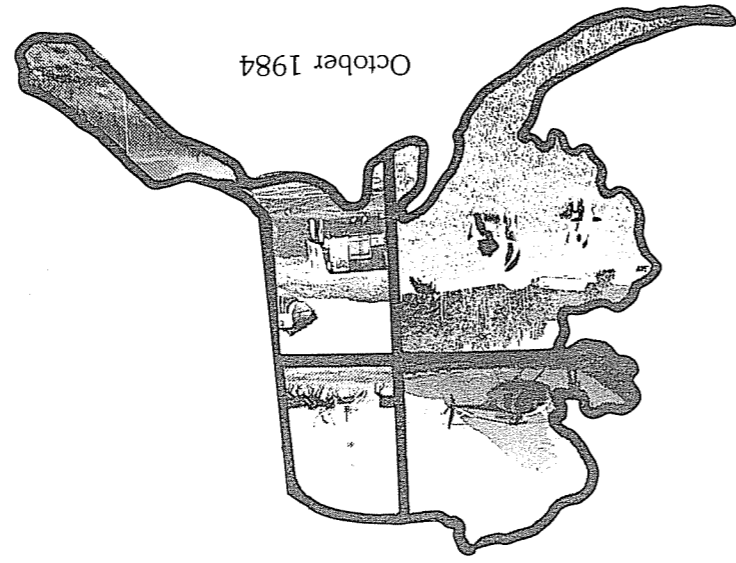


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Message From The Executive Director

By Paula P. Easley

Alaska's Economic Priorities

Excitement about RDC's February 1985 International Conference is building at a rate even we did not foresee. While the public will not have conference details for some time, people involved with the program are generating high enthusiasm in their communities for the program concept.

Entitled "Alaska's Economic Priorities: A Five-year Strategy," the program format was designed with the assumption that petroleum revenues will decline later in this decade, that a different approach is needed for directing state appropriations, and that Alaska's communities must develop strategies for generating revenues to sustain their own economies and populations.

To give you just a teaser, one segment of the two-day program consists of presentations by leaders of Alaska boroughs and communities wherein they'll discuss elements of their present economies and contingency plans for the day of steep state revenue declines. Each representative has been charged with the task of gathering local input so that this question can be answered at the conference: "What is the single most important action or project that would allow your economy to strengthen or diversify in the next five years?" If applicable, "What will it cost?" and "Do you expect public or private funding?"

For the first time, an All-Alaska Community Expo will be held at the Anchorage Sheraton in conjunction with the Conference. Fur Rendezvous will never be the same!

Tip to Resource Review readers: Almost half the 45 exhibit spaces are already spoken for. Conference sponsors will have first priority for the balance. Contact Becky Gay or Cindy Jordan at our new number 276-0700 for information.

COVER: When adopted, the Susitna Area Plan will direct the day-to-day management of 10 million acres of state and borough lands in the Matanuska-Susitna Borough and a small section of the Kenai Peninsula near Tyonek. See story page 4.

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) 276-0700.

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Carl Portman
Editor & Advertising Manager

For advertising information and special rates, contact Carl Portman at 276-0700.

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 276-0700.

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

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

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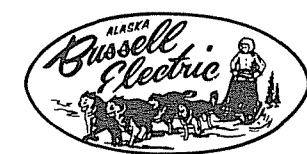
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Surimi Grant Is Awarded

Alaska's growing imitation food industry received a big boost in October when the Alaska Fisheries Development Foundation targeted a \$1.47 million grant to Kodiak seafood processor Alaska Pacific Seafoods to produce nearly a million pounds of surimi by early next year.

The new highly popular surimi is a high-protein boned, minced and frozen food base of bottomfish such as pollock, found in abundance off the Alaska Coast.

The Alaska Fisheries Development Foundation is attempting to develop an American surimi production industry. Its efforts are directly targeted toward the low-cost efficient production of surimi, which could bring the U.S. a large bite of the Japanese-dominated market.

