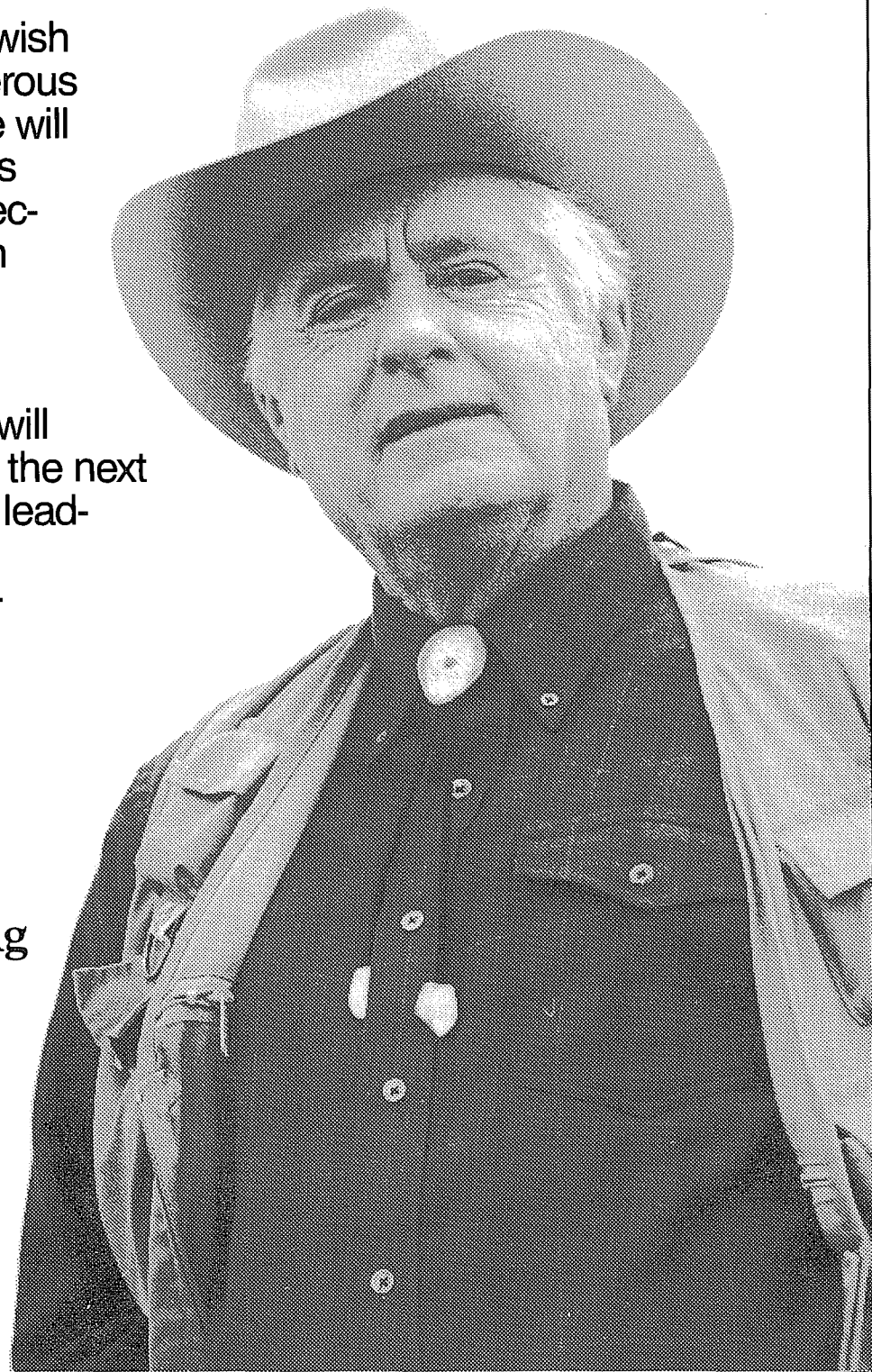


# Let's Keep Energizing Alaska in 1987

The folks at Tesoro wish everybody a prosperous 1987. Alaska's future will depend on the goals we set, and the objectives we accomplish this year. We've got to forge ahead with optimistic attitudes. And find ideas that will catapult Alaska into the next century as a strong leader. Together, we can do this. From everyone at Tesoro, have a healthy and safe 1987.



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# Resource Review

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

January 1987



## Public calls for ANWR drilling

Three Interior Department public hearings held earlier this month in Alaska and Washington, D.C. revealed overwhelming support for opening the Coastal Plain of the Arctic National Wildlife Refuge (ANWR) to oil and gas development.

