated General Contractors; Jed Holley, business consultant; John Kelsey, Valdez Dock Company, and Tom Pargeter, National Bank of Alaska.

NOTEABLE QUOTES

"The first great fact about conservation is that it stands for development."

"There has been a fundamental misconception that conservation means nothing but husbanding of resources for future generations."

"There could be no more serious mistake."

"Conservation does mean provision for the future, but it means also and first of all the recognition of the right of the present generation to the fullest use of all the resources with which this country is so abundantly blessed."

"Conservation demands the welfare of this generation first, and afterward the welfare of generations to come."

Gifford Pinchot, noted conservationist and first Chief of the U.S. Bureau of Forestry in approximately 1910.

"I've been at a lot of hearings where so-called environmentalists say, 'Well, why don't you use some natural compound?' and I say, 'Well, how about taking some oak leaves and putting those in a bucket of sea water and adding, say, lemons or orange juice to it and boiling it in a pressure cooker?' And they say, 'Yeah, that's fine!' And I say, 'Yeah, that's called 2,4,5-T.'"

Richard Main, American Agribusiness

"Our aim is to gain control of the two great treasure houses on which the West depends - the energy treasure house of the Persian Gulf and the mineral treasure house of Central and Southern Africa."

Soviet President Leonid Brezhnev

"It would be little short of disastrous for us to discover a source of clean, cheap, abundant energy because of what we might do with it. We ought to be looking for energy sources that don't give us excesses of concentrated energy with which we could do mischief to the earth and to each other."

Soft Energy Path
Author Amory Lovins

Indoor Pollution May Kill 10,000

The Department of Energy's recently proposed program to achieve more energy efficient buildings by reducing air infiltration would substantially increase indoor pollution, possibly leading to 10,000 additional cancer deaths in the United States each year.

In a recent edition of the *Journal of Contemporary Studies*, David Bodansky, chairman of the Department of Physics at the University of Washington, reported that the greatest danger from radiation was not from nuclear power, but by programs to conserve energy in homes. Excess radiation develops from the increase in indoor radon concentration when air circulation is reduced.

Bodansky's studies indicated that if commonly favored plans were implemented for the weather stripping of houses and the reduction of wasteful air flow through them, indoor radon would definitely increase. His predictions agreed with the Environmental Protection Agency which contends that if air flow were substantially reduced in all residences, the increased likelihood of exposure to radon alone could result in a potential increase of between 10,000 and 20,000 additional deaths per year due to lung cancer. DOE disagreed with EPA's estimate, believing the potential effect to be substantially less because not every home would undergo the suggested buttoning up.

Numerous articles and conferences on indoor pollution are occurring with greater frequency as the dangers of radon become more apparent.

In an article appearing in the December 1980 issue of *Health Physics*, Dr. Bernard L. Cohen of the University of Pittsburgh showed that, if one adopts the currently accepted estimates of the health effects of low-level radiation, radon would be killing 10,000 persons each year.

Although indoor pollution in general and radon pollution in particular pose great risks, they are without a constituency, Bodansky asserted. "To be taken seriously by society, a risk apparently needs a group of people who feel so strongly about the risk, or the activities that produce it, that they will keep pressing upon society to recognize the risk and to react to it," Bodansky wrote.

Nuclear power risks have a large constituency, with a core of people predisposed and even eager to believe the worst of nuclear power, Bodansky said. "It is hard for people to recognize that a program apparently as benign as conservation could have radioactive consequences more serious than several 'worst case' reactor melt-downs, or thousands of Three Mile Islands."

In Alaska, new homeowners can expect a rise in indoor and radon pollution as the state is currently developing lighting and thermal standards for new buildings when state financial assistance is used.

Poll Shows 68% Support

A poll conducted by the Seattle-based firm of Communication Design, Inc., shows that 68 percent of Washington state residents strongly favor construction of the Northern Tier Pipeline.

Commissioned by Northern Tier Pipeline Company, the poll surveyed 600 residents between February 21 and March 3, 1982. Last month Washington Governor John Spellman rejected Northern Tier's application for state approval of its proposed pipeline and oil port.

Cortlandt S. Dietler, Chairman and Chief Executive Officer of Northern Tier, said the poll "clearly points out that the majority of the citizens and taxpayers of Washington perceive Northern Tier as being in the best interests of the state." He pledged to continue pursuing the pipeline application.

Persons favoring construction of the pipeline point to new jobs, economic stimulation, energy demands and security as reasons for their stand. The poll revealed 32 percent of those surveyed oppose the pipeline.

