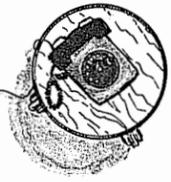


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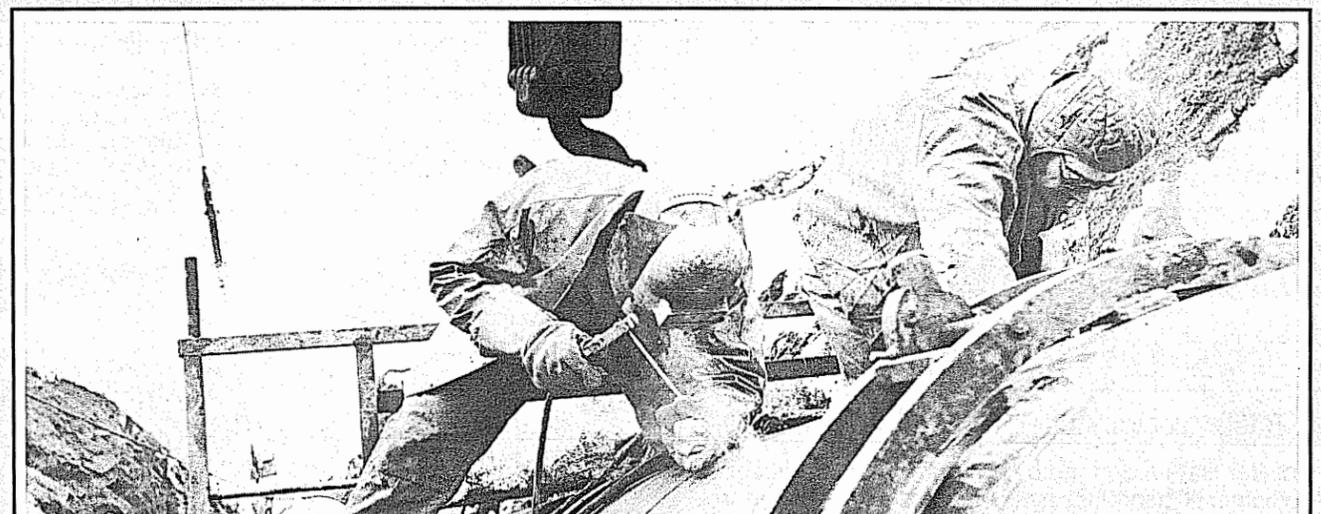
Resource Review

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

June 1987



America rises to the challenge



Pipeline welders complete the final weld for the Thompson Pass section of the trans-Alaska pipeline project.

Pipeline is a tribute to the spirit of Alaska

by Carl Portman

From its beginning, the Trans-Alaska Pipeline System (TAPS) was destined to become an encyclopedia of superlatives. The final weld on the 48-inch steel pipeline was completed on May 31, 1977. Within three weeks, oil from the supergiant Prudhoe Bay oil field on Alaska's North Slope began flowing through the 800-mile pipeline to the ice-free port of Valdez in Southcentral Alaska.

From Prudhoe Bay, the engineering marvel snakes through three mountain ranges, crosses 834 rivers and streams and traverses three earthquake faults. Temperatures ranging from -80°F in winter to +95°F in summer tested some 70,000 men and women who worked on the \$9 billion line during its three years of construction.

The terrain also tested pipeline engineers who had to deal with permafrost which covered about 75 percent of the pipeline route. Under the original plans, nearly all of the pipeline was to be buried, but the permafrost, some of it as deep as 2,200 feet, forced builders to elevate about half the

line. To prevent settling from permafrost thawing, most production and pipeline buildings were elevated on steel pilings driven into the frozen ground.

Shortly after Atlantic Richfield and Humble Oil & Refining Company (later Exxon USA) discovered oil at Prudhoe Bay in 1968, oil companies proposed building the pipeline for an energy-hungry America to carry the crude to southern markets. Only caribou and other wildlife occupied the flat and treeless coastal plain region. Never before had Americans tried to tap oil so far north, in such a harsh and remote location — the Arctic coast with its abundant wildlife.

Construction of the pipeline to get the 10 billion barrels of recoverable oil to market was delayed for years by legal challenges. A united and vociferous environmental community vehemently opposed construction of the pipeline. They insisted that the massive project would have devastating effects on the environment.

