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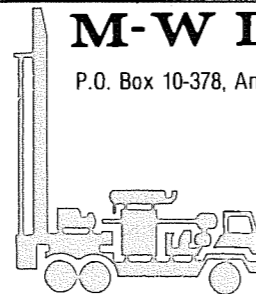
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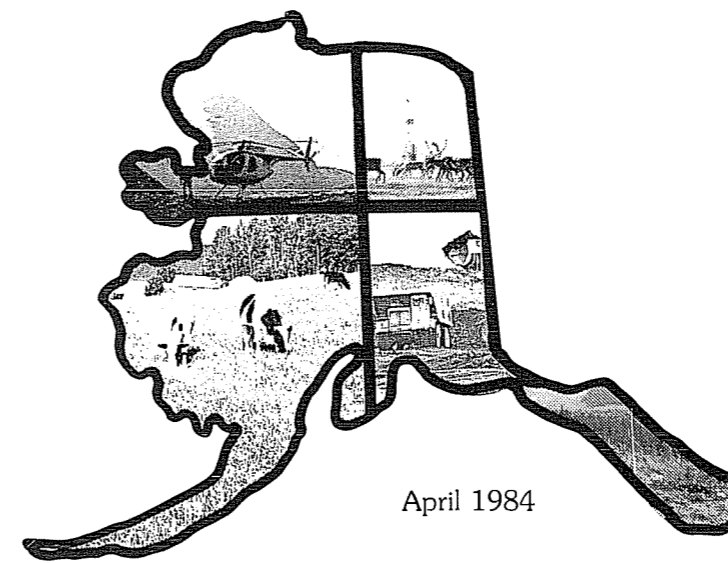
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April 1984

Resource Development Council
for Alaska Inc. Box 100516, Anchorage, Alaska 99510

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British Columbia . . .

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Highways in Victoria, B.C., for Alaska and British Columbia, the cost, efficiency and reliability of transportation systems are central factors in the ability to develop and market resources. In the case of coal, Clark pointed out that transportation from mine to market represents about 30 percent of the delivered price, and with lumber the figure rises to 40 percent.

Clark spoke in a panel discussion on developing transportation systems before 400 people attending the fourth annual International Conference on Alaska's Resources in Anchorage February 16.

With new resource development, an ability to compete with price and quality often is not enough to gain a firm footing in the market, Clark said.

Canada has recognized that a high level of commitment by government is becoming an important factor in the resource development process, he added, if developers are to meet schedules, maintain consistent quality and provide reliable, dependable delivery.