The Anchorage and Washington hearings were heavily dominated by companies, organizations and individuals favoring environmentally-sound development of the 1.5 million-acre Coastal Plain, which comprises about eight percent of the refuge. A public hearing was also held in the Coastal Plain village of Kaktovik where many native leaders and residents expressed support for development.

Pro-development forces outnumbered non-development interests by a 3-1 ratio at the Washington and Anchorage hearings, which were scheduled along with the Kaktovik hearing to gather public input on whether Congress should allow oil exploration and production in the refuge. The plain is now off-limits to development, but the Interior Department in its draft 1002(h) report recommends full leasing. After public comments have been received on the report, Interior officials will submit a final recommendation to Congress this spring.

The Resource Development Council urged full leasing of the Coastal Plain. Others testifying in Washington in support of developing America's most prospective energy region were the Coalition for American Energy Security, the American Petroleum Institute, the Alaska Oil and Gas Association, the Highway Users Federation, the National Association of Manufacturers, the National Ocean Industries Association and the U.S. Chamber of Commerce.

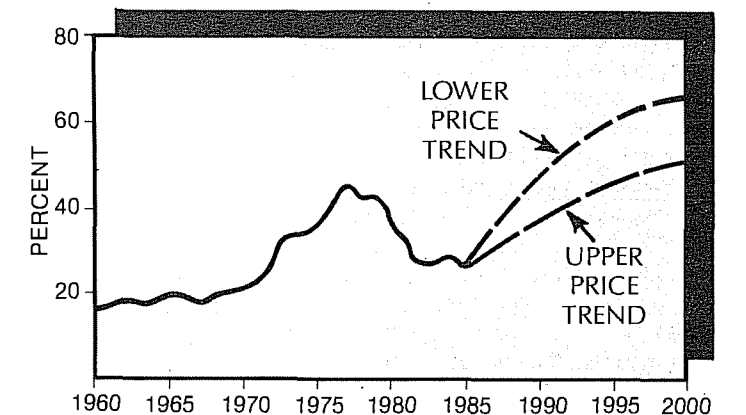
The various organizations pointed out that the Coastal Plain holds America's best hope for the discovery of large domestic oil deposits. Most stressed that development is needed to help reverse America's increasing dependency on foreign oil. In addition, others pointed out that a multi-year record of arctic oil production proves that energy

development in sensitive arctic areas can take place without harming the environment or wildlife.

"Americans must not be blinded by a temporary oil glut and low energy prices," warned RDC President Boyd Brownfield. "Before too long, the U.S. could be facing an energy crisis of unmatched proportions."

(Continued on page 5)

FUTURE SUPPLY/DEMAND OUTLOOK  
Net U.S. Oil Imports as a Percentage of Oil Consumption



NOTE: Potential import levels are based on responses to an NPC survey of future supply/demand outlooks that utilized two oil price trends provided by the Department of Energy: an upper price trend starting at \$18/barrel in 1986 and growing at a real rate of 5%/year to \$36 in 2000, and a lower price trend starting at \$12/barrel in 1986 and growing at a real rate of 4%/year to \$21 in 2000.

## Poll reveals 70% want development

Nearly 70 percent of Alaskans believe Congress should open the Coastal Plain of the Arctic National Wildlife Refuge to oil and gas exploration and production, according to a recent statewide poll.

The survey was conducted in late November by Dittman Research Corporation for the Alaska Oil and Gas Association. Five hundred residents in 51 communities were polled.

In the Dittman survey, 86% believe the oil and gas industry has operated in an environmentally safe manner at Prudhoe Bay. About 83% of the respondents also believe the petroleum industry

can operate safely in the refuge.

Those who supported development said industry has a proven safe record of oil development in the arctic, that the oil is needed and that development would be good for the economy and the state.

"The survey clearly shows that most Alaskans want the federal government to allow oil and gas exploration in the highly prospective ANWR Coastal Plain," said AOGA Executive Director William W. Hopkins.

## PLF bases attorney in Anchorage



James S. Burling is a geologist and PLF attorney specializing in environmental law.

Pacific Legal Foundation, a Sacramento-based public interest law firm, has assigned a full-time attorney to its Alaska office at the Resource Development Council in Anchorage.

According to Anchorage staff attorney James Burling, the Foundation is actively involved in a number of lawsuits in Alaska where "the Foundation is working to impart a balance between the protection of the environment and the critical need for resource development in the state."

Included among these efforts are the Foundation's representation of Fairbanks North Star Borough in defense of the state's mineral leasing system, and the defense of several mining associations in support of mineral development on federal lands in Alaska against a series of attacks by a coalition of environmental groups.

"It is because of the critical national need for Alaska resources, and the evolution of environmental law in Alaska that the Pacific Legal Foundation determined it necessary to upgrade its Alaska facilities," said Burling.