(continued on page 4)

Message from the executive director

By Becky L. Gay



Dear friends:

The rumors you have been hearing are true! It is my great honor to serve as RDC's new Executive Director.

The Executive Committee gave a unanimous vote of confidence when it selected me to advance to RDC's top staff position. As you can imagine, it is rewarding and exciting to step into the position of "Number-One Boss" with their support.

The continuity offered by a smooth transition from promoting from within the organization has a strong history of success. **Paula Easley**, our retiring Executive Director, had great vision in this regard. Her pursuit of excellence in building a strong, professional staff was part of Paula's planned exit from the relentless pace of RDC. It is my special honor to have her unwavering support for leading that team into the future — you might say my on-the-job training paid off!

I am pleased to report long-time staffers **Mike Abbott** and **Carl Portman** remain onboard as vital components of my team, as Paula envisioned. Although many of you know them well, they will become even more familiar to you in the upcoming months as we stretch our talents to keep RDC members the most informed, up-to-date individuals in Alaska. We promise to keep you at the cutting edge of resource development issues affecting Alaska — and to do it increasingly efficiently.

Becky Gay is new Executive Director

Easley resigns after 12 years of service

For the first time in more than a decade, the Resource Development Council has a new executive director. On June 4, president Joseph R. Henri announced the appointment of Becky L. Gay to lead the state's largest non-profit economic development organization.

Gay succeeds Paula Easley, who directed the statewide organization for 12 years. Gay served as Easley's deputy since 1985, overseeing a number of functions, including budget administration, local government lobbying, issue coordination and urban and rural economic development planning.

"Becky's dedication to the Council and her faith in its mission have been unwavering," said Henri. "The Executive Committee is confident of Becky's ability to foster teamwork and carry out the Board's overriding goal of making RDC as strong and as effective as possible in expanding Alaska's economic base through resource development."

An 18-year resident of Alaska, Gay joined RDC in 1984 as Projects Coordinator. She holds a Bachelor of Science degree in Economics from the University of Wisconsin in Madison and is a Truman Scholar for Alaska.

Prior to 1984, Gay worked as a private business consultant specializing in research, information services, and transaction coordination. She has traveled extensively throughout Alaska and her work has given her an excellent perspective of rural and urban Alaska.

During her tenure at RDC, Paula played a leadership role in the Council's evolution from a "mono-issue" ad hoc group (OMAR) to the multi-dimensional political economics organization RDC is today.

With your help, I promise to keep RDC moving in similar directions, focusing on analysis and action on all major resource issues facing the state.

RDC's motto is "Alaskans working with Alaskans to improve the quality of life through sound resource development." We truly live up to that credo and boast a wealth of volunteer assets. RDC has many unsung heroes which I wish to thank.

From our board of directors to the individuals who support us, volunteers are the prime reason for RDC's ever-increasing success. One of the best working facets of our volunteer programs is RDC's resource division structure. Under the leadership of volunteer directors, the Council's divisions provide a well-spring of expertise to increase our knowledge and handle consensus-building at the working group level.

I would like to publicly thank our division directors for their ongoing support, enthusiasm and uncanny ability to motivate their respective members to do outstanding work on testimony and issue analyses. They are top performers.

Dick Tindall, Renewable Resources; **Paul Glavinovich**, Minerals; **Larry Dinneen**, International Trade/Industrial Development, and **Fred Chiel**, Power Development, are continuing as division directors. **Thomas Reynolds** is activating the Public Affairs division to play an important advisory role.

Randy Goodrich, Tourism; **Michael Broili**, Fisheries; and **John Merrick**, Forestry, continue to make up the subcommittees of Renewable Resources which Tindall heads. Our thanks for the work of outgoing directors **Ric Davidge**, Lands, and **Max Nalley**, Oil
(continued on page 7)



President Joseph R. Henri and Paula Easley congratulate Becky Gay at the RDC June 4 breakfast forum.

In 1979 Gay worked for the Naval Arctic Research Lab in Barrow as a science research aide. Her work with various scientists and other officials took her across the North Slope, including the Beaufort and Chuckchi Sea ice pack. She was honored to be invited to a native whaling camp in 1980 and participated in harvesting three of the four whales which were caught that season.