Hydropower: A Direct Dividend

Alaska is confronted with a golden opportunity that could easily become the most extensive and long lasting mistake in its history. How it spends or invests its unique oil wealth now will set the stage for the cost of living and quality of life for generations to come.

The state can spend its oil money on new and enlarged state programs, improving quality of life immediately, or invest it in projects which will improve the economic base of the state and

reduce the cost of living and working in Alaska.

Perhaps the best possible investment for Alaska is hydropower development. By investing in the building of cost-effective dams to harness the presently unutilized renewable hydropower potential, Alaska is taking its oil wealth and creating a money-saving machine which will pay a return on investment every time residents pay electrical bills.

CFAB's Director Hopes To Clear Bank's Image

The Commercial Fishing and Agriculture Bank is suffering from an identity crisis, but its new president has embarked on a community relations effort to end the misconceptions and set the record straight.

Speaking before a Resource Development Council breakfast audience in April, a determined Forest Paulson stressed that CFAB is not a commercial bank nor a state agency, and is not controlled by outsiders. Paulson described the real CFAB as a private lending cooperative, "dedicated to the philosophy of self-help..."

CFAB was created by the Alaska Legislature in 1980 to loan money to Alaska fishermen and farmers. The Federal Farm Credit System has established the bank's line of credit. After its first year of operation, CFAB loaned over \$25 million and in 1981 there was over \$65 million borrowed by cooperative members. Members, who are residents of Alaska, are provided debt financing for fishing, vessels, processing and farming.

The three-month president of CFAB pointed out that members have added \$8 million of their own money to the cooperative's capital base. Paulson expects member capital to increase to \$14 million by the end of this year with outstanding loans near \$110 million.

"This growth is coming from the member fishermen, farmer capital contribution and leverage from the farm credit system," said Paulson.

Many Alaskans believe CFAB continues to be funded from the state treasury. Said Paulson, this simply is not true, except for the "seed money," which was a one-time investment.

Paulson explained that CFAB gets all its capital from its members and borrowed capital from the Farm Credit System. "The beauty of CFAB is that the money we loan is new money being pumped into Alaska, via our Wall Street money pipeline."

Paulson believes CFAB doesn't compete with commercial banks. He indicated that fishing and agriculture are alone because they are highly cyclical and capital intensive industries, subject to many difficulties such as botulism.

"The Commercial Fishing and Agriculture Bank and its members have been jolted by current events, but like the stout-hearted men and women of the early 1900 farm communities with their problems, we will prevail, at a time when our debt financing service is needed more than ever," said Paulson.

A vocal few contend that investing the state wealth in hydro development takes money away from social, education and health services. But if the economy is not developed first, Alaska will find itself like New York, without the income to pay for the services to which it has become accustomed.

In fact, Alaska is already in a dangerous situation. The state is almost totally dependent on oil revenues from Prudhoe Bay. The current level of state spending is so high, that without those revenues, even a one hundred percent tax on gross income could not pay for the current level of state spending.

Building the Susitna dams will enable the 49th state to invest our surplus oil wealth in a project which will provide the least expensive electricity to homes and businesses in the long run. These comparatively lower electrical rates will strengthen the private economy and improve the quality of life and standard of living.

Over \$35 million and two years of intensive studies involving state Fish and Game agencies, University of Alaska researchers and two major consulting firms have resulted in over 95 pounds of documents evaluating the economic, social and environmental costs and benefits of constructing Susitna.

The two firms, Acres American and Battelle, independently concluded that in the long run, constructing the Susitna project would be the least expensive energy plan for the railbelt area.

In comparing environmental and economic impacts of other alternatives, only Susitna and natural gas expansion have positive results. However, studies conclude that natural gas reserves in Cook Inlet will not adequately support expanded electrical needs beyond 1992. Natural gas prices will also skyrocket when existing supply contracts expire between now and 1995.

Alaska can invest its money in hydropower which will pay its citizens a direct dividend every time they pay their power bill.

Expert Stresses Diversification Of Alaska's Resources

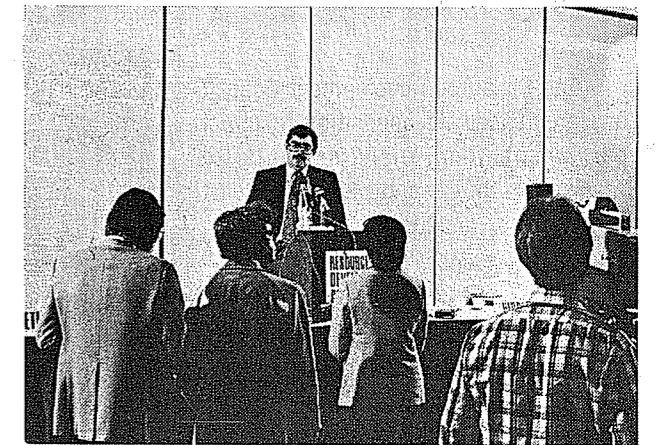
The recent slump in state oil revenues clearly points to Alaska's need to diversify the economy through the development of other resources, a nationally known energy expert said last month.