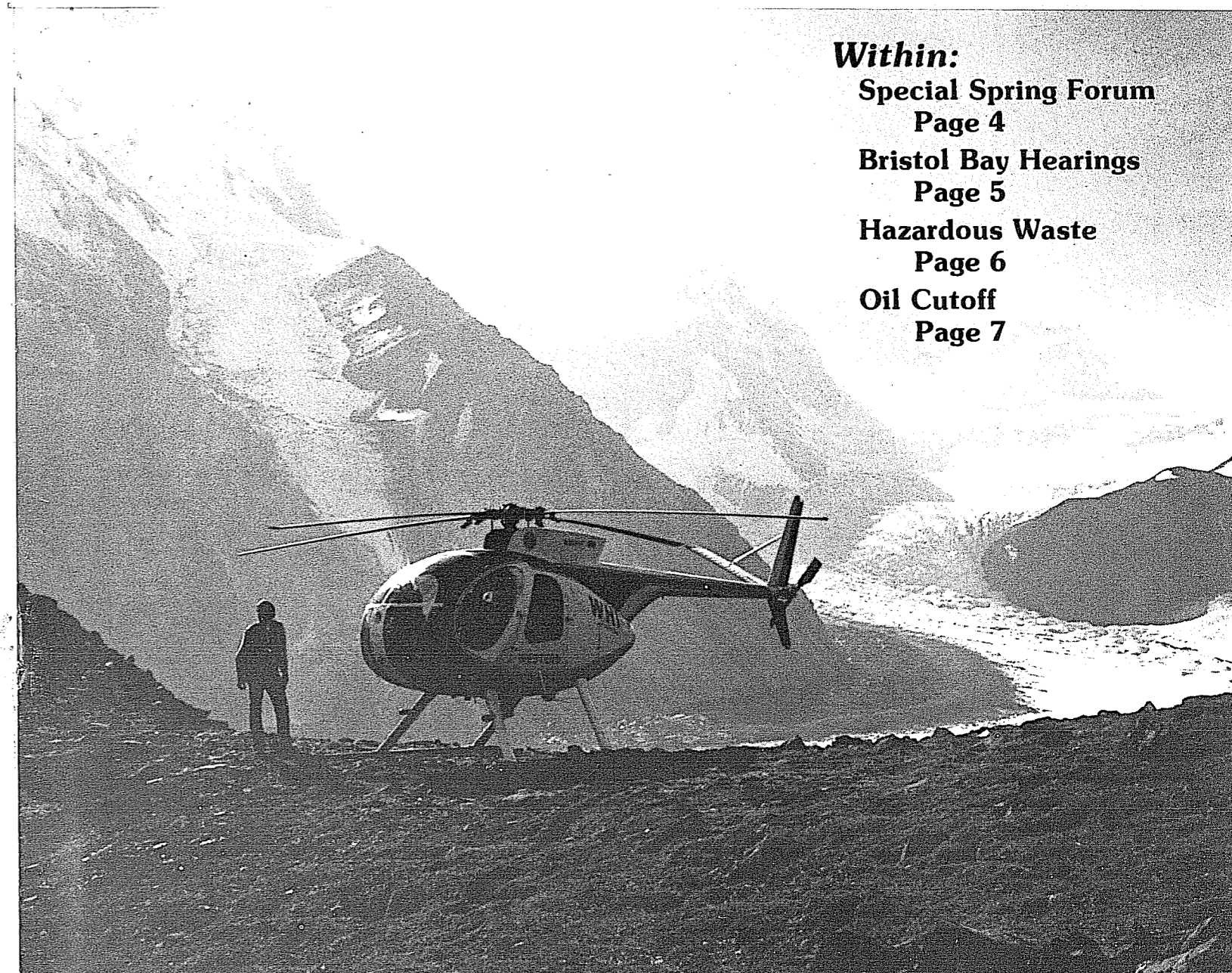
In Canada, Clark said resource development is a coordinated effort of government and private industry. The extent of government involvement varies with the nature and location of the resource and its market. In areas where basic utilities and infrastructure are already in place, government is called on to make only minor additions to existing facilities and to carry little of the risk associated with new resource development. In remote areas, government involvement may be substantial. It might include major

additions to infrastructure.

Clark explained that the prevailing attitude is once that infrastructure is in place, it opens new areas for exploration and provides the basics for still-further development.

Two major coal mines came on stream in British Columbia last year, and their development was a partnership between industry and government. Roughly 45 percent of the \$2.9 billion spent on that development had been spent by government. Clark said the government played a major role in planning for development and in coordinating the planning, design and construction process to ensure that producers were in a position to meet delivery commitments.

One of the developments is the largest coal mine in Canada.





Message From The Executive Director

By Paula P. Easley

Thank You Harold Heinze!

I haven't been able to personally commend ARCO President Harold Heinze for his comments in a recent speech to the Kenai Chamber of Commerce, so I'll do it publicly.

Mr. Heinze identified the adversaries of rational resource development in our state as "the aggressive extremists and activists who operate under the disguise of environmentalists and environmental organizations."

He warned that "What's been happening and will continue to happen — is that these groups will chip away at all of Alaska's resources . . . until progress and development activity comes to a virtual standstill. They are picking off all of our resource activities one by one: timber, agriculture, petroleum, fishing, coal and mining." Here's more:

"The environmental groups have shifted their strategy to attacking projects on the drawing boards . . . in order to not allow them to get started. They know that once a resource is discovered and developed, they have little success in stopping economic growth — it doesn't seem to matter if this growth is beneficial . . . for the people and is performed safely."