While at NARL, Gay developed a keen interest in politics and economics, as well as science. Gay left Barrow in 1980 to pursue her degree in economics.

Gay has a special interest in cross-cultural education and lifestyles. She was raised in Indonesia and has traveled extensively in Asia. Gay maintains contacts with public and private officials in the international resource sector to capitalize on trade opportunities benefitting Alaska.

"I look forward to continuing my work at RDC as executive director," Gay said. "My confidence in RDC's vital role in Alaska's future is surpassed only by my enthusiasm for the work that lies ahead of us."

Supreme Court rules on property rights

The Pacific Legal Foundation and the Resource Development Council have praised the recent U.S. Supreme Court's decision for restoring the constitutional protection of property rights set forth in the Fifth Amendment.

In its 6-3 decision, the Court held that a property owner is entitled to payment of just compensation when land use regulations, such as downzoning, deny all reasonable use.

The specific case, *First English Evangelical Lutheran Church of Glendale v. County of Los Angeles*, is an

important one in gaining clarification of whether monetary damages must be awarded when property is taken through excessive regulation. Since 1979, this is the fifth case in which PLF appeared before the Supreme Court to argue against the ruling of the California Supreme Court in *Agins v. City of Tiburon*, which indicated that compensation cannot be recovered for regulatory taking.

The High Court is expected to rule in another case on whether a state agency can demand dedication of private property in exchange for issuing permits to which individuals are otherwise entitled.

Oil prices to stabilize near \$17 . . . (continued from page 3)

of \$16.75 a barrel in August before steadily rising to an average of \$17.87 in December. The most recent forecast also predicts prices approaching the \$18 level during the second half of 1988 before rising above the \$20 per barrel range in 1990.

"This new projection of future crude prices represents a third independent study which will enable Alaskans to have more of a data base for comparative analysis of forecasts," said RDC Foundation president Tom Pargeter. "Although oil prices have been steadily rising, Alaskans are being very conservative in their forecasts," added Pargeter. "We believe this new study will further diversify the data base, allowing for an accurate assessment of oil prices."

The DRI energy summary noted that surprising discipline has allowed OPEC to weather the cyclical downturn in demand between the winter heating and summer driving periods. It said signs of fundamental underlying support, through rising product prices, appear to be "heartening guardedly optimistic traders."

"As excessive inventories dissipate, rising product prices are beginning to support the prices of even relatively expensive crudes," the report said. "Refiners, convinced that profitability has returned, are processing virtually all available crude supplies."

Despite the bullish trend, DRI warned

that challenges remain for OPEC, but after considering all factors, the Los Angeles organization believes prices will hold.

The Foundation will have DRI's Monthly Energy outlook available for interested members. The report also includes an analysis and forecast for coal, natural gas and electricity prices.

The Foundation will sponsor a luncheon in Anchorage on Tuesday, June 30 featuring Michael D. Smolinski, Director of World Oil Service of DRI McGraw-Hill. Smolinski will present a detailed energy analysis and forecast beginning at 12:00 at the Sheraton Anchorage Hotel. Call 276-0700 for reservations.

Environmental record attacked . . . (continued from page 5)

pit water was of slightly better quality.

Water quality data from reserve pit fluids clearly demonstrate that the vast majority meet or considerably exceed State Drinking Water Standards. In only a small percentage of instances did samples exceed these stringent standards based on the protection of human health, assuming the reserve pits were to serve as a drinking water source.

Results of aquatic toxicity tests with sensitive fish and other species support the lack of environmental impacts from reserve pit fluids. The demonstrated lack of toxic effects on representative food chain species essentially eliminates risks of toxic effects to higher food chain species. Data clearly indicate that aquatic life is not at acute or chronic risks as a result of any reserve pit see page or discharge.

Executive director's message (continued from page 2)

of outgoing directors **Ric Davidge**, Lands, and **Max Nalley**, Oil and Gas. New division directors are being sought for those positions.

Although space does not allow thanks by name, I do wish to thank the RDC board of directors for their overwhelming support of RDC during this transition. It is an honor to work with so fine a group of Alaskans from across the state. I am thrilled to continue to serve them as Executive Director.

In closing, I especially would like to thank the work horses of RDC's volunteer effort — the Executive Committee. The Executive Committee is a proving ground like no other.

