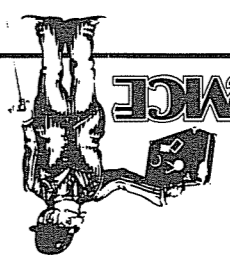


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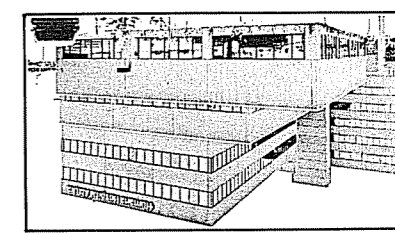
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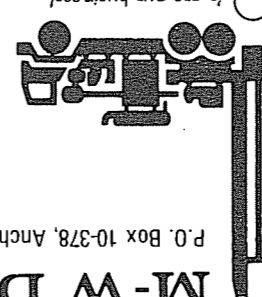
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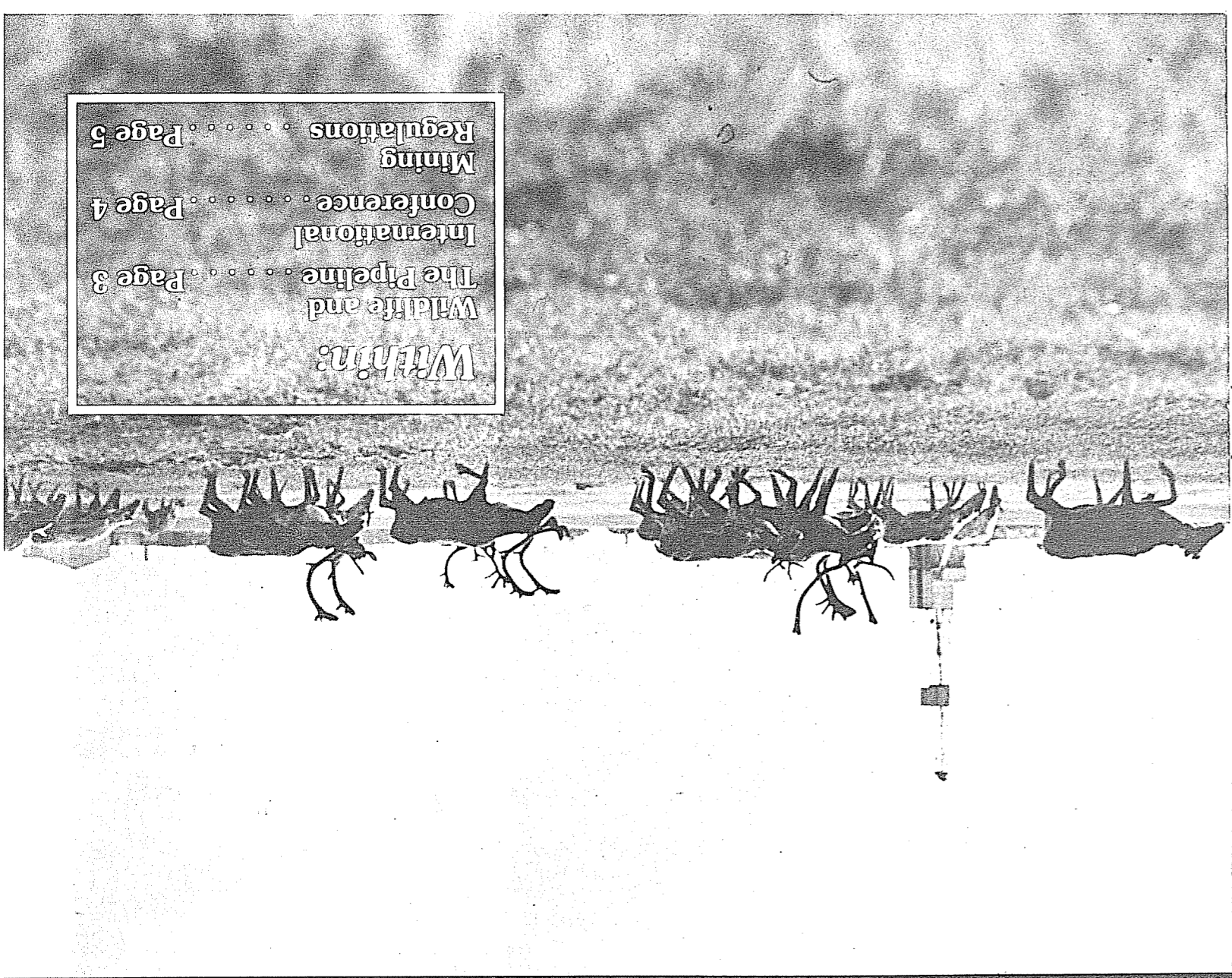
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December 1984