Brian Kelly, general manager of Alaska Pacific, is hoping the surimi program has good long-term potential for year-round production. His plan is to tailor the surimi to better suit the needs of American food makers.

Burford Claims She Was Set Up

The former head of the Environmental Protection Agency blamed top Justice Department officials in Washington, D.C. for putting her up to lead the dubious claim of presidential executive privilege, then deserting her just as she was to defend the issue before Congress.

Speaking to the Resource Development Council in Anchorage October 5, Anne Burford said lawyers within the Justice Department convinced President Reagan certain documents should be kept secret, thus precipitating her resignation in 1983.

Although Reagan understood the "big picture" concerning the goals of the EPA, he used his executive privilege in ordering Burford to keep some records confidential. Some of those records pertained to the \$1.6 billion Superfund used by the EPA to clean up hazardous waste sites throughout the nation.

"I was put out in front on an issue that I didn't have faith in, that I didn't believe in, that I didn't go to that town to serve for, that I thought was politically disastrous," Burford said.

She warned the President twice that his approach would lead to trouble. She said "it was no doubt one of the greatest fiascos ever organized by the government against itself."

Burford defended her record as chief of the EPA, disputing claims that she was lax in enforcing laws to protect the environment. She said Congress went "into an uproar" when she began to enforce laws requiring automobile inspections to control exhaust fumes.

Regarding Southeast Alaska pulp mills, Burford said no one has looked at new EPA demands to determine if new standards would indeed improve water quality.

Committee Formulates Knik Response

In an on-going analysis of the Knik Arm Crossing Draft Environmental Impact Statement, the Resource Development Council is studying in detail what it believes to be shortcomings in the document.

The Resource Development Council's Executive Committee is examining a number of recommendations aimed at overcoming inadequacies in the draft document. RDC's response to the document and its recommendations to the authors of the final environmental impact statement will be released by the Executive Committee within the next two weeks.

Despite shortfalls in the DEIS, the Resource Development Council supports the concept of a Knik Arm crossing. It believes a crossing would bring valuable developable land within close proximity to Anchorage, resulting in new economic and resource development opportunities.

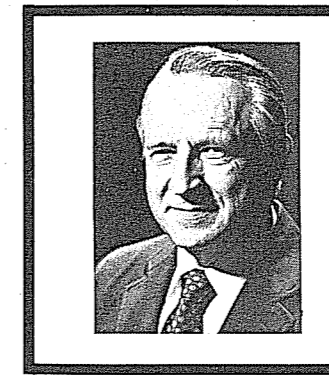
In its statewide Transportation Policy Statement, the Council states that resource development is dependent upon the existence of transportation systems that will allow for the movement of materials, equipment, supplies, people and products. The establishment of major transportation facilities and networks such as the Knik Arm Crossing will support growth and encourage development by creating new business opportunities, the statement points out.

The Transportation Policy Statement was adopted by the Council's statewide Board of Directors last spring.

The DEIS examines two crossing and three no-crossing alternatives. The crossing alternatives are the \$742 million Downtown Project and the \$547 million Elmendorf Project. The no-crossing alternatives are the No-Action, Glen/Parks Improvement and Hovercraft.

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276-0700**

In an effort to better serve our membership, the Resource Development Council for Alaska, Inc., has changed its telephone number to 276-0700. The old number of 278-9615 was discontinued as of October 15.



*A Letter
From Our
President*

**By
Charles R. Webber**

25 Years of Statehood

The first 25 years of statehood have been exciting and bountiful for Alaska. The years since 1959 have given Alaska a new perspective in the eyes of our nation and perhaps in the eyes of the world. We can applaud and feel fortunate in this.

On the other hand, good fortunes of Alaska have caused state government to grow beyond expectations and a sense of reason. Perhaps in the next 25 years we will provide leadership that can reduce the size of government and allow the private sector to regain its historical, rightful position of contributing to the welfare of Alaska and the nation.