The guiding light of RDC policy emanates from this choice group

of individuals who spend many thankless hours working on behalf of the Council. They serve willingly, tirelessly (or so it seems) and effectively to analyze policy, streamline information flows, keep ahead of trends, and debate, persuade, convince and educate others while learning themselves. It gives me heart to serve a worthy cause under such a broad range of combined talent and effort as is demonstrated on our Executive Committee.

On behalf of the entire organization, I wish to thank **Paula Easley** for her yeoman's work over the 12 years she was at the helm of RDC. We wish her the best of success in her new ventures. I assure you we will carry on the vital work of RDC into the future with wisdom, integrity and vision as Alaskans working with Alaskans — just like our motto says!

Livelihoods of many Alaskans may be dependent on annual timber fight

RDC president defends Tongass Timber Supply Fund

RDC president Joseph R. Henri warned members of Congress last month that new legislation aimed at eliminating a vital annual appropriation for timber management in the Tongass National Forest would make the livelihoods of many Alaskans dependent upon the outcome of an annual fight between preservationists and loggers.

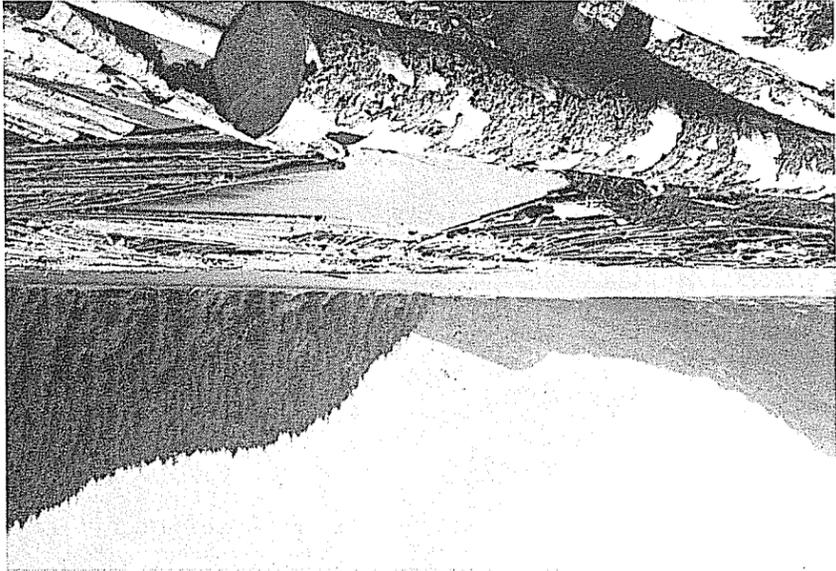
H.R. 1516 would annul the Alaska National Interest Lands Conservation Act accord of 1980 to eliminate the \$45 million Tongass Timber Supply Fund. The fund was set up to pay for making Tongass timber available for commercial harvest. It was the main element of a compromise between environmentalists and loggers to make up for economic losses when much of the high-quality timber lands were given wilderness status under ANILCA.

The Act placed 62 percent of the Tongass off-limits to harvesting and forced industry to adjust to smaller, lower quality logs in less accessible locations on a commercial timber base of only 1.7 million acres. The Tongass is the largest national forest covering 16.9 million acres.

"It becomes the mandate of Congress that each year the fate of the commercial timber base of the nation's largest national forest should be debated anew, with the outcome uncertain during the many months of argument and discord, then let us also park and wildernesses which were taken from the working Tongass National Forest in 1980," Henri testified in Washington, D.C. last month.

Henri noted that this is the second year in a row that the Resource Development Council has come to Washington to fight for the Tongass funds. "As the practice has developed lately, the jobs of our woodsmen and the survival of our already cir-cumscinded industry go on the line every year, but the status of our five million acres of new single (no) purpose set asides in the Tongass is never questioned or con-tested."