Resource Review

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COVER: A recent study has concluded that after seven years of operation, the Trans-Alaska Pipeline has had no adverse impacts on wildlife along its 800-mile corridor. See story on page 3.

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
Editor & Advertising Manager

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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 nonprofit 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 Center

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The RDC business headquarters are located at 444 West 7th Avenue in downtown Anchorage.



Message from the Executive Director

By
Paula P. Easley

Something to think about

Was I astounded to read of Senator Paul Tsongas' comments in a Senate speech before his recent retirement from Congress. Tsongas warned his fellow Democrats: "The weakness that we have, as Democrats, is that we have never convinced the country we know how to run the economy, that Democrats are viewed as people who care less about how well the country is doing and spend all their time worrying about how you distribute the golden eggs. *The goose's health is irrelevant.*"

Tsongas confessed that as a member of the House he voted against the late Bill Steiger's bill to slash the capital gains tax because "I was a Democrat. I considered the ethic in the House among my fellow colleagues that this was pro-business, and therefore, since it is pro-business, we are against it. So I voted against it. That bill which I did not support did more for the economy of my state than anything I did as a congressman."

While Sen. Tsongas has not been a notable friend of Alaska, he has been a thoughtful national figure and a well-respected member of the United States Senate. Only a person of great stature could make the admission he did.

As I reflect upon the Senator's parting words, I think of the many times Alaska's own Democrats — and Republicans too — have voted according to an alliance and not the merits of the issue. Oftentimes the action proved deadly to the cause of Alaska's long-term prosperity, which is the major agenda of this organization. Let us all encourage our new legislative leaders to ask the question "What is in the long-term best interests of Alaska?" as they deliberate on the issues they will face next session. That is the guideline we in RDC use, and we think it's just as prudent a criterion for legislative decision-making.

Notable Quote

If we acknowledge the legitimate posture of a balanced approach, it is imperative that public officials give at least as much weight to resource exploitation as they do to resource preservation.

Robert R. Richards
Vice Chairman, Alaska Pacific Bancorporation

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Former Legislator Attacks State's Track Record . . .

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lars on mineral development," Bettisworth said. "State government must participate because, whether we like it or not, our situation is very similar to that of British Columbia."

Bettisworth revealed that if Alaska's major mines come on line, the gross value of the in-

dustry could expand from \$300 million annually to over \$3 billion. Such expansion would make Alaska one of the top mineral producing states in America.

However, such development depends on the state adopting a policy encouraging mineral de-

velopment with access to minerals being the main concern. And up to now, Bettisworth says the state doesn't have a good track record as far as transportation infrastructure is concerned in rural areas.

Granite Rock Ruling . . .

continued from Page 5

Granite Rock it must get a coastal development permit or face severe penalties that would force the company to shut down. Granite Rock took the case to federal District Court to argue it should be allowed to mine without having to obtain permits from an agency that is so opposed to mining. The Commission claims that its permitting power, which is an effective veto power, must apply to Granite Rock and all mining claims on federal lands within the coastal region.