Delivering the keynote address before the Resource Development Council's annual meeting in Anchorage April 16, Milton Copulos, director of Energy Studies for the Heritage Foundation, said current revenue declines could be turned into a rare economic opportunity by forcing the state to develop other natural resources. He said the state must tighten its belt on operating costs and choose capital projects more carefully.

The energy expert said markets in the Far East will eventually hold the key to Alaska's success, not only for coal, but for farm goods and other resource products.

"There is no reason why you can't take gas from the pipeline and turn it into fertilizer, petrochemicals, ethylene, medicine and other products in demand in the Orient," Copulos said.

An author of over 150 papers and articles about energy, Copulos predicted that the sudden rise in oil prices over the past decade will not be repeated. He predicts the price of a barrel of crude will bottom out next year at \$22 to \$25 and remain stable for several years. Oil prices will begin to rise



Milton Copulos appears before representatives of the Anchorage press at RDC's 1982 Annual Meeting.

again, he predicts, but at a much slower pace.

Copulos pointed to several recent trends which have been largely responsible for the nation's reduction in the use of oil and its dependency on the OPEC cartel.

The mileage rate for cars in the United States has nearly doubled since the energy crisis from 13.1 mpg in 1974 to an estimated 25 mpg this year. In addition, the number of successful wells drilled in the U.S. by the oil industry has risen sharply. Because of these and other trends, oil supplies are likely to remain at a much higher level than in the past, Copulos said.

Speaking on the prospects for construction of the gas line, Copulos said "there won't be one. I've talked to people in some of the investment houses in New York about it, and once they stop laughing they usually say there's no way they'd finance it in the current situation."

Edwards Defends Pesticides

Politicians, bureaucrats and the press were criticized by San Jose State University professor Gordon Edwards for their biased, non-scientific opposition to the use of pesticides. Speaking before the Resource Development Council's annual Board of Directors meeting, Dr. Edwards stated, "Because some government agencies, many pseudoenvironmentalists, and even a few scientists have been guilty of making up or perpetuating scare stories about chemicals, many people have reached the point of not knowing who or what to believe."

Edwards claimed, "The major obstacle to the dissemination of truthful, factual information about...environmental matters has been the apparent bias of much of the news media. It is difficult to explain their eagerness to publicise "kooky" views, while refusing to report well-documented data provided by qualified authorities."

Continued on page 6

RDC Adopts 18 Policy Statements

The Resource Development Council has announced its opposition to direct permanent fund disbursements to Alaskans in the event the Supreme Court rules against the current plan based on length of residency.

RDC's position against dividend disbursements was one of 18 policy statements adopted at its annual meeting in Anchorage April 16. The statements cover various Alaska resources, a state economic development policy, the Alaska Railroad, government regulations, taxes and state land policies. The documents represent an intense effort by over 100 people, each specialists in their fields.

In its dividend statement, RDC says earnings from the fund would best be utilized in creating an Alaska transportation, education and facilities system.

The policy statement on the Alaska Railroad asks the state to immediately create an independent railroad authority to negotiate a transfer of the railroad from the federal government. The railroad authority would be empowered to contract with a railroad group to operate and maintain the system until a private owner is secured to operate, maintain and expand the railroad. The Council recommends creation of a nine-member authority appointed by the Governor and approved by the Legislature.

In its hydropower statement, RDC urges the state to aggressively pursue its economic involvement in large and small projects. Established rates need to reflect the operation and maintenance costs of each project, the statement pointed out.

The policy statement on coal development calls for the state to develop a transportation system designed to move coal from mines to tidewater, adopt regulatory and tax policies which will not hinder coal competitiveness in world markets, and assist, if necessary, with development of bulk loading facilities. The Council also urges the state to sell royalty oil to



RDC Executive Director Paula Easley and Executive Committee members O.K. "Easy" Gilbreth, Mano Frey and Chuck Herbert examine proposed policy statements.

companies willing to construct facilities for the production of petroleum coke to be mixed with Alaska coal for export markets. Coal leasing regulations which will encourage exploration should be adopted and incentives provided to companies willing to process coal into high and low-BTU gasification and other products.