The RDC President added, "there is no heavenly ordinance guaranteeing the robustness and vigor of our American economy, or that our exports will at least equal our imports." He continued, "there is always the danger that our country will grow effete, weary and retiring to merely look at the trees grow old and rot in place, instead of cutting the mature ones, sending their products to the foreign nations of the world, and witnessing a fresh, lush second growth, sturdily and quickly giving Alaska and our nation's trading partners better



Timber harvesting in the Tongass National Forest is a vital component of the Southeast Alaska economy.

quality and higher volume forest products." In his Washington, D.C., presentation, Henri warned this is not the time to discourage industry recovery by adopting policies and actions which hinder new growth. He said the proposed Congressional initiatives Alaska Pulp Corporation's 1986-90 five-year operating plan is projected to generate a total business income of slightly over \$100 million annually. AFC estimates that its total contribution to the Sitka economy in 1985 was \$15,858,000. Another \$1,893,000 from AFC went into the general Southeast economy.

In 1986, the wages and salaries paid directly by the two major Southeast pulp mills exceeded \$44 million and provided over 1,300 jobs. The harvest activities and primary manufacturing associated with the Alaska Pulp Corporation's 1986-90 five-year operating plan is projected to generate a total business income of slightly over \$100 million annually. AFC estimates that its total contribution to the Sitka economy in 1985 was \$15,858,000. Another \$1,893,000 from AFC went into the general Southeast economy.

Henri stressed that Alaskans must be afforded the opportunity to develop their resources as provided by ANILCA. "You can help by permitting the Tongass timber compromise to work, not depriving one side of the benefit of the deal," Henri told Congressmen.

New independent study projects stable oil prices at \$17 a barrel

A new energy price forecast released by the Resource Development Council

Foundation shows crude prices stabilizing around \$17 per barrel for the remainder of this year and approaching \$18 per barrel in early 1988.

Although political and economic hurdles remain, information provided to the Foundation by a highly-respected Los Angeles-based energy forecast service indicates that OPEC will succeed in stabilizing oil prices near their current \$18 per barrel reference point.

The Foundation has contracted with the DRI McGraw-Hill Short Term Energy Service for monthly energy forecasts. In its June monthly energy report, DRI is projecting crude prices to remain slightly above the \$17 mark in July, falling to an average

(continued on page 7)

Alaska's economic crisis deserves more attention



by Joseph R. Henri

Thoughts from the president

Is it possible that government policy might reverse the slow agonizing fiscal demise of so many of our citizens and corporations? To further their own agendas there are those who repeatedly obstruct and hold hostage positive economic measures. How can they stand by impassively while every fifth adult Alaskan falls into economic annihilation? A procedurally functioning state democracy with \$8 billion of liquid assets, throwing off around \$1 billion in annual income, can do much better. "Survival of the fittest," and "economic determinism," are not preferable alternatives as for as most of us are concerned.

Some folks who serve in Juneau failed to give the Alaskan economic crisis the careful attention it deserves. They seemed pre-occupied only with funding state government during the short 120 day legislative session just ended. If there ever was a time the legislature should have stayed in continuous session until some tangible, stimulating economic development measures passed, it was the regular session of 1987.

With the steep decline in state oil revenues, Alaska must look for the best return on its income. We need to invest in projects that will stimulate our economy and create new jobs and wealth for our residents.

In these depressed times, is the \$400,000,000 we now spend on

expansions of the line. The newly realized possibilities of super conductors should be sized upon by the state to see if we could effectively participate in the "global energy grid" which may attach the Alaska sub-continent to Japan and Siberia. Can our vast generating capacities available from hydropower, coal, gas and peat now find an outlet in power-starved areas of the world?

Roads: Basically we are the land without. In the early 1950s, the Alaska Road Commission was planning a road from Icy Bay through Yakataga and Katalla to link up with Cordova, Chitina and the existing system. What resource development that could have, and still would, engender! In this decade, talking about such pioneer access and the consequent development is hardly considered in good taste. The list of urgently needed roads is a long one, and it stretches from the Pankhane to the Brooks Range.

It's important that we not lose sight of the high aspirations we know as statehood was being sought and finally won. Too many of us have grown content with the inhumanity of an ever-expanding bureaucracy, and a "decent mediocrity" in our government affairs.