The District Court ruled against the mining company and in so doing made some rather unusual statements about federal law which, if

upheld, could have serious consequences to all users of federal lands. If the Ninth Circuit does not overrule the District Court decision, Easley fears it will set off a trend to close development activities on federal lands through a rash of local and state permitting requirements.

In a letter to Governor Bill Sheffield, the Council strongly urged that Alaska not join the lawsuit. If the state decides to participate, Easley said such action would "serve as a statement to Alaska's resource industries, indicating a negative attitude toward legal and reasonable resource development on state and federal lands." With a limited industrial base and the

huge cost of maintaining state government operations, Easley said the state cannot afford to establish a negative philosophy toward resource development.

The Council pointed out in its letter that a multitude of rules and regulations pertaining to resource development and production on state and federal lands already exists. These regulations, the letter said, "help to insure a safe and orderly production process by involving numerous agencies entrusted with overseeing the expeditious use of the various resources."

Separate Regulations Proposed

The Executive Committee of the Resource Development Council (RDC) is urging the National Park Service (NPS) to exercise extreme care in revising rules regulating mining and mining activities within units of the National Park System to avoid negative effects on the mining industry and the rights of individual claimholders in Alaska.

The RDC action came after a recent NPS announcement that it intends to promulgate revised rules regulating mining and mining activities within the National Park System.

In a letter to Assistant Secretary Ray Arnett, RDC president Charles Webber called on the NPS and the Department of the Interior to separate proposed rules to govern mining within National Park Units by proposing regulations for Alaska from those of other states. In addition, Webber requested an extension period of no less than 120 days for public comment and review to insure adequate opportunity for input to new regulations by concerned citizens.

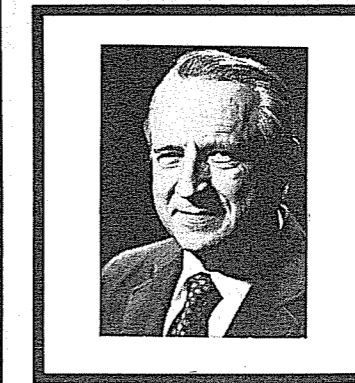
"We feel strongly that nothing short of separate regulations for Alaska and an exhaustive public review and comment period on this important subject is warranted," Webber wrote Arnett. The RDC president pointed out that there are numerous environmental, economic and practical reasons why Alaska conditions are different from circumstances found in other states.

When Congress passed the Alaska National Interest Lands Conservation Act in 1980, it included many special provisions relative to mining and specifically guaranteed the rights of mining claimholders within the newly created units of the National Park Service in Alaska.

Notable Quote

... There is a growing need for more mapping (geologic) at the smaller scale. Since only seven percent of Alaska is covered by detailed geologic maps, this is an information gap where the state's data base is deficient.

Thomas E. Smith
Alaska Division of Geologic and Geophysical Surveys



A Letter From Our President

By
Charles R. Webber

The month of December begins the celebration of Christmas and the anticipation of the new year. It is appropriate to express the warmth of friendships and family affection and also to wish well for the new year.

Let me then use this time to greet all members and friends of the Resource Development Council and to wish them a happy holiday season and to thank them for the support they have given this organization through their interest and participation in its activities.

Let us work together in the new year to provide for a secure future for our young and energetic state.

Merry Christmas and Happy New Year!

Pipeline Has No Adverse Impact on Wildlife

A three-year study conducted by Renewable Resources Consulting Services of British Columbia has found that after seven years of operation, the Trans-Alaska Oil Pipeline has caused no adverse impacts on wildlife.