Citing a need to be closer to the breaking cases, Burling said his transfer to the Alaska office will make the Foundation more effective in its advocacy of "the free enterprise approach to environmentally sound natural resource development."

The foundation office is located at 807 G Street, Suite 200.

## Message from our executive director

by Paula P. Easley



RDC's decision to move its annual conference from February to April gives state leaders some breathing room for considering how they should address the crucial issue of Alaska's economy. With a new state administration and legislature, time will be needed for outlining duties, organizing committees, training personnel and setting priorities. Budget concerns will be at the top of the list. For the time being, it appears economic development will take a back seat.

We think it's imperative that Alaska's leaders look not only at cutting budgets, but at enhancing revenues. Revenue enhancement can be viewed simply as new tax measures or it can be viewed as creating the climate wherein tax revenues are generated from economic expansion. We prefer the latter approach.

RDC's "Great Opportunities" Conference in April will provide an exciting forum for putting our collective genius to work--the way we used to do so well--to explore ways we can realistically pursue economic expansion.

Recently the Matanuska-Susitna Borough decided that timber contract management services would be "delayed and possibly foregone due to the economic crises in state government." Obviously if you forego the service, you forego the potential revenues from the use of this renewable resource. You've gotta spend money to make money.

For example, 1986 timber receipts from U.S. Forest Service lands in Alaska were a paltry \$545,528. Now, why should Alaska, with the nation's first and second-largest forests, have the lowest receipts from this resource compared to other timber states? It was astonishing to me that little ole' Oregon netted over \$117 million in 1986!

If the Mat-Su Borough adopted an aggressive timber management program, just think of the jobs and revenues that would result. That's just one idea.

We've asked Alaskans to share their ideas for revenue enhancement and economic diversification (see article referring to Call for Papers questions in this issue) with today's fiscal realities in mind, and we hope you'll be one of those to respond. If we receive your papers by March 1, conference speakers will have an opportunity to review them while preparing their presentations.

As though we weren't overwhelmed with work already this year, the RDC staff has undertaken an additional challenge and responsibility associated with the April conference. In two sessions of six concurrent workshops Saturday morning, April 4, you will be able to personally discuss your proposals for advancing the state's economic interests. Each workshop will be 90 minutes long, giving adequate time to fully address the issues under discussion. It will be an exciting, productive event.

In the afternoon, our state Board of Directors will meet to refine its 1987-88 program. To top it all off, the State Directors will host conference and workshop participants at the biggest hangar party Alaska has ever seen. It will be a hectic three days--are you ready for it?

## State wins major navigability decision

The U.S. District Court for Alaska has ruled that the Gulkana River in the Copper River Basin is a navigable river -- a decision that settles the question of ownership of this river and will be important in determining the ownership of other submerged lands in the state.

Tom Hawkins, Director of the Department of Natural Resources' Division of Land and Water Management, said that this decision is significant and benefits the state. "First, it confirms that the submerged land beneath the Gulkana is owned by the state," Hawkins said. "It also culminates the state's efforts to get a decision from the court that can be used as criteria to determine state ownership and control of rivers and lakes throughout Alaska."

By federal law, states are entitled to the resources and land that lie within and under waterways that are capable of navigation. Hawkins said that the federal and state governments have been working together for several years to narrow the differences in their respective interpretations of what makes a waterway navigable.

"Because of the criteria for navigability established in this recent decision, a lot more waterbodies are navigable than the federal government originally thought," Hawkins said. "What this means to the state is that the land and the resources under waterbodies will now belong to the state."

In the recent decision, the court accepted the state's contention that a waterbody's physical capacity to be used as a transportation route is the crux of the navigability test. The court rejected the federal government's claim that the state must also prove that the waterbody can be navigated by larger vessels which are customarily used for certain commercial activities.

The court stated it was necessary only to show that the waterbody is capable of "the most basic form of commercial use: the transportation of people or goods." The decision also stated that the river's capability to be used for transportation need not be measured by the types of watercraft customarily used more than 25 years ago at the time of statehood, as contended by the federal government.

The court found there is nothing in the historical development of the navigability test indicating that navigability should depend on the circumstances existing on a certain date. It determined that the types of watercraft used on waterbodies today must be considered along with past use.

## RDC asks state to amend water quality standards

The Resource Development Council has asked the Department of Environmental Conservation to amend water quality regulations as requested in a petition recently submitted by the Alaska Miners Association.

"We are concerned that the new regulations do not adequately address the concerns of public comments made by miners and industry," said executive director Paula Easley in a letter to Commissioner Dennis Kelso.

With water quality standards that are virtually impossible to meet, the Alaska placer mining industry is on the brink of destruction. Easley said the state must consider reasonable amendments to the water quality regulations if the industry is to survive. She said the amendments as advanced by the AMA would prove beneficial to the mining industry while not causing unnecessary harm to the environment.