Oil Prices												
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1987												
16.17	16.82	16.78	17.08	17.35	17.40	17.05	16.75	16.80	16.90	17.37	17.87	Crude Oil - Refiner Acq.
53.30	54.29	56.05	56.99	57.83	58.43	58.19	57.04	57.29	57.15	58.48	60.00	Gasoline - Wholesale
86.80	85.10	87.08	87.04	98.83	100.93	102.69	100.54	99.79	99.15	99.98	100.00	Gasoline - Retail
1988												
17.97	17.68	17.28	17.12	16.99	17.27	17.29	17.34	17.36	17.56	17.81	18.03	Crude Oil - Refiner Acq.
60.34	59.34	58.47	59.12	59.88	61.70	62.17	61.94	61.18	61.05	61.07	60.54	Gasoline - Wholesale
100.84	101.34	100.91	101.62	102.88	105.20	107.67	106.44	104.68	104.05	103.57	101.54	Gasoline - Retail
1989												
17.91	17.76	17.61	17.61	17.76	17.91	18.06	18.23	18.43	18.70	19.20	19.70	Crude Oil - Refiner
60.11	59.82	59.54	60.79	62.58	63.96	64.92	65.10	64.94	64.99	65.82	66.14	Gasoline - Wholesale
100.61	101.82	102.04	103.29	105.58	107.46	110.42	109.60	108.44	107.99	108.32	107.14	Gasoline - Retail

the Permanent Fund Dividend the best use of this money? To get more bang for our buck and achieve a much greater economic punch, we would be wise to consider the application of this annual dividend for major investments in Alaska. Think what equity the dividends would give the state for investment in Alaska. Think what equity the dividends would give the state for investment in highways, ports and rail lines. Think what borrowed funds such an annuity could leverage! Our state should and could have vast capital projects underway — projects which actually create new wealth through the generation of fresh revenues. The state could lend or invest in order to induce private development, and spend directly on traditional public sector projects. Wouldn't it be wonderful if our friends, neighbors and children could find good, rewarding jobs right here at home?

The gas line from the North Slope to an ice-free tidewater port may need state participation to put it in the running with world class investors who want to know that the State of Alaska (1) believes in the project, and (2) will not harass the project so that huge cost overruns result. Think of the opportunities that would be created through new revenues generated from a gas pipeline.

Today, the Alaska Railroad could probably be extended north to the Yukon. Immediate and massive attention should determine other expansions of the line.

10 years old

Pipeline exists in harmony with environment

(continued from page 1)

At a 1971 Washington, D.C. public hearing, a representative of Friends of the Earth stated, "I am deeply disturbed that the Department of Interior, acting on what I would guess is somewhat flimsy evidence, is willing to allow the environmental destruction of the American Arctic and possibly the west coast of North America in the name of growth and security."

The Vice President of the Sierra Club had similar feelings: "Broadly speaking, we feel that despite the apparently reassuring summary and recommendations of this (Environmental Impact) statement, the damage attendant to construction and use of the pipeline as proposed would be enormous, so potentially devastating that the DOI should not grant a right-of-way across federal lands in Alaska."

One of the largest single concerns voiced was that the pipeline would block the annual migrations of caribou. Critics claimed the pipeline would threaten "not only the comeback of the caribou but the future survival of the great migratory herds."

Charges were made that the amounts of gravel to be taken from streams and rivers would destroy fish and their habitat. In addition, the sea link of the project from the port of Valdez to West Coast ports drew substantial attention.

"Rest assured, if oil is pumped out at Prudhoe Bay, and then shipped down the West Coast, we will, eventually, have an oil spill leading to the greatest kill of living things in history," stated one major environmental group. Another calculated there would be up to four major supertanker spills by 1980.

Practically every critic preferred a trans-Canada line as an alternative to the trans-Alaska proposal. Many felt that a route through what would later be known as the Arctic National Wildlife Refuge would be less environmentally disruptive.

Opponents argued that the project was not necessary for national security reasons. They brought forth witnesses to downplay or dismiss this idea. One leading official said ample supplies of oil existed elsewhere in friendly nations such as Iran.

Private companies were convinced they could rise to the challenge. Government officials had to sort through it all, and to their credit they did. Scientists analyzed the issues and established guidelines for construction and operation. The final measure authorizing construction passed Congress by a single vote, cast by Vice President Agnew.

Not only has the pipeline and North Slope oil operations failed to impede caribou migration, caribou populations along the pipeline corridor are booming. Populations are increasing in the two caribou herds whose range the pipeline bisects.