"Yet all the activists . . . deny they are obstructionists or are anti-development. These environmental groups always seem to adopt the attitude and posture that they are the only ones who represent the public interests of all Alaskans. They claim this high level of self-righteousness because of public support for broad environmental issues like air, water and land. They plant the perception that the private sector doesn't care about the environment. Consequently, industry gets blamed for just about everything that's negative in the world."

Mr. Heinze invited Alaskans to form a coalition of awareness to become more informed of resource development activities and environmentalists' objections to them; and to assure that environmentalists be held accountable for their costly delaying tactics.

He also challenged resource developers in every economic sector to "work together, more and more, through our business or business organizations, trade associations and related groups" to help each other when the planned activities of developers are being attacked by environmentalists.

Thank you, Harold Heinze! How important your message is. How many times have we literally begged the folks in Western Alaska to help a project in Southeastern? How much of our membership money has been spent encouraging groups from all over the state to band together as a strong force to advocate

(Continued on Page 6)

COVER: Like Alaska, many of British Columbia's resources are located in remote regions which have none of the basic infrastructure which is required to extract and transport resources. For a report on how British Columbia handles development in its isolated areas, see page 5.

Printed the second week of each month, Resource Review is the official monthly publication of the Resource Development Council Box 100516, Anchorage, Alaska, 99510 — (907) 278-9615.

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Carl Portman
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Resource Review encourages its readers to submit articles, announcements and letters to the editor for publication. Send all correspondence to Resource Development Council, Resource Review, Box 100516, Anchorage, Alaska 99510.

Resource Development Council, Inc.

The Resource Development Council (RDC) is Alaska's largest privately funded non-profit economic development organization working to develop Alaska's natural resources in an orderly manner and to create a broad-based, diversified economy while protecting and enhancing the environment.

RDC invites members and the general public to its weekly breakfast meeting featuring local and nationally-known speakers on economic and resource development issues. The meetings are held on Thursday at 7:15 a.m. Aesops/Suite 201, 711 H Street. Meeting charge is \$2 and reservations are requested by calling 278-9615.

Membership Information

The Resource Development Council extends an invitation to all persons interested in the responsible development of Alaska's resources to join the Council's efforts. For membership information, contact:

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Financial Development Director Mike Abbott
The RDC business headquarters are located at 444 West 7th Avenue in downtown Anchorage.

Oil Cutoff Would Have Severe Impacts

Almost 8 million barrels of oil a day travel through the Strait of Hormuz at the mouth of the Persian Gulf, and a cutoff of that oil — roughly 20 percent of the free world production — would represent a much larger percentage reduction in the noncommunist world's oil supply than the 1973-74 Arab oil embargo.

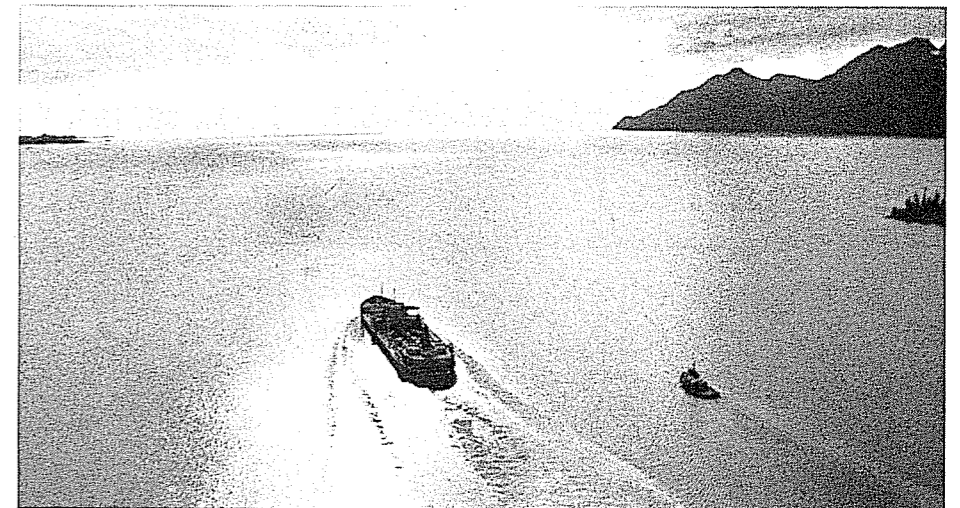
With the Iranian-Iraq war entering a new and dangerous phase, Western governments are showing concern toward Iranian threats to close the Straits of Hormuz should the tide of the war turn against Iran.