RDC has asked DEC to delay its implementation of the new standards in order to launch a serious review addressing economic issues and the substance of all comments on water quality.

## RDC issues Call for Papers

(Continued from page 3)

the conference proceedings.

The questions are:

1. What, in your opinion, are the three most significant opportunities available to (Alaska) or (your community) for economic growth?

2. What actions should be taken to realize these opportunities?

3. What should be the role of the government, the private sector and academic institutions in relation to these actions and opportunities?

4. If implementation funding is needed, how should revenues be raised?

Respondents may answer any or all of the questions in their submissions. Papers must be submitted by March 1, 1987 to Resource Development Council, Box 100516, Anchorage, AK 99510. Papers should be single-spaced, in pica type, with one inch margin on each side, maximum six pages.

## Notable Quotes

"In a resource state like Alaska, which faces intense competition on the Pacific Rim from other resource-rich countries like Canada and Australia, clinging to the notion that encouraging development is either a sell-out or a subsidy is a prescription for economic failure."

—Scott Hawkins

Corporate economist for Alaska Pacific Bank

"You can't solve your problems by raising business taxes--which are inevitably passed on to the consumer--as a lot of states are doing. The answer is to be fiscally conservative. Building coalitions to maximize opportunities and, in unity, to minimize problems--that has been Delaware's path to a brighter future."

—Governor Pete du Pont, State of Delaware

If Alaska's 55 million acres of designated Wilderness were made into one state it would be the 11th largest state in America. Comparative state acreage:

Idaho . . . . .	53.4 million acres
Kansas . . . . .	52.6 million acres
Minnesota . . . . .	54.0 million acres
Utah . . . . .	54.3 million acres
Pennsylvania . . . . .	28.9 million acres

### 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 7:30 a.m. in the Northern Lights Inn. Reservations are requested by calling 276-0700.

### Executive Committee Officers

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 Vice President . . . . . John Forceskie  
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 Vice President . . . . . Shelby Stastny  
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 Staff Assistant . . . . . Dottie Morrison  
 The RDC business is located at 807 G Street, Suite 200, Anchorage.

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Carl Portman  
 Editor & Advertising Manager

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.





# RDC critical of new refuge plans

The Resource Development Council has identified a fundamental procedural concern that prompts its objection to two comprehensive land management plans being formulated by the U.S. Fish and Wildlife Service.

In comments submitted to regional director Robert Gilmore, the Council complained that the range of alternatives in the draft comprehensive management plans for the Koyukuk, Innoko and Selawik National Wildlife Refuges is so narrow that there is only a slight variation between management options.

In addition, the Council refused to give its support for the preferred alternative in the Nowitna National Wildlife Refuge draft plan, instead recommending an alternative which provides opportunity for local economic development without compromising the purposes for which the refuge was established.

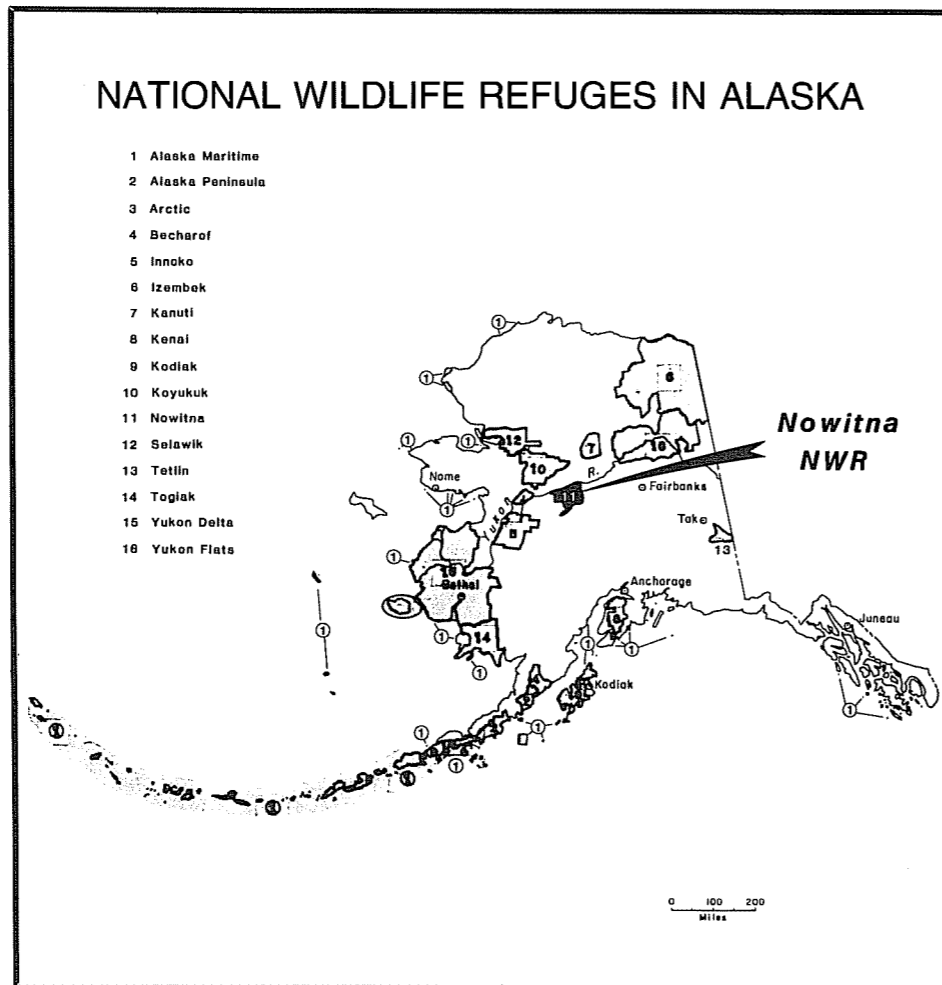
In response to the limited Koyukuk options, the Council said that the diversity of interest in any National Wildlife Refuge cannot be adequately addressed in only two alternatives. By limiting the number of alternatives to two, the Council warned the FWS runs the risk of either proposing two divisive management directions, or (as in the case for the Koyukuk plan) proposing two nearly identical management directions.