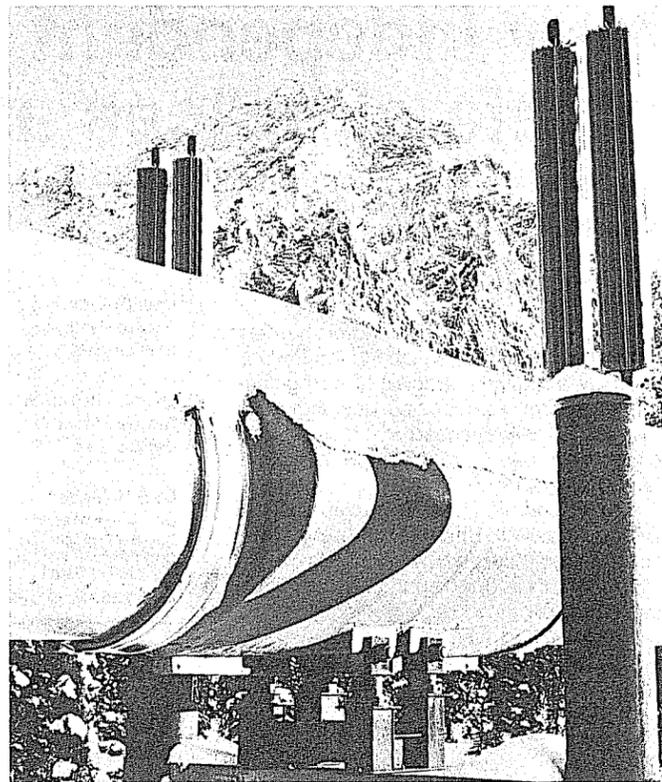
The Central Arctic herd at Prudhoe Bay has grown from 5,000 animals to 16,000, migrating more or less parallel to the pipeline. In a real test case of whether a pipeline impedes migrations, the Nelchina herd migrates directly across the line.

In its ten years of operation, not only has the pipeline failed to impede the Nelchina herd, but only two percent of the animals cross the pipeline using special and expensive animal crossings. Others cross where they wish, even in places where the pipe is as low as 3.5 feet above the ground.

From 1975 until now, the Nelchina herd has grown in population from 8,000 animals to 25,000 animals.

Studies have revealed that other animals have shown little preference for the special 554 animal crossings along the pipeline.

Moose, Dall sheep and other animals are faring very well along the pipeline corridor. A still-unspoiled landscape is attracting record



Finned radiators frame a mountain peak and a section of insulated above-ground pipe on the trans-Alaska pipeline. The radiators improve heat transfer between the atmosphere and the 2-inch diameter heat pipes to which they are attached. The heat pipes maintain soil stability in ice-rich permafrost areas by drawing heat from the ground.

number of tourists. In fact, the pipeline is a major tourist attraction.

Rural villages continue to enjoy a subsistence lifestyle, but with the added benefits of public facilities and services provided through oil revenues.

Fishermen have enjoyed historically-high harvests. Commercial fishermen, as well as sports fishermen, have continued to do well in Prince William Sound, despite the fact that more than five billion barrels and 7,000 tankers have sailed from Valdez since 1977.

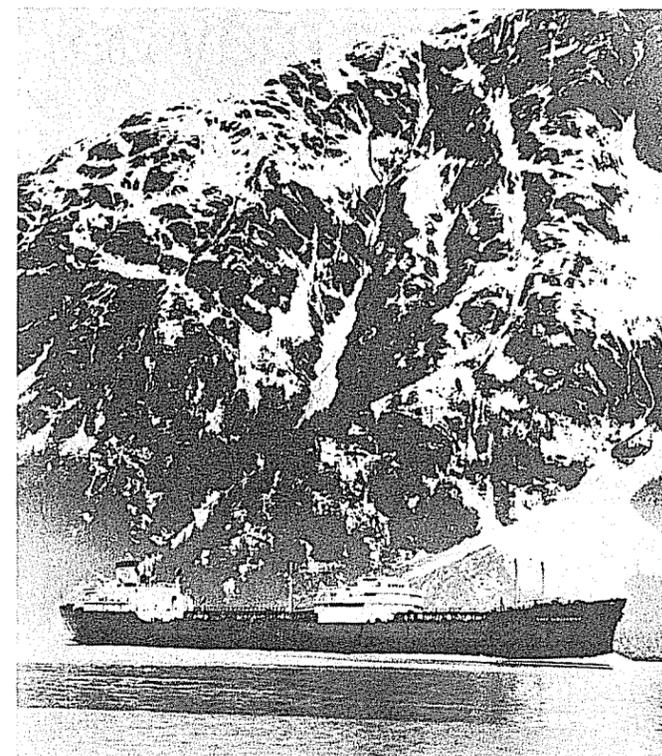
State revenues generated from oil production have resulted in construction of schools, health care facilities, sewer and water systems, airstrips, ports, telecommunication and power transmission facilities and an improved standard of living.