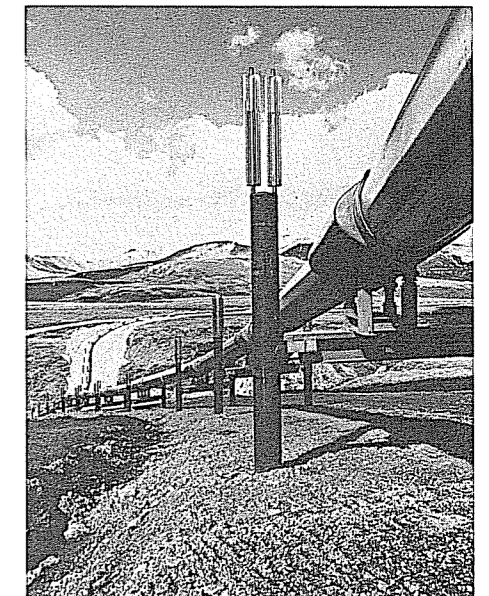
There is no evidence that the pipeline has inhibited the movements of moose, Dall sheep and caribou, the study reports. Moose seem to cross the pipeline at will, and not necessarily at one of the 500 locations where the line was either elevated above normal or buried to make crossings easier. The study pointed out that lamb production is higher today than it was ten years ago.

Caribou herds are thriving and traditional migration routes have not been affected, the study also concludes.

Environmentalists were successful in delaying construction of the pipeline for over three years, claiming its construction would have a devastating impact on wildlife.

A recent Anchorage Times editorial pointed out that "extremists who predicted doom for the wildlife were just as wrong with the pipeline as they were when they claimed production of

Swanson River oil would destroy the moose there and offshore oil production in Cook Inlet would destroy the salmon runs there."



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Alaska's Economic Priorities: A 5-Year Strategy

The Resource Development Council for Alaska will bring the dilemma of declining state oil revenues, state spending practices and the need for economic diversification to the forefront at its Fifth Annual International Conference on Alaska's Resources February 13-14 at the Anchorage Sheraton Hotel.

"Alaska's Economic Priorities: A Five-Year Strategy" reports on state development strategies and revenue forecasts, discusses community development planning and presents recommendations of other states.

A major part of the program will be devoted to presentations by Alaska community and borough leaders who will discuss elements of their present economies and contingency plans for adjusting to declining state revenues.

These speakers will present their community or borough's recommendation for the single most important action or project that would allow their economies to strengthen or diversify in the next five years. Other presentations will focus on the question of resolving competing regional demands for capital and means of assist-

What contingency plans do Alaska's communities have for facing declining oil revenues? **How can communities maintain their economies and populations?** Can we resolve competing regional demands for capital? **Is there consensus on state priorities for economic development?** What constraints are there to economic diversification? **How do cities grow?** What can we learn from other states and developing nations? **How important is basic infrastructure to Alaska's economic expansion?** Will OCS development benefit rural economies? **Who decides which capital investments will be made?** What is the role for public/private ventures? **Why the increased interest in Alaska as a target for investment dollars?** Do we have a work force to meet industry needs? **Can training programs be provided?** Can Alaska's newly elected leaders view economic issues from a state-wide perspective? **How can participants of this conference help direct the state's future?**

Will you join in deliberations on these crucial issues and help rank projects proposed by Alaska community leaders?

ing state political leaders in the decision making process.

It is expected that projects proposed for state funding will far exceed the state's financing capabilities in the next five years. As a result, the conference will feature a panel of neutral development specialists from other states to share their views as to which projects, in their opinions, can best stimulate regional economic diversification, subject to available funding.

RDC will also ask the audience to rank, within budget constraints, projects it believes would best meet the five-year economic diversification goal.

International development leaders and investors will also speak at the conference on alternate means of funding projects and leveraging capital.

To register for the conference, call or write the Office of Continuing Education at the University of Alaska-Anchorage at (907) 786-4779, 3211 Providence Drive, Room 103, Library, Anchorage, Alaska 99508.

Registration fee is \$175 before Jan. 5, \$195 after.

All-Alaska Community Expo

The Resource Development Council will hold in conjunction with its 1985 resource conference, a trade fair featuring Alaska communities and other exhibits February 12-14 at the Sheraton Anchorage Hotel.