The only substantive difference between the two alternatives in the Koyukuk plan lies in the lands proposed for Wilderness designation, the Council pointed out in its comments. From a procedural and practical point of view, the two alternatives offer no substantive differences in management style or intent over the life of the plan. The Council said the range of alternatives does not address its concerns for more aggressive management of the refuge resources.

In the Selawik plan, the proposals also reflect only a range of Wilderness alternatives, instead of a much broader range of management alternatives. Further, the Council believes reasonable alternatives, including moderate or intensive management regimes, were omitted from the plan without justification.

The Council pointed out that there seems to be some inconsistency between the Selawik plan and other recently reviewed plans with respect to oil and gas leasing policy. It is the Council's understanding that minimal management and Wilderness designation both preclude oil and gas leasing. Oil and gas leasing is only allowed in those areas under moderate or intensive management.

The Council response asked, "If this is so, then why did the draft include an oil and gas exploration and production scenario? Con-



versely, why did the draft exclude a moderate or intensive management alternative?"

The Selawik farm and fisheries projects also drew Council concern. RDC advocates these developments, explaining that both projects exemplify the resourcefulness and determination of the local people. However, it is concerned that the plan may unduly encroach upon the economic self-sufficiency of Selawik.

Unlike the Koyukuk and Selawik draft plans, the Council was pleased with the management alternatives in the Nowitna Comprehensive Conservation Plan. RDC commended the planning team for proposing a relatively broad range of alternatives and noted its preference for this approach throughout the national wildlife refuge planning process.

However, the Council objected to the federal agency's management scheme, recommending instead the implementation of Alternative D, a progressive management scheme that focuses on timber harvesting that the Council contends would not jeopardize the

resource values of Nowitna.

The Council expressed its dissatisfaction with the "worst case" scenario for Alternative D, pointing out that it does not take into account possible mitigation measures. The Service was asked to verify claims that the proposed harvest level in Alternative D would have a negligible positive impact on the local timber industry.

RDC believes Alternative D would provide unprecedented research opportunities for the Fish and Wildlife Service. None of the national wildlife refuges in Interior Alaska permits timber harvesting within its boundaries. As a result, RDC believes the Service should capitalize on this opportunity to allow forestry practices on an experimental basis. Research findings could then be used to evaluate the effects of timber harvesting on island habitat, wildlife and fish.

At press time, the Council was reviewing management alternatives for the Arctic National Wildlife Refuge. These alternatives apply to lands outside the 1002 area.

## Thoughts from the president

by Boyd Brownfield



## Battle has only begun

No doubt by now most of us have been exposed to at least the basic issues surrounding ANWR and recognize the general battle lines that have been drawn. However, several of the more significant advancements warrant repeating to bring us to a parallel understanding.

The Interior Secretary's initial recommendation to open the Coastal Plain of ANWR to development drew overwhelming support at public hearings in Alaska and Washington, D.C. earlier this month.

The Kaktovik fathers, their village council, the Arctic Slope Regional Corporation and the North Slope Borough supported development. Both hearings in Anchorage and Washington, D.C. favored development by a three to one ratio.

These are indeed significant accomplishments, but we must not forget that several successful volleys do not win the war. Indeed, the battle has only begun and the hill we must climb looks more like Mt. McKinley.