Alaska has collected over \$23 billion in royalties and taxes from Prudhoe Bay production. More than 80 percent of the state's annual revenues come from oil. Property taxes levied by local governments along the pipeline total more than \$150 million a year.

Millions of dollars have been spent over the past decade to ensure that modern energy development does not harm the arctic. The North Slope has become one of the most studied environments in the world. Prudhoe Bay itself stands as a living laboratory and model of how energy production can and does exist in harmony with the environment.

Clearly, the experience of the recent past has demonstrated the dire predictions of those opposed to the mammoth project were unfounded.

Today Prudhoe Bay supplies America with 20 percent of its domestic production. Furthermore, the entire system is operating without undue environmental harm while carrying nearly 2 million barrels of oil each day to the American market. Prudhoe Bay development advanced the world's learning curve on state-of-the-art arctic technology tremendously. Of that we can be proud.



The tanker Enco Gloucester performed a series of anchoring tests in the Port of Valdez and Prince William Sound in 1971 for Alyeska Pipeline Service Company. Over 7,000 tankers have sailed from Valdez since Prudhoe Bay oil began flowing through the pipeline in 1977.

Environmentalists attack Prudhoe Bay record

Environmental organizations opposing oil and gas leasing on the Coastal Plain of the Arctic National Wildlife Refuge have stated in recent Congressional hearings that it is not appropriate to suggest that industry's impressive environmental record at Prudhoe Bay would be duplicated in ANWR. Yet the same organizations appear eager to find the slightest negative impact resulting from Prudhoe Bay development and insist it will be repeated in ANWR should development occur.

"Refuting the use of positive analogies while depending on the use of negative analogies to make a case is not particularly effective logic for non-development interests" said Becky Gay, the Council's new executive director. "It really weakens their credibility."

Some environmental organizations have charged industry with widespread and serious air and water pollution at Prudhoe Bay. However, these charges are not supported by official reports which show North Slope facilities operating well below national ambient air quality standards.

All North Slope emission sources, which are subject to federal review, hold valid air quality permits and are subject to periodic compliance monitoring. The state and federal monitoring programs have consistently demonstrated that regional air quality on the North Slope has not been significantly altered by the existing oil and gas development at Prudhoe Bay.

Impacts associated with oil field emissions are localized, limited mostly to the immediate vicinity of the development areas and are

Prudhoe Bay Fact Sheet

- At 9.8 billion barrels of recoverable crude, the Prudhoe Bay field is the world's 18th largest and one of only 35 supergiant oilfields ever discovered.
- Over \$25 billion has been invested by the petroleum industry, exclusive of interest or borrowed capital, to develop the Prudhoe Bay field and build the Trans-Alaska Pipeline System.
- In March 1987 the cumulative production from Prudhoe Bay reached five billion barrels, surpassing the East Texas field, the previous largest producing field in America.
- North Slope oil production accounts for one in every five barrels of oil produced domestically.
- Development of the North Slope has paid up to \$40 billion in business to suppliers and service firms in all 50 states.
- Since June 1977, the petroleum industry has paid Alaska about \$23.4 billion in royalties and taxes, about \$50,000 for each citizen of the state.
- Approximately 85 percent of the State of Alaska's revenues come from North Slope oil production.
- Prudhoe Bay production has reduced the cost of foreign imports by nearly \$130 billion.
- From 1980-85, Prudhoe Bay development accounted for 39,000 direct jobs and 29,000 indirect jobs.
- Over 7,000 tankers have sailed from Valdez with Prudhoe oil since 1977.
- The caribou population in the Prudhoe Bay area has more than tripled since oil production began in 1977.