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Susitna Plan Could Hinder Development

A committee of Resource Development Council land specialists has informed a state planning team that the newly drafted Susitna Area Plan stands as a potential roadblock to diversifying Alaska's economic base.

The Susitna Area Plan (SAP) covers ten million acres of state and borough land in the Matanuska-Susitna Borough and a small section of the Kenai Peninsula near Tyonek. When it is adopted, the plan becomes official policy directing the day-to-day management of those lands.

Richard Tindall, chairperson of RDC's Agriculture, Forestry and Fisheries Division, believes the plan's guidelines would discourage private industry from developing the economic resources of the area. He said "if a similar plan designating fish and wildlife as a primary use were in place on the North Slope 15 years ago, Prudhoe Bay may never have been developed."

Tindall believes the SAP will effectively block development of nonrenewable resources since it does not encourage multiple uses of those resources. The plan designates fish and wildlife habitat as the primary use in three-fourths of the area, essentially locking out multiple use concepts.

RDC resource consultant John Hall believes such action is not within the intent of the Alaska Constitution which encourages the development of resources by making them available for "maximum use consistent with the public interest." Hall also pointed out Title 38 of the Alaska Statutes, Section 38.05.300 which states "No state land, water or land and water area shall, except by act of the state legislature, be closed to multiple purpose use, if the area involved contains more than 640 acres."

RDC forestry specialist Terry Brady feels the authors of SAP should have honored the intent of the statute by designating a majority of the land to multiple-use purposes.

"We feel multiple-use and sustained-yield principles should be encouraged throughout the Susitna area as intended by Alaska Statutes and the Constitution," Brady said. He said such action would encourage diversification of the area's economic base. Brady said regulations and permitting programs already on the books would assure protection of the environment.

"Given the political clout of the fish and wildlife/recreation organizations, are

we to conclude that it will be only a short time before most of this area is reserved for fish and wildlife habitat/public recreation management only?" Brady asked. If such is the case, "many future opportunities may be lost since the Alaska Department of Fish and Game has no legal mandate to balance the state's interests."

Tindall pointed out in RDC's response to the state that the plan's "Primary Sur-

face Land Use Designations" map has colored millions of acres blue, the code for establishing fish and wildlife habitat as the primary use. Tindall said the map leaves the public to assume that the area delineated in blue will be managed primarily for fish and wildlife to the exclusion of all other resources.

In general it appears that development of resources such as minerals would be

(Continued on Page 5)

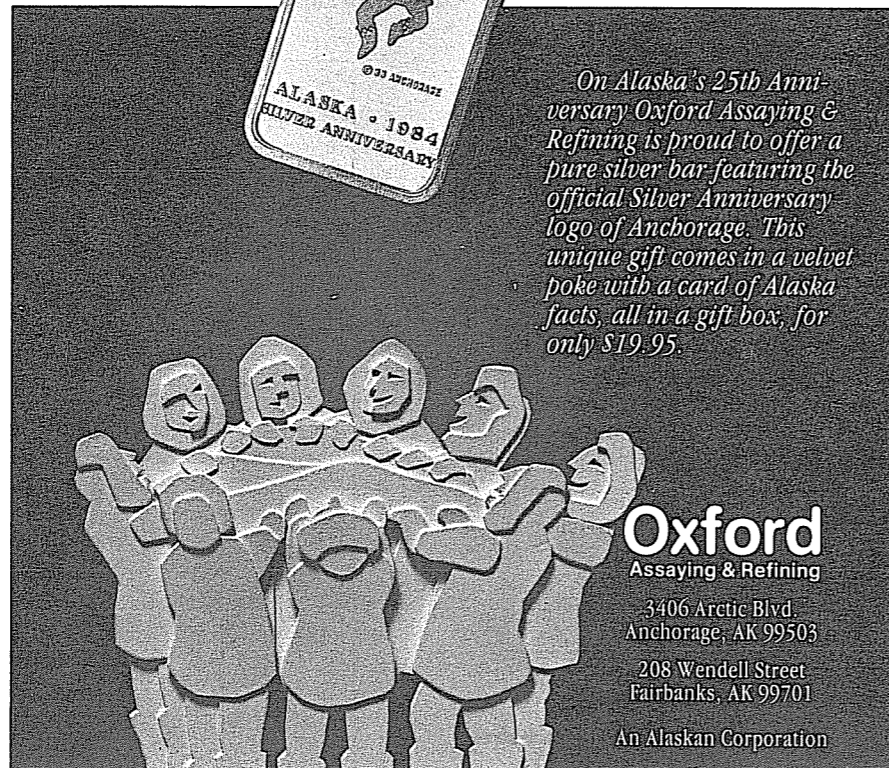
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RDC Responds To Quartz Hill DEIS