The policy statement on hardrock mineral resource extraction opposes implementation of a leasing system for acquiring mineral rights on grounds that such a policy would eliminate the small mining industry and would effectively stop all mining until a leasing system was developed. In addition, a leasing system would have an adverse impact on private financial and exploration activities. The Council urges the state to refrain from classifications of state land which limit or exclude their use for development of minerals. Environmental constraints should be rationally imposed and a reasonable tax adopted, the statement adds.

The Council's economic development policy statement recommended that the state make a commitment to increase the public and private economies of Alaska through development of natural resources. The RDC stand calls for state leaders to recognize that a strong and diversified private economy is the mainstay of Alaska, and that state policies be directed to utilizing resources for the benefit of the private sector and not for the sole benefit of a larger, more

expensive government.

In its oil and gas leasing statement, RDC recommends that environmental studies by federal and state regulators be coordinated and accomplished on a basinwide level. The Council also calls for amendment of the Alaska National Interest Land Conservation Act to enable exploratory drilling in the Arctic National Wildlife Range and that action be taken immediately to permit twelve-month drilling in the Arctic Ocean.

In policy statement number 23, the Resource Development Council supports wetlands development while still protecting the environment by the simplification of federal, state and local regulations. A zoning classification of "preservation" and/or "conservation" as it relates to private property should be compensated by the zoning authority either with cash or land trade, RDC suggests. Private land left in the "preservation" classification allowing for no development should not be taxed.

Other policy statements approved at the annual meeting included those referring to state general obligation bonding, taxes, regulatory reform, ocean developments, arctic science, the Capital Investment Fund, forestry development, land and natural gas and petrochemicals. Policy statements regarding agriculture, Coastal Zone Management, fisheries, the Permanent Fund and transportation were to be amended for reconsideration by the Council's board of directors.

John Sims, director of the Office of Mineral Development, pointed to Interior Alaska as the hub for placer mining in 1982 while addressing the fourth annual Conference on Alaska Placer Mining in Fairbanks.

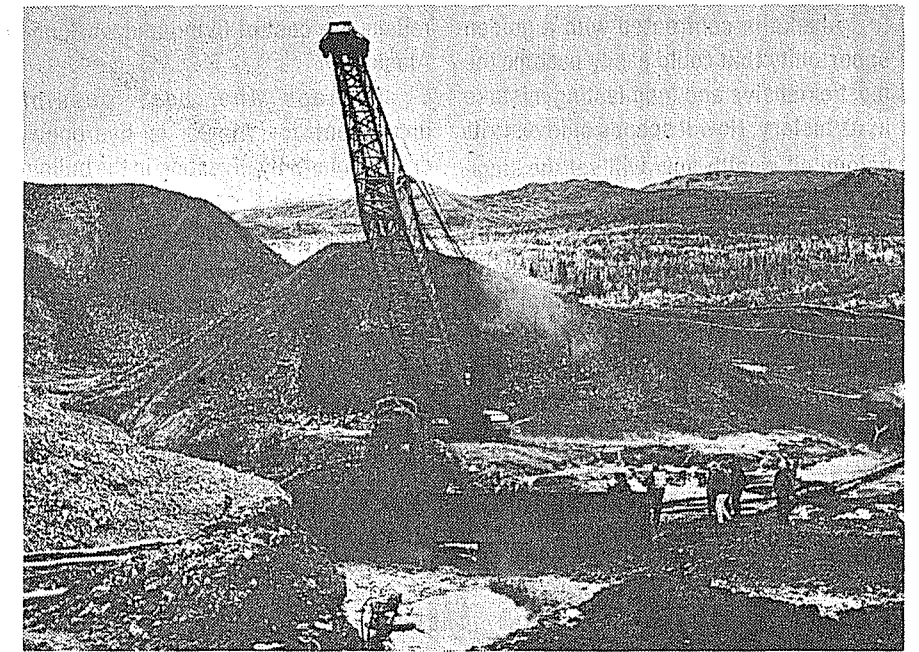
Last year there were 245 placer permits, not counting suction dredgers, issued for Interior Alaska, said Sims. Each operation employed approximately four persons bringing the total placer workforce to about 1,100 people.

Speaking of the economics of placer mining in Alaska, Sims said it is important to know the average placer mine employs 4.5 people "because when a government agency draws up land-use regulations restricting mining activities, you'll be able to tell your legislators how many people will be put out of work." Sims added that miners could go a step further by reporting how much diesel fuel, groceries and trucks they would not be buying.

"I think you get the picture," Sims smiled, "it all adds up and it's important to a lot more people than yourselves."