According to a report in the February 28 edition of Response, a publication of the American Petroleum Institute, consumers in industrialized nations would be profoundly affected by a cutoff of 8 million barrels a day whether or not they imported directly from the Persian Gulf. Despite America's relatively small share of oil from the Gulf, U.S. consumers would share in the supply problems during an extended cutoff since other nations more dependent on the Middle East oil would put pressure on overall oil supplies by looking elsewhere.

In addition, Americans could see a reduction in U.S. supplies and reserves if the cutoff is severe enough to force the U.S. to honor an international oil-sharing agreement with its allies.

The latest data available shows the U.S. importing about 716,000 barrels a day from the Persian Gulf, accounting for five percent of total U.S. oil needs and 14 percent of total oil imports. Nearly two-thirds of Japan's oil needs and a third of Western Europe's were met by Persian Gulf producers.

A cutoff of oil flowing through the Strait of Hormuz would create a reduction in free world oil production approximately three times as large as



An oil tanker carrying North Slope crude heads south out of the Valdez area. A cutoff of Persian Gulf crude would cause oil prices to rise worldwide.

either the 1973-74 Arab oil embargo or the reduction in 1979 from the Iranian revolution.

Furthermore, the loss of Persian Gulf oil could not easily be replaced. In the event of a cutoff, producing nations outside the region could offset reductions by three million barrels per day by increasing production. An ad-

ditional one million barrels a day could be channeled through the Saudi Arabian pipeline to the Red Sea. But, the world would still be left with a reduction of about four million barrels a day. Smaller reductions in world oil supplies during the 1973 embargo triggered large increases in world oil prices.

**International Conference On Alaska's Resources
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Hazardous Waste Program Should Include Incentives

An effective municipal hazardous waste management program must include incentives for participation by the business community before it is widely accepted, says Jim Jinks, a member of the statewide Citizens Advisory Council on Hazardous Waste.

Jinks, the new Executive Director of the Alaska Miners Association, warned those attending a hazardous waste workshop in Anchorage last month that the program must not be adversarial or punitive in its general nature, or else it will compound the problem of disposing of hazardous waste by encouraging people to break the law.

"If we can develop a program that convinces the business community that it is good business to support and participate in hazardous waste management, we are going to be able to resolve this critical problem," Jinks said.

Jinks said the business community supports an effective program to manage the "truly" hazardous wastes that are generated in Alaska. He said the business community would work to help develop and operate a program that meets the needs of the community and contributes to continuing economic growth. However, he cautioned that, if the program ever hopes to attain credibility, there must be a willing participation in the program by the generators of waste.

The problem confronting the business community and citizens alike is determining what is hazardous and the disposal of that waste.

"Unfortunately, many of our businesses have wastes which they have been generating for many years without ever having considered them as hazardous . . . and for the most part, they are not," Jinks said. He said once the nature of the waste has been determined, the business person is faced with another problem, that of handling and storage.

The problem becomes very confusing and frustrating when the lack of knowledge of disposing of this waste is combined with an absence of adequate disposal facilities and methods.

Substances such as dry cleaning solvents, photo chemicals, printing solutions and pesticides may be considered hazardous wastes by those forming a hazardous waste management program. Other wastes generated by hospitals, schools and medical laboratories will also be considered. A municipal program would also take into consideration the wastes generated by military bases, state agencies and airports.

The Resource Development Council agrees on the need to properly manage truly hazardous waste materials. However, the Council has warned that the business community cannot afford to have regulations which result in the economic demise of many businesses and jobs and do not significantly contribute to the protection of the environment.

Executive Director . . .
(Continued from page 2)

responsible development projects and policies?