What may not be as obvious is that the public forum is not where the ANWR issue will be decided, but rather the halls of Congress. Our adversaries have already mustered impressive support by presenting a bill to lock up the Coastal Plain as Wilderness. They also have a second bill in the wings should the first one falter.

What can you and I do to assure that Congress makes the right decision for Alaska and the nation? For starters we must dive into the issue and become very informed. Call your RDC staff and get the facts. Once armed with this information contact those who will be making the decision. Talk to relatives and other influential people you know who can, in turn, talk or write to their congressmen and convince them to cast their vote for opening ANWR. This is the single most important contribution you and I can make.

ANWR is a national issue of the highest order affecting our national security, and it affects every state in our nation. That point must be driven home to every congressional participant carrying a vote.

Remember, Alaska has only 2 of 100 votes in the Senate and 1 of 435 in the House. Clearly our congressional delegation cannot do it alone. You and I simply must play a commanding role in this battle or we will lose.

# Major event to pursue State's economic recovery

The Alaska "Great Opportunities" Conference will provide a forum for pursuing the state's economic potential when hundreds of business and government leaders meet April 2-4 at the Anchorage Sheraton Hotel.

In addition to selecting nationally-known experts who will present their subjects provocatively, the Council is asking citizens to submit papers addressing significant opportunities for economic growth and diversification for publication in the Conference Proceedings.

The seventh annual conference itself is intended to provide direction to Alaska leaders in both the public and private sectors. One of its goals is to forge a dynamic partnership between business, labor, government and universities to address economic concerns. Another is to foster establishment of institutions that will prove beneficial to identified goals. Still another is to mobilize a broadly-based constituency of citizens to support economic development in general—to create a greater awareness of the need for and benefits of economic progress.

The strategy for RDC's 1987 conference begins with the notion that Alaska's vision for its economic future is one that avoids tempting quick-fixes that could undermine long-term performance. Alaska's economic vision, as pictured by conference organizers, includes jobs, higher incomes, low unemployment and higher gross state product and wealth.

The conference strategy also assumes that economic development goals are not ends in themselves, but rather are means of providing the necessities of life and opportunities for personal and civic development of its citizens.

Public policy recommendations expected to result from the conference and papers submitted for the proceedings will be formulated in the weeks following the conference. Some of these will require new legislation, support for legislation already introduced or opposition to proposed measures.

The conference sessions, featuring economic development professionals from across the United States, will take place April 2 and 3. On April 4, community leadership workshops will be held, featuring conference speakers. The workshops will encourage discourse between participants and speakers in a problem-solving atmosphere. Community leaders are expected to return to their communities with sound direction for pursuing local economic goals.

Arthur Young and ASK Information Search



have been retained by RDC to assist in the process by reviewing selected economic development proposals for economic and financial feasibility criteria, assessing the level of required resources, doing a rough assessment of market situations, reviewing business and marketing plans and suggesting possible financial sources.

Both companies will select several reports from the Council's Call for Papers request and put each project or idea into a common framework or model for discussion.

"We welcome the opportunity to assist the Resource Development Council in its effort to solicit economic development ideas from Alaska's many communities," said Alex Kochkin of ASK. "Communities can positively promote economic development even in the face of the declining economy by capitalizing on their strengths, focusing their efforts and resources and emphasizing the growth and development of existing and new businesses in their communities."

To register for the conference and Community Development Workshops by telephone, call RDC at (907)276-0700 with Visa or Mastercard numbers. The registration fee for the Alaska "Great Opportunities" Conference is \$225; the workshop fee is \$60.

## Call for Papers

The Resource Development Council has issued a Call for Papers in connection with its upcoming conference scheduled for April 2-4, 1987.

Individuals, local officials, government administrators, chambers of commerce and economic development task forces are asked to consider four questions and submit responses to the Resource Development Council.

The papers will be made available to economic development professionals speaking at the conference and will be reprinted in (Continued page 7)

# Economy is far from standing still

## Alaska may benefit from recession

Alaska's economy won't keep pace in 1987 with the level of business activity seen in the first half of the decade, but an objective look shows the state's economy is far from standing still, according to Scott Hawkins, a corporate economist with Alaska Pacific Bank.

Assuming an average oil price of \$15 per barrel over the next two years, Hawkins told a Resource Development Council breakfast meeting audience of 130 earlier this month that the current one will deepen in 1987 with an average drop in statewide employment of about 4 percent, compared to a fall of 2.5 percent in 1986. Hawkins estimated that the recession would last three years, with 1987 being the second year of the economic downturn.

Hawkins termed the recession as "mild" and similar to what Alaska experienced in the post-pipeline recession. However, Hawkins said the current recession will be deeper than the one following pipeline construction. In addition, the current recession will be distributed differently geographically.