In Fairbanks, Sims said the impact of placer mining is significant, affecting a wide sector of the economy. For example, fuel and lubricant sales to miners in the interior city was about \$4 million last year.

"Assuming fuel and oil represent 10 to 15 percent of your total operating



Oro Stewart of the Chugach Gem and Mineral Society and long-time Anchorage businesswoman captured this scene of a gold mine in operation at Willow Creek near Flat, Alaska.

costs, that would mean the total value of goods and services purchased in Fairbanks would be between 30 to 40 million dollars," Sims revealed. "I've heard from a knowledgeable source that probably 50 percent of all heavy equipment sales last year in Fairbanks were to placer miners."

Sims told the mining audience it was important that they demonstrate to their communities the economic impact of mining so that they not become politically isolated. He suggested miners

from a local area pool their information and forward it to the local headquarters of the Alaska Miners Association.

This information would be invaluable in gathering support for the miners' position on matters such as land-use planning, water quality regulations, road improvements and infrastructure development, Sims said.

"For you it should be a pleasant chore to be involved in a project which stresses cooperative effort between the private and public sectors."

Deregulation Will Encourage Gas Production

For millions of Americans natural gas is a necessity of life to heat homes and cook food. Since many cannot choose to do without it, Americans are asking, "Why shouldn't the government control the price to keep it within everyone's reach?"

According to a report in *Response*, a publication of the American Petroleum Institute, federal price controls have actually contributed to a decline in natural gas production over the past ten years, resulting in inefficient use of gas. "This is no way to keep natural gas within

everyone's reach," *Response* reported.

The article pointed out that controls have brought about spot shortages of gas. Legislation has been passed to prohibit some utilities and industries from using gas to avoid such shortages. As a result, utility and industry products and services are more expensive to the consumer, the author claims.

Oil and gas imports, which could have been replaced in part by domestic natural gas, have been higher than necessary. And increased U.S. demand for imported oil has made it easier for oil-

exporting nations to raise their prices, *Response* explained.

"There effects of natural gas price controls neither benefit the consumer nor ensure adequate supplies of gas. On the other hand, market pricing will encourage increased gas production, bring about more efficient allocation and use and help reduce reliance on oil imports. The consumer can only benefit from these results, just as consumers have benefitted from gradual decontrol of oil prices."

Fairbanks Conference

Mining Consultant Blasts Regulations

A mining consultant with Tri-Con Mining Inc., blasted excessive regulations and special interest groups which have manipulated the environmental movement at the fourth annual Conference on Alaskan Placer Mining in March at Fairbanks.

Speaking to nearly 500 miners in the Great Hall of the University of Alaska, Roger Burggraf said "the one good thing that the environmental movement has done, is that it has made us more aware of the land around us and more considerate toward other peoples' needs."

Burggraf asked the conference audience, "Why have we all sat back and taken all the abuse heaped upon us by the radical environmentalists?" Through government, environmentalists are imposing unnecessary regulations on industry and the result has been increased costs of operation resulting in higher costs to the consumer, Burggraf continued.

The environmental movement, Burggraf claims, has resulted in locking up valuable minerals which we may never be able to utilize. He pointed out that every regulation or restriction imposed upon the mining industry raises the cost of operation resulting in the closing of mines.

"This has left billions of dollars worth of minerals in the ground that would have been economic to mine had costs not been so high," Burggraf said. "The no-growth attitude of the environmentalists is tearing apart the material and moral fiber of this nation and has resulted in this nation's inability to compete in the world markets."

Burggraf said industry today is faced with a multitude of federal and state government regulations which will force most small miners out of business within the next ten to twenty years.

"The administrative costs regulating our resource agencies now run in the millions of dollars and I bet within 20 years will cost the state billions of dollars in administrative costs, lost

production and jobs," Burggraf predicted. "Each job lost costs not only in lost production, but in unemployment benefits and welfare hand-outs which have to be paid from the productive elements of our society."

Burggraf stressed that industry must strive for a realistic level of

regulations which will not unduly hinder our efforts to produce resources the nation so badly needs. He suggested the state implement a policy which will encourage mining.

"We don't need any more biologists telling us how to mine," Burggraf concluded.

EPA Administrator Tells of Greater Monitoring Here

John Spencer, Region X Environmental Protection Agency (EPA) administrator, told Alaskan placer miners in Fairbanks they will face greater water quality monitoring and enforcement from the federal agency.

Spencer's announcement brought outrage from miners who attended a luncheon address at the Wood Center ballroom of the University of Alaska during the March conference. Spencer said the action is required by an order from an EPA law judge who recently ruled in a case that had been pressed before the EPA by former Alaskan environmentalist Gil Zemanski and Trustees for Alaska.