How many times have we forged strong coalitions of groups and individuals from every economic sector to fight for projects only to have them stopped by a frivolous special-interest lawsuit?

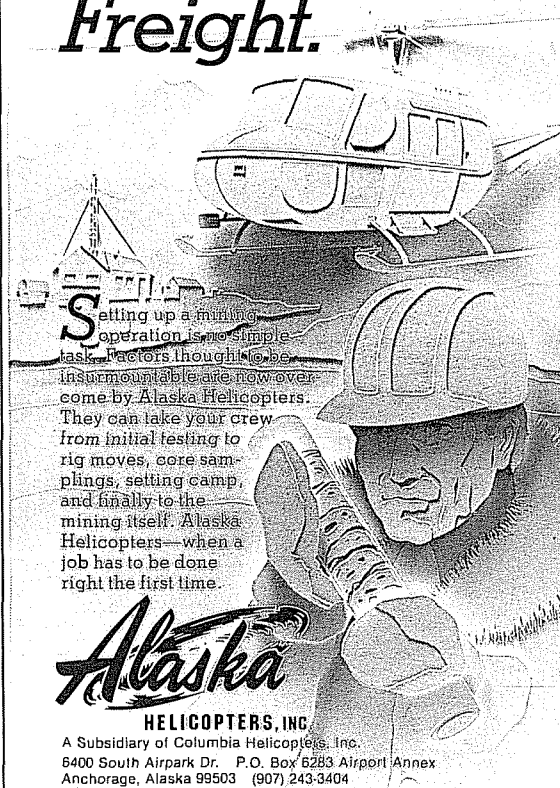
And, within our own organization, how many times have fishermen, schoolteachers, labor people, farmers and foresters testified at public hearings or otherwise advocated development in industries other than their own?

It is too easy, when we call on people to help with precisely the issues Mr. Heinze addressed, for people to take the attitude that "I'm too busy minding the store — let someone else worry about this one." He said it and I will too: We can't let ourselves be that busy or we stand to lose it all. We must work together to save development from the special-interest agenda. We must be more dedicated to the cause of developing Alaska's resources.

ARCO Alaska puts its money where its mouth is by supporting organizations such as the Resource Development Council in a substantial way. The RDC coalition needs many more such firms and organizations as members and, most of all, it needs people, people, people, who are prepared to go to the front lines to combat the environmental extremism that unalterably opposes development in our great state.

We accept the challenge offered by ARCO's president.

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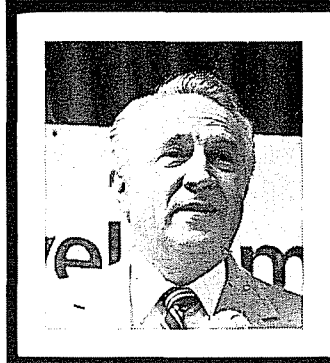
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Conoco Development Set to Begin



Snow-covered joints of drill pipe are stacked in front of Conoco Inc.'s drilling operations on Alaska's North Slope. Conoco and partners have announced a \$312 million commitment for the first phase of developing a significant hydrocarbon discovery at Milne Point, about 35 miles northwest of the Prudhoe Bay field. Production will begin in 1986 at an initial rate of 30,000 barrels of oil per day.



A Note From Our President

By
Charles R. Webber

Infrastructure

The building of infrastructure to support the development of Alaska's resources results in immediate economic benefits in the form of jobs and services. We must not forget that often the project completion is followed by economic expansion that either was not foreseen or was a direct result of lowered costs due to the availability of the completed infrastructure. The U.S. transcontinental railroads and coastal ports are a case in point.

AMA Appoints Jim Jinks

James R. Jinks has been appointed Executive Director of the Alaska Miners Association. Jinks joined the Resource Development Council as Deputy Director in January 1982 and became well

known to the business community through his hard work on issues ranging from hazardous waste legislation to the Bristol Bay Cooperative Management Plan.