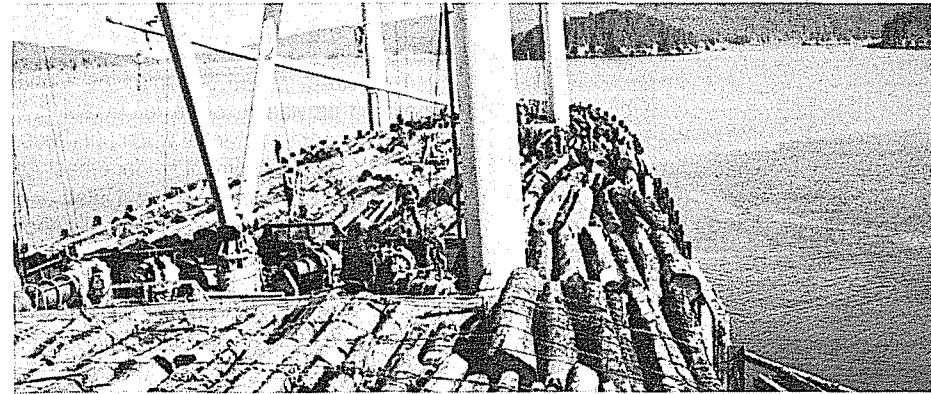
The Alaska economist explained that in the late 1970s recession Fairbanks was hit the hardest while Anchorage did quite well. This time, Anchorage will feel the strongest blows due to its heavy reliance on state government and the petroleum industry.

After a loss of 1,500 jobs in 1986, the oil patch will likely see an additional 1,500 jobs terminated in 1987, Hawkins predicted. Compared to the situation in the southern oil states, the drop in oil industry employment does not represent a dramatic decline, he said.

Oil companies have prepared more conservative budgets for 1987 and beyond. However, expenditures for Alaska production and field maintenance over the next several years is nonetheless significant.

The big concern is state government with a loss of about \$400 million in state spending, equating to 12,000 lost jobs, Hawkins said. The construction industry will also "take it on the chin" this year, he said.

Over the past couple of years, the biggest decline in the construction industry was in private sector projects and in the next two years state and local government-funded construction projects will plunge due to large budget cuts.



The timber industry appears to be on the rebound with employment up 20 percent in October and November.

Many of this year's construction awards will come from the federal government. Federal spending, specifically military projects, will provide the most work through 1988. Defense-related spending in Alaska could top \$400 million for 1987.

Hawkins stressed that "all of Alaska's traditional resource industries that we've known for years are eventually going to have to pick up the ball and provide our economic growth."

He said the lower energy prices make the other industries—tourism, fishing, timber and mining—more viable by reducing operating costs, transportation expenses and interest rates.

As a result, the economic tide appears to be turning for these industries, Hawkins said.

For the first time since 1981, the forest products industry is showing improvement with October and November employment up by 20 percent.

"These industries will help buffer the impacts of budget cuts," Hawkins said. "In the long term we're going to have to count on these industries to get us back on the growth path."

The long-term outlook is still very positive for Alaska due to the state's tremendous resource base and favorable tax climate, noted Hawkins. He explained that because of Alaska's great oil wealth, the overall tax burden is negligible.

"Unless we really blow it and drop the ball, we're likely not to have a burdensome tax climate by lower 48 standards," Hawkins said.

In addition, he expects Alaska's future economy to benefit from public and political opinion which is now turning in favor of more pro-development policies.

The current recession may be uncomfortable and painful, but Hawkins insists that "all the things that hurt now will make us more competitive later. It's a lot like a fast."

## Tourism is brightest by default

A recent poll conducted by ALASKA from the INSIDE in conjunction with the Dittman Research Corporation has revealed that tourism may become the dominant future economic force in Alaska by default because government regulations and restrictions are retarding the natural growth and emergence of mining and mineral development as the primary source of economic strength in Alaska.

The statewide survey showed that business leaders across Alaska eye tourism as the most promising industry as the petroleum industry declines. Tourism was widely seen in the poll as the industry least restricted and hindered by government regulations; and therefore it is perceived as the one most likely to prosper.

The survey covered several hundred business leaders in four separate industry sectors across Alaska.

Some respondents charged that "tourism" is the only industry in Alaska that the environmentalists have not tried to wreck." Others claimed that until the attitude of state government is changed, and regulatory policies become less restrictive, mining doesn't stand a chance, even with the known mineral potential of Alaska, including coal.

One respondent pointed out that "tourism will greatly help the economy, but not help the state revenue problem." Another urged that oil and gas operations be expanded into ANWR because "all other industries combined won't pay our state's costs..."