Judge Thomas B. Yost's order says permits issued to all Alaskan placer miners must require testing the water discharges from the mines for mercury, arsenic, settleable solids and turbidity. Zemanski sought an order to force all miners to reuse water in closed systems with no water discharge. Yost, however, ruled that was not practical for Alaskan miners.

Spencer said the EPA is considering methods by which the federal agency would do the monitoring for the miners. Until new permit regulations are adopted, the EPA will treat all Alaskan placer miners as if they are in violation of the regulation, Spencer said. Compliance orders will be sent to miners so they can continue operating.

A letter will be sent to placer miners informing them they are in technical violation of the law, Spencer said. It will authorize discharge for the upcoming mining season under the limits and conditions that will be in the general permit.

A former Anchorage city attorney and utility manager who fought the EPA numerous times before his federal appointment, Spencer said he does not like the alternatives presented to him by Yost's decision.

"This is the only way I can do it," he said. "It's the only way I know how to keep things perfectly legal."

Spencer pledged the EPA would be as fair and reasonable as it possibly could.

The EPA has chosen to leave much of the enforcement duties to the state DEC in past years. But Spencer's address indicated miners would now have to deal with both agencies because of Yost's order.

John Reeves, a Fairbanks DEC water quality officer, told the Fairbanks Daily News-Miner his agency was proceeding with its own water quality permit program and will probably issue permits for three to five years rather than annually as it has in the past.

Mitigation Efforts Earn Town Award

The Resource Development Council (RDC) has awarded its 1982 Environmental Enhancement Award to the City of Seward for its efforts to mitigate the impacts of the Seward Marine Industrial Center on the area fisheries resource.

Darrel Rexwinkel, Vice President of Calista Corporation and Treasurer of RDC, presented the award to Seward Mayor Donald Cripps at the Council's annual meeting. The Environmental Enhancement Award is given in recognition of a community, firm or individual's outstanding efforts to improve the quality of life through well-planned economic development and aesthetic improvements.

The Century/QUADRA Joint venture, designer of mitigation measures for the industrial project, says a cooperative research effort between Seward, local commercial fishermen, Cook Inlet Aquaculture Association and state and federal agencies on environmental impacts will be valuable and applicable to other areas of the state.

Seward is currently developing the Marine Industrial Center in the Fourth of July Creek Valley across Resurrection Bay from the city. The project is aimed at increasing industrial opportunities, particularly in marine-related areas. Historically, Seward's economic growth and stability have been based on the natural features and resources of the area. The present economy, relying heavily on tourism, recreation, timber, fishing and government employment, tends to be seasonal. The Marine Industrial Center is an effort on behalf of Seward to stabilize the economy.

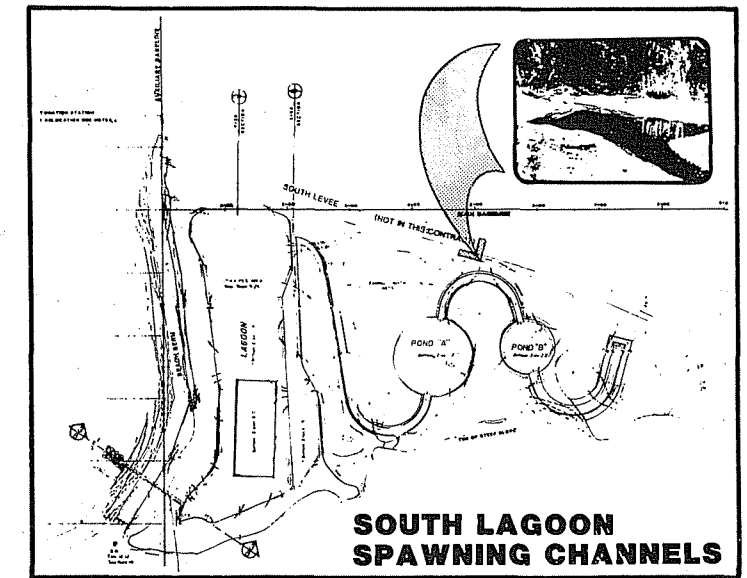
Mitigation efforts conducted by Century/QUADRA Joint Venture included the design and construction of two

spawning channel systems for 700 spawning salmon. The first spawning channel system constructed in October 1981 consists of two finger channels branching off the lower reach of the relocated Fourth of July Creek. This provides habitat for 510 adult salmon.