The seven-year Alaska resident is a 1964 graduate of West Point and a retired Lt. Colonel. In his new position, he'll direct AMA membership services, develop and implement policies, spearhead legislative activities and strengthen communications between the association's statewide chapters.



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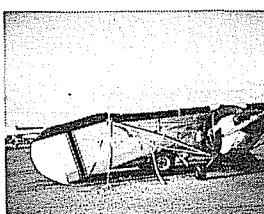
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RDC Schedules Special Spring Luncheons

Carol Hallett, new Assistant to the Secretary of the Interior and liaison for the West, will give the keynote address at the Resource Development Council's annual spring forum luncheons in Anchorage and Valdez later this month.

The Anchorage luncheon will be held in conjunction with the Council's annual meeting on April 20 at the Hotel Captain Cook. The Valdez luncheon is set for April 19 in the Valdez Civic Center. Both luncheons begin at 11:30 a.m. and conclude by 1:30 p.m.



Carol Hallett

In her position, Hallett is actively involved in the management of natural resources on federal lands from the Dakotas to the Pacific and serves as the liaison between governors, state officials and concerned interest groups throughout the West and the Secretary of the Interior.

Hallett also serves as the national vice-chairman of Citizens for America, a national non-partisan, non-political civic league, which promotes conservative economic and foreign policy. Prior to joining the Interior Department, she organized the west for Citizens for America, serving as regional director.

Hallett previously served as director of the Department of Parks and Recreation of California. Before leaving the Department, she was praised for establishing an executive loan program where companies, at their own expense, loan marketing specialists to assist the Parks and Recreation Department in becoming more self sufficient.

From 1976 to 1982, Hallett served as a member of the California State Assembly, and two years later she became the first woman in California to serve as a party leader in the Legislature when she was elected Leader of the Republican caucus. In 1982 she ran for lieutenant governor.

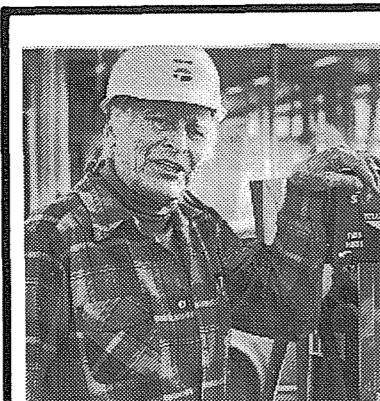
Hallett founded the Foundation for Individual and Economic Freedom, whose purpose is to promote free enterprise through a variety of educational and instructional efforts. She currently serves on the foundation's board of directors and advisory committee and is an active participant in the Foundation's Speakers Bureau.

The luncheon forums are open to the public and reservations may be made by calling RDC in Anchorage at 278-9615 or the Valdez Chamber of Commerce at 835-2330.

Notable Quote

"From some 'news' accounts, one might conclude that the economics of nuclear electricity has escalated out of sight. It is unfortunately true that a few projects have come upon hard times. Others, however, have escaped the pitfalls and continue to come on line in reasonable time, producing safe, reliable and economically priced electricity. Outstanding examples are Florida Power and Light's St. Lucie II, which was completed in just 70 months, and Duke Power's McQuire II plant, which was constructed at the unbelievable low cost of \$900 per kilowatt. Impressive too, is the fact that the Calvert Cliffs nuclear station generates power for 1.7 cents per kilowatt hour — about half the average cost for all generation. Except for the political harassment, there is no reason why most of the less successful projects might not have fared as well as FPL and Duke. Had they done so, many millions of barrels of oil would be conserved (or not imported) with the further advantage of producing practically no significant amount of air pollution of any kind, including acid rain."

— National Coalition for Environmental Balance, Inc., April 1984.



"We're Energizing Alaska!"

New Bristol Bay Hearings In May

The Bristol Bay Cooperative Management Plan is heading for a new round of public hearings, in mid-May.

Dee Frankfourth, special assistant to Department of Natural Resources Commissioner Esther Wunnicke, said the state decided in late March to hold more hearings to gather comment on changes in the plan.