The All-Alaska Community Expo will promote each participating area as a tourist destination to both Alaskans and visitors while providing information to potential buyers on local products available for export or instate use. The Expo will give communities an opportunity to distribute data on land availability, industrial support, population, utilities/communications, housing, transportation, employment, education, sports and cultural amenities.

In addition, the Expo will give each community an opportunity to present facts and figures to conference attendees to generate support for its "most important action or project" for economic diversification.

For additional information, contact Cindy Jordan at 276-0700.

Ruling Could Pose Threat To Miners

A federal District Court in San Francisco has ruled that an owner of unpatented mining claims on a national forest near Monterey, California must comply with the permitting requirements of the California Coastal Commission. This ruling could have widespread implications for users of federal lands throughout Alaska, warns the Resource Development Council.

Paula Easley, the Council's executive director, says the ruling involves more than the ability of local governments to reasonably regulate private activities on federal lands; rather it adds the possibility that courts will sanction for the first time the ability of local agencies to shut down mining and other public land uses through a complex maze of permitting requirements.

The case, *Granite Rock Company v. California Coastal Commission*, is currently on appeal before the Ninth Circuit Court of Appeals. The dispute began when the Granite Rock company submitted a plan of operations to the U.S. Forest Service for permission to mine a high-grade chemically pure limestone deposit near Monterey, California.

The Forest Service approved the mining plans in 1981, but two years later, at the behest of some California preservationist groups, the Coastal Commission began an attempt to frustrate the mining operation.

Easley believes some of the Coastal Commission's actions have been absurd. She pointed out that the Commission has requested that Granite Rock Company dedicate for public use over \$1 million worth of real estate in exchange for permission to repair a private hiking trail. The Pacific Legal Foundation is representing a community organization in this case so that Granite Rock can repair the trail for the organization's hikers without losing its property.

Other actions carry a more ominous threat to development, Easley warned.

In 1983 the Coastal Commission told

(continued on Page 6)

Former Legislator Cites Lack of State Efforts To Build Infrastructure

Alaska hasn't done a very good job of investing its oil windfall of the past several years into infrastructure that would eventually diversify future sources of the state's wealth, a former state legislator said recently.

Addressing the Alaska Miners Convention in Anchorage last month, Fairbanksan Bob Bettisworth said the state has expressed the desire to build infrastructure that would allow for future resource development, but unfortunately "lip service" has been the extent of its effort.

The past chairman of the Legislative Budget and Audit Committee reported that the state has spent "billions since 1980—a lot on highways in urban areas—and literally nothing for development of access roads to mining and other natural resources in rural areas."

Bettisworth suggested that the Red Dog mining project currently being developed in Northwest Alaska by Cominco and NANA Regional Corporation is a good project in which the state could become involved. He said it is a proper function of state government and a worthwhile investment of oil dollars to speed up the process by helping build the transportation link needed to get Red Dog minerals to market.

With Red Dog in operation, the state would get a six-to-one return on its investment through direct tax revenues on the mine. Indirect benefits worth millions of dollars would also occur through jobs for over 400 local residents.

Red Dog is not the only operation close to being on line that would funnel significant tax revenues into the state's budget and brighten local economies. Quartz Hill, Greens Creek and the Beluga Coal Fields in sum would bring great benefits, Bettisworth pointed out.

However, the former Fairbanks lawmaker stressed that these and other projects need help from the state if the industry is to reach its potential. Like Canada, Alaska needs to make development of mining infrastructure a priority, he said, since the cost of transportation is often the determining factor in the competitiveness of a mine's product.

Bettisworth pointed out that Canada, rich in mineral resources like Alaska, has been increasing its support of the mining industry over the

past nine years. With most deposits located in remote and rugged areas, Canada's provincial governments agreed to share the cost of studies and develop the rail, road, port and power transmission facilities. As a result of the extensive government investment in mining infrastructure, within three years British Columbia's mining industry had an efficient transportation network to carry its product to market.

"I am convinced that the benefits to Alaska fully justify the prudent investment of state dol-

(continued on Page 6)

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