After lengthy examination of the Draft Environmental Impact Statement on the Quartz Hill Molybdenum Mine Development, the Minerals Division of the Resource Development Council concluded that public benefits of the Quartz Hill operation greatly exceed temporary disturbance that might occur.

Depending on metal prices, the mine could add between \$267 million and \$457 million to the nation's annual balance of foreign trade. Locally, the mine would add \$67 million to annual personal incomes, thus furnishing approximately 25 percent of all personal income in the Ketchikan area.

Minerals Division chairperson Anita Williams pointed out that the national balance of payments in foreign trade and its positive effect on the cyclical, narrowly-based Ketchikan economy greatly overshadowed the short-lived, temporary, largely hypothetical, adverse environmental problems of the operation. Williams stressed that no permanent environmental damage is foreseen from developing Quartz Hill under the U.S. Borax plans.

The RDC Minerals Division found the DEIS to be a thorough, factual and well-done document. However, during the Division's review process, several philosophical and practical considerations were observed within the document which merited further discussion, Williams said.

Williams said the impact statement should have been directed more to the specific mine development plan with less focus on alternative concepts, which were more appropriately addressed in the site selection and planning stages. She said the DEIS should deal with the mine development plan that U.S. Borax has submitted and not give such extensive coverage to possible alternatives unless a significant problem area were discovered during the collection of data.

RDC specialists generally felt the DEIS gave too much attention to the "worst possible case" scenario, which is least likely to occur. Since worst case scenarios are purely statistical, Williams suggested the Final EIS present a chart listing predicted worst case frequency or percent chance of occurrence.

Regarding environmental impacts, RDC agreed with the DEIS in that air quality would not be significantly impacted by the project, except at the site of excava-



An aerial view of Quartz Hill shows U.S. Borax's original campsite.

tion where particulates could exceed air quality standards.

Maintenance of minimum stream flows and construction of sedimentation ponds would enable the project to avoid damage to the fishery and to meet Alaska State Receiving Water Quality Standards.

The RDC specialists also found that sedimentation during construction would have minor, short-lived effects on benthic life. Marine impacts would be minimal since toxic components would be diluted to non-toxic levels within 100 feet from the tailings discharge.

U.S. Borax has spent over \$100 million on the Quartz Hill project with

Susitna . . .

(Continued from Page 4)

allowed, especially since the plan states that approximately 95 percent of the area is open to mineral location. However, the RDC specialists have found it difficult to envision actual development taking place when surface management of most of the open-to-entry land is under the primary use designation of habitat protection and management. Furthermore, they contend that SAP land management policies for fish and wildlife do not address mineral entry, exploration or transport of minerals.

Regarding forestry, Tindall indicated that the SAP did not designate enough forest land to adequately meet industry's demand. He pointed out that forest lands and other resource-rich areas managed under the multiple-use approach normally provided the largest sum of social, economic and resource benefits.

As a result, Tindall stressed that land use priorities be based on the objectives and needs of the state, reviewed periodically, and where necessary, revised to reflect changing conditions and needs.

nearly a quarter of those costs going toward environmental studies and protection. The U.S. Forest Service praised the company's construction of a 10-mile access road to the site from saltwater in an "environmentally sound manner under extremely difficult conditions."



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