The other spawning channel system, known as the South Lagoon, provides habitat for the remainder of the required 700 salmon. Construction of the south channel involved widening and deepening the spring-fed streams to provide more spawning habitat for pink and chum salmon and to allow sufficient depth to prevent winter kill of rearing silver salmon. In the November 1981 construction, beach berms were covered with large stones to prevent erosion. Access was also provided from the Lagoon to Resurrection Bay with construction of a gravel site suitable for spawning.

Both systems are artificially constructed using groundwater as the source. It is believed that these are the first artificial groundwater spawning channels ever constructed in Alaska. As a result, the Alaska Department of Fish & Game, U.S. Fish & Wildlife Service, National Marine Fisheries Service, local fishermen and the Cook Inlet Aquaculture Association will monitor the program for four years to determine the success of the channels. Similar channels in Canada have been successful.

In presenting the Environmental



Enhancement Award, Rexwinkel said "Seward has worked closely with state and federal agencies to insure the Industrial Center will enhance the environment and the quality of life in Seward." He added, "the Industrial Center will be effective in improving Seward's economy and without the city's willingness to cooperate with resource agencies, this development may never have started."

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Energy Terms Must Be Brought Into Perspective

Do you know how much energy your home consumes each month? How about your community or the state of Alaska?

If you can't answer these questions, don't feel bad because the average person hasn't the slightest idea how much power he uses.

Residents are hearing more about energy demand and power generation capacity as the state moves toward an aggressive energy development plan for the future. Before one can understand how much power will be delivered from new energy projects such as the proposed Susitna dams, the standards used in measuring power production and consumption must be brought into perspective. Few people understand the meaning of such terms as kilowatt hours (Kwh), megawatts, gigawatts or terawatts.

Used in computing consumer utility bills, a "kilo" is but one of a family of prefixes used to keep numerical values from becoming inconvenient. For example, it's more convenient to state

that an all-electric home in Anchorage during a winter month uses 7,200 Kwh rather than 7,200,000 watts. A single kilowatt is equal to 1,000 watts.

Other standards are used to describe large power generation and consumption. A megawatt is equal to one million watts and one billion watts are needed to equal a single gigawatt. A terawatt is used in association with very large energy figures and a single tera is equal to one trillion watts.

Approximately 6.1 terawatts would be produced annually by proposed Susitna dams while daily output would equal an approximate 1,400 megawatts. The total energy requirement for Alaska in 1979 was 84.6 terawatts and in Anchorage 12.3 terawatts were consumed in non-transportation usage.

Alaska's largest utility, Chugach Electric Association, has a total generation capacity of 397 megawatts while Anchorage Municipal Light and Power has a total load factor of 215 megawatts. Meanwhile, Prudhoe Bay's

annual extraction of power is equal to 866 terawatts or 866,000,000,000,000 watts!

These standards can be applied to the energy consumption of a color television set (300 watt-hours per hour) to the energy expected to fly one person roundtrip to Hawaii (5,080 Kwh) in a 747. In Fairbanks, an average of 700 Kwh are consumed each month to heat water for the typical resident.

Next time you blow-dry your hair, remember you are accumulating on your bill 45.5 watt-hours every four minutes. Oh, by the way, one watt is equal to one-watt-hour per hour!

Society Plans African Trip

The Chugach Gem and Mineral Society of Anchorage is conducting "A Gem of a Tour to Africa" from October 23 to November 14.

The three-week event is open to all members of the Chugach Gem and Mineral Society. Participants will fly over the North Pole from Anchorage and overnight in Copenhagen before flying to Nairobi, Kenya and Johannesburg, South Africa on October 24.

The tour offers a wide variety of activities, including visits to the world's largest gold and diamond mines, an ostrich farm, Cango limestone caves, game preserves, museums, and meetings with various mineralogical societies and gem clubs.

The price of the tour is \$3,402 from Anchorage. Airfare, hotel accommodations, ground transportation, English speaking guides and continental breakfasts are included. A \$200 deposit is required by June 1.

1982 tour leaders are Mr. and Mrs. Ivan Stewart. Oro Stewart has conducted 15 international gem tours.

Additional information may be obtained by contacting Oro Stewart at 531 W. 4th Avenue, Anchorage, Alaska, 99501 or at 272-8581.

Coastal Ruling Strikes Blow For Freedom

Editor's Note: The following article appeared in the March edition of *The Reporter*, a monthly publication of the Pacific Legal Foundation. It has been edited due to space limitations.

In one of the biggest victories for private property rights in recent years, the California Second District Court of Appeal has declared that the California Coastal Commission's guidelines requiring public dedication of beachfront property in return for issuance of permits to develop such property are unconstitutional.