Vern Wiggins, federal co-chairman of the Alaska Land Use Council, has said that changes have been so dramatic that more public comment should be gathered before the plan is sent on for approval by the U.S. Department of the Interior and Governor Bill Sheffield. The Bristol Bay Cooperative Management Plan was developed by a consortium of federal, state and native corporation officials.

The Resource Development Council through its statewide membership, has also urged Governor Sheffield to hold new public hearings on the plan.

Paula Easley, Executive Director of the Resource Development Council, said the revised BBCMP draft has been circulated only within government.

"Not even members of the Alaska

Land Use Council, which must approve it, have seen the latest changes," Easley said in a Mid-March letter to the RDC membership. She said the management plan, a "mini D-2," would greatly limit use of 12 percent of the state's land entitlement. Easley said an 18-member RDC task force of resource specialists is standing by to evaluate the new draft.

RDC supports extending the comment period beyond a proposed short period in May. In addition, RDC strongly recommends that the administering of a comment period not be handled by the Bristol Bay Study group, questioning the ability of any group responsible for writing a plan to be objective in evaluating comments on that plan.

An extended comment period is necessary, RDC believes, in order to give citizens and organizations throughout all Alaska an opportunity to properly evaluate and comment on the dramatic changes in the plan. The new hearings are set only for Anchorage and Dillingham.

Kelly Ross, an Oregon Land Commissioner, warned the Alaska Senate Resources Committee in February that while minerals and oil and gas leasing

share a primary use designation with fish and wildlife in the Bristol Bay region, the language of the plan places an almost impossible burden of proof on anyone desiring to develop those uses. He said the criteria for satisfaction is so restrictive for any conflicting primary users that it's almost out of the question that any uses outside fish and wildlife would be permitted.

Ross was brought to Alaska by the Resource Development Council to report on a study comparing BBCMP with a land use plan he is responsible for implementing in Oregon.

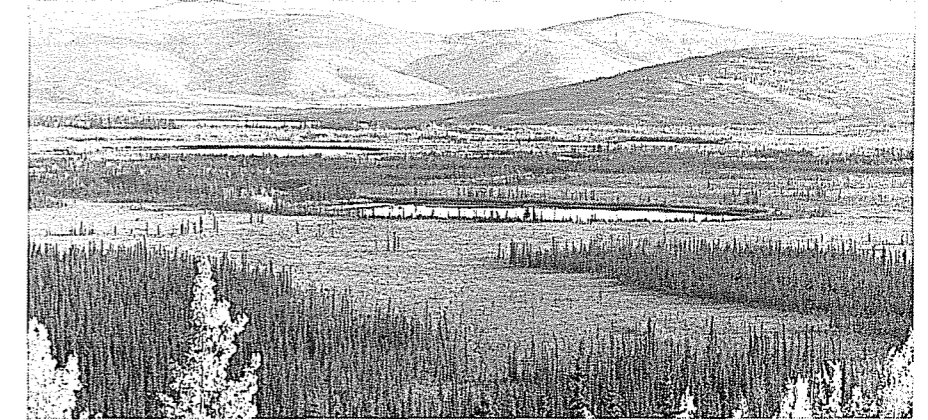
Ross said Oregon made a mistake when it implemented a restrictive plan of its own to protect fisheries from every conceivable act of man. The Oregon plan locks large areas into one option and doesn't allow for any other options to be considered in the event something happens to the fisheries.

Something did happen, Ross pointed out, when the El Nino current shifted north, devastating much of the Oregon fishery. He said numerous fishermen and banks went out of business while development of other resources, which could have stimulated the weakened economy, remained idle.

British Columbia Supports Resource Development

Alaska and British Columbia both have plentiful timber, minerals, fish, gas and oil, and both areas have common problems in developing those resources, including all of the challenges associated with rugged terrain, long distance to ports and sparse population. Many of British Columbia's resources, like Alaska's are located in isolated areas which have none of the basic infrastructure which is required to extract and transport those resources.

According to George Clark, Director, Transportation Policy Branch of the Ministry of Transportation and



Access to resource-rich areas is difficult in Alaska and British Columbia as railroads and highways are often hundreds of miles away.

(Continued on Page 8)