## Member Alert

## Respond Now!

# ANWR comments desperately needed

The comment period for the draft 1002 report has been extended to February 6, 1987. It is absolutely critical that YOU send a brief one-page letter to the U.S. Fish and Wildlife Service expressing your support for the Interior Secretary's recommendation which calls for full leasing of the Coastal Plain. Each letter of support is vital because the numbers do count!

### Key points to include in your comments:

- Request that the Coastal Plain of ANWR be opened to oil and gas exploration and development.
- Stress that oil and gas exploration and development in ANWR is in the national interest and that America will have a serious need for new oil by the year 2000, the earliest any production could begin from the refuge.
- Explain that Prudhoe Bay clearly demonstrates that proper development can proceed without harm to the environment and certainly without harm to the caribou.
- Point out that arguments opposing development on an environmental basis are highly speculative and are similar to the dire predictions made in the 1970s to discourage development of Prudhoe Bay and the construction of the trans-Alaska pipeline.

Mail Your Comments To:  
U.S. Fish and Wildlife Service\*  
Division of Refuge Management  
2343 Main Interior Building  
18th and C Streets, N.W.  
Washington, D.C. 20240  
Senator Bennett J. Johnston  
Senate Energy and Natural Resources Committee  
Senate Office Building  
Washington, D.C. 20510  
Governor Steve Cowper  
Pouch A  
Juneau, AK 99801  
\*Copy RDC at Box 100516  
Anchorage, AK 99510

## Public strongly supports ANWR development (Continued from page 1)

Brownfield explained that domestic oil reserves are plummeting while consumption is rising. He said U.S. oil imports could rise dramatically from about 27 percent of domestic consumption in 1985 to over 70 percent in the next decade.

"It is imperative that we look for oil in ANWR now because developing oil fields in the arctic requires lead times of 10 to 15 years from discovery to first production," Brownfield said. "Assuming a major field is discovered on the Coastal Plain today, first production would not be likely before the year 2000."

While giving strong support to the Interior Department's recommendation that the plain be opened to full leasing, RDC expressed concern that many of the environmental impacts indicated in the report appear to be based on "worst case" evaluations. Since the NEPA-EIS guidelines have been changed from "worst case" assessment to "most likely to occur," the report should clearly reflect the change, Brownfield said.

"Due to the "worst case" bias, RDC requests that those impacts based on a highly speculative nature be clarified as such throughout the environmental consequences section," Brownfield said. "This will allow and hopefully ensure that those reading the document are aware of the highly-speculative nature of those impacts."

RDC deputy director Becky Gay presented the Interior Department with formal resolutions of support for the opening of the Coastal Plain from a dozen Alaska communities stretching from Ketchikan to Kotzebue. Gay also conveyed the Port of Tacoma's support for opening the 1002 lands.

A number of RDC board members testifying at the hearing pointed out that development of a substantial oil field in the relatively small proposed lease area would reduce America's reliance on foreign oil, cut the national trade deficit, increase the nation's proven energy reserves, increase local, state and federal revenues from taxes and royalties and increase employment opportunities.

Richard Tindall, director of RDC's Renewable Resources Division, said, "not to develop the potential of this national treasure would be treasonous."

Based on the Interior Department's peak production estimate of 659,000 barrels of oil a day from the refuge, the America Petroleum Institute reported that 254,085 new jobs could be created nationwide from oil development and production in the refuge. Using the same base projection of production, the Gross National Product could increase about .25 percent above the level that would otherwise exist.

RDC board member Charles R. Webber pointed out that since 1974 over \$36 billion have been funneled directly into the economy developing North Slope oil fields.

Joe Henri, President of South-Central Timber Development Corporation and Vice President of RDC, reminded the public that 15 years ago non-development interests objected to the development of the Prudhoe Bay oil fields on the basis that such development would damage the environment and seriously harm caribou and other wildlife.

"Look what has happened since 1977 when Prudhoe Bay began supplying America with 20 percent of its domestic crude production," Henri said. "Today caribou thrive in the midst of arctic oil production facilities."

Representing the Alaska, Hawaii, Idaho, Montana, North Dakota, Oregon and Washington Highway Users Federation, RDC board member William Schneider stressed that development of ANWR is essential to insure availability of oil and gas. He said insuring the long-term availability of fuel for the movement of people and goods must be a top national priority."

More than 100 villagers packed the new community center in Kaktovik to air their concerns about oil and gas development in their backyard.

Kaktovik Mayor Loren Ahlers said his community's city council supports development in the refuge with the understanding that "certain stipulations be met towards the protection of wildlife, its habitat, subsistence lifestyles and the social-economic future of Kaktovik."

Edward Ita of the North Slope Borough said that "development and preservation of culture are not incompatible." He also said that "this opportunity for Native corporations must not be denied."