The court made its ruling based on two cases, *Pacific Legal Foundation California Coastal Commission*, and *E. William Jackson and John J. Hunter v. California Coastal Commission*. Both suits challenged the Coastal Commission's authority under the

"The social and economic needs of the people are to be considered...private property (must) not be taken...without just compensation..."

California Coastal Act to require private property owners to give up portions of their property in exchange for commission approval to plant trees, build fences, repair seawalls and fire damage or make other needed property repairs. In the Jackson matter, the commission had required the dedication of all of the owner's dry beach area and about one-half of the total property area in order to repair a rock seawall damaged by storms.

In its decision, the court lambasted the commission's practices, stating that its perceived "guidelines" for coastal development are actually "regulations." The court said the commission has been violating the spirit of the California Coastal Act which states that "the social and economic needs of the people are to be considered and the constitutional protection that private property not be taken for public use without just compensation be scrupulously observed."

The court observed that the act

specifically prohibits the commission

"Rarely, if ever, have we had occasion to note such an overt manifestation of bias and the use of such pejorative language in the official writings of an agency of the State of California."

from expanding its own powers through its rule making aegis. The court said the act mandates that the "commission's power not be exercised in a manner which violates the constitutionally protecting right of private property." The court went on to say that the commission's regulations clearly misinterpret the act in that they expand the commission's power, run counter to the language and spirit of the act and offend the constitutional prohibition against the taking of private property without just compensation. Said the court, "The commission's conduct in applying the regulations exposes the commission's position that the permit process is to be used as a vehicle for increasing and expanding public access at the expense of private property owners, giving no consideration to whether or not any particular proposed development creates a need for additional access or impairs existing access."

Coastal regulations state the new development resulting in an intensification of land use generates sufficient burdens on public access to require access conditions in connection with that development. However, the court said the commission frequently has misinterpreted the term "new development."

For example, the justices wrote, "An addition of a bedroom to a family dwelling to accommodate a new baby would intensify the land use and might increase the size of a house by more than 10 percent so as to qualify as 'new development,' but it could hardly be said to burden public access to the beach or create a need for additional public access."

The court also observed that the

commission has an "unconcealed bias against the constitutionally protected right of private property." The court took strong issue with a commission regulation stating "private development imposes an impediment to or burden on the public's ability to gain access to or along the shorelines...(it) discourages them from visiting the shoreline in the first place because of the physical

"The commission has attempted to enlarge its own power and proceeded in a manner which offends the constitutional protection of private property."

proximity of development...creates use conflicts in which landowners harass and intimidate the public and seeks to prevent them from using tidelands."

Said the court, "Rarely, if ever have we had occasion to note such an overt manifestation of bias and the use of such pejorative language in the official writings of an agency of the State of California. By the statement, the commission has simply declared that the very existence of privately owned residences along the shoreline is an anathema to the public interest and has cast the private property owner in the role of the 'heavy' in every scenario."

The court also said the same regulation declares that private development is a burden on public access. "In other words," the court wrote, "the commission takes the view that private owners of beachfront property must eventually lose their property by either permitting it to be eroded away by the...shoreline process or dedicate it to the state as a price for preventing such erosion."

Finally, the court said coastal regulations hang like a "Sword of Damocles" over the heads of property owners in the coastal zone. "The property owner must consider that he will be faced with expensive litigation to challenge the commission's conditions, or lose part of his property by forcing dedication."

Edwards...

Continued from page 3

After quoting and refuting what he believed to be "false and misleading statements" in Rachel Carson's 1962 bestseller, *SILENT SPRING*, the thirty-one year professor biology and entomology quoted a leading British scientist who wrote "if there had been a world ban on DDT, then Rachel Carson...would now be killing more people in a single year than Hitler killed in his whole holocaust."

The Environmental Protection Agency ban of DDT is a purely political decision not based on scientific evidence or supported by the scientific community, said Dr. Edwards, who quoted testimony from the seven month-long EPA hearing on DDT. Judge Edward Sweeney, EPA's second-in-charge administrator who ran the hearing, concluded that DDT was not a carcinogen and that "DDT should NOT be banned."

reported the California professor. EPA Administrator William Ruckelshaus (who admitted to not reading the transcripts nor to attending a single day of the hearing) overruled his own judge's decision and single-handedly banned DDT, Edwards said.

Dr. Edwards noted that Anne Gorsuch's intentions to insure scientific objectivity as the new Administrator of the EPA have led to "activists" quitting the agency. Dr. Edwards concluded, "if enough of those misfits leave, and are replaced by sincere, conscientious scientists and legitimate 'environmentalists,' perhaps the Environmental Protection Agency can gain some measure of respect in this country and abroad and fulfill the functions for which it was originally established."