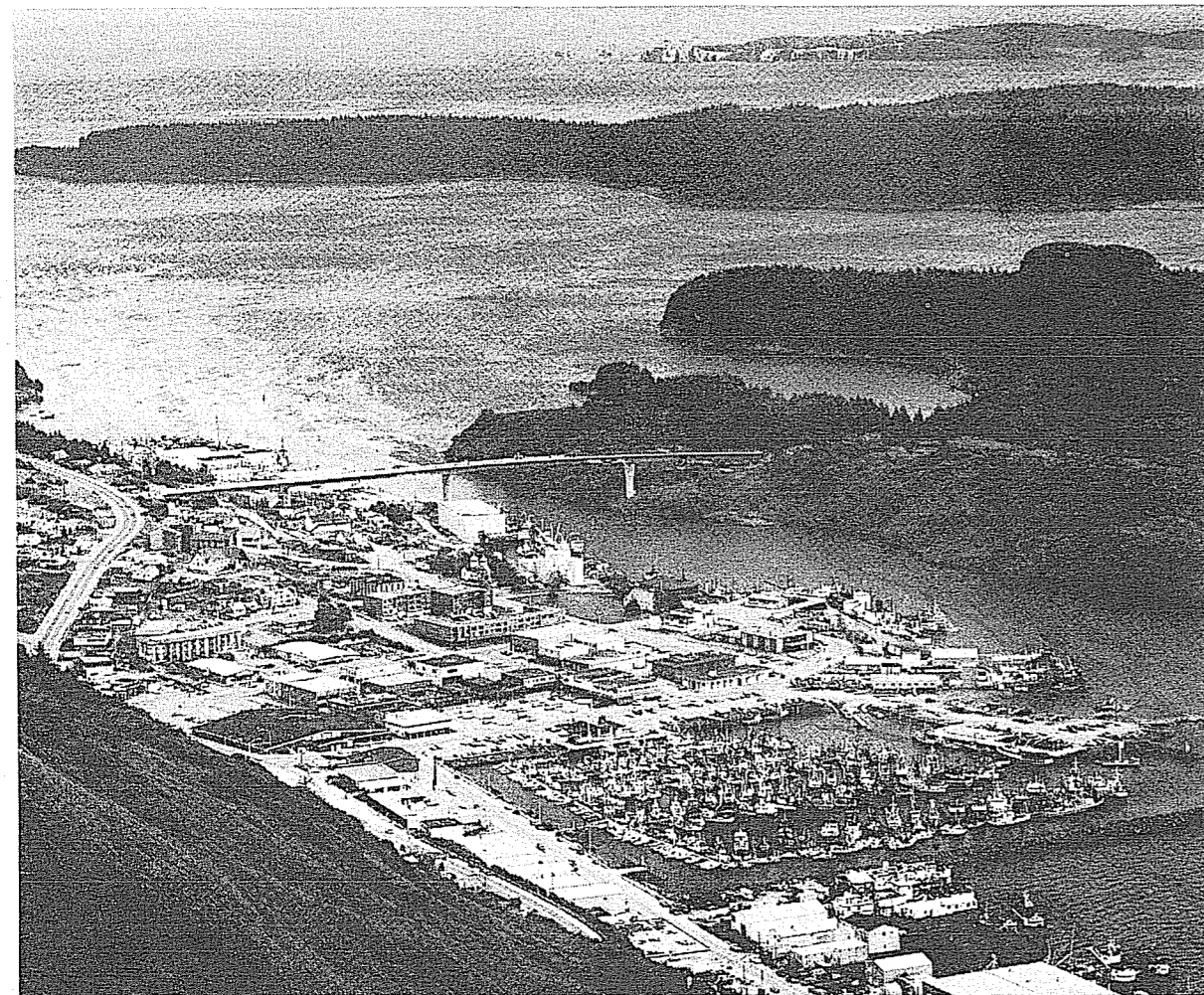


Koniag, Inc. wishes to express its support of the Resource Development Council. We commend RDC for its efforts to promote sound resource development. The wise and efficient use of Alaska's resources will benefit all Alaskans.



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Resource Review

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

March 1987



Faced with economic challenges, Alaska is poised at crossroads

Alaskans unite to harness state's great opportunities

Faced with the economic challenges caused by recent oil price declines, Alaska finds itself at a crossroad on its path toward future economic development. In this context, hundreds of Alaskans will join economic development specialists from throughout the United States in a major economic summit conference at the Anchorage Sheraton Hotel next month.

Entitled the Alaska "Great Opportunities" Conference, the April 2-3 event will feature economic development counselors from across the nation to consider new strategies that harness the forces governing Alaska's economy. In addition, Community Leadership Workshops will be held April 4 with key conference speakers.

The conference is coordinated by the Resource Development Council and its education foundation. Numerous Alaska communities and large and small businesses are cosponsoring the event, which will explore opportunities for economic growth and diversification.

Several hundred people are expected to be in Anchorage for the conference, including over a hundred Alaska mayors, city managers and assembly members from various communities. State legislators, chamber of commerce members and others seeking to improve their companies' profits will also attend.

Robert B. Horton, Chairman of The Standard Oil Company, will offer new insights and direction for Alaska policy-makers in his keynote presentation April 2 on Overcoming Barriers to Opportunity: A Global Perspective.

Dr. Yoon S. Park, Professor of Business Administration at George Washington University and author in the field of international economics and finance, will discuss the advancement of Alaska's strategic position in international trade and finance in the April 3 keynote presentation.

Governor Steve Cowper will give a policy address on the state administration's goals and



Alaskans from across the state will gather in Anchorage April 2-4 to hear the latest information on new economic development strategies that are working in other states.

framework for pursuing new economic strategies.

R. Scott Fosler, Executive Vice President of the Washington, D.C.-based Committee for Economic Development, will share conclusions of a major three-year analysis of state and local economic development processes. His presentation will consider a wide range of actions to advance economic development in Alaska.

Elements of Indiana's multi-year Strategic Economic Development Plan will be outlined by Brian Bosworth, President of the Indiana Economic Development Council. Jeffrey Finkle, Executive Director of the National Council of Urban Economic Development, will offer a timely assessment of strategies that are working today, with special focus on federal and state finance tools.

The conference will also feature Bill Schott, Economic and Industrial Development Coordinator

for the Basin Electric Power Cooperative in Bismarck, North Dakota. Schott will discuss the mobilization of volunteer forces to work on unified economic goals.

Robert Friedman, President of the Corporation for Enterprise Development, will discuss the debate over "business climate" and changing elements of long-term economic development and opportunity policy.

Other speakers include James Souby, Executive Director of the Council of State Planning Agencies in Washington, D.C., Dr. Phillip Fixler, Jr., Director of SRI International's Local Government Center in Santa Monica, California and Paula Manillo, Finance Director of the Women's Economic Development Corporation in St. Paul, Minnesota.

Hugh O'Neill, Assistant Executive Director of

(Continued on page 6)

RDC challenges "core calving" concept

The "core calving area" for the Porcupine herd has been arbitrarily defined as an area where high density calving has occurred for at least 5 of the last 14 years. High density calving has occurred in some of this area in 9 of the 14 years, which strongly indicates that calving has occurred outside the "core calving area" anywhere from 5 to 9 years. The facts show that caribou calve anywhere on the Coastal Plain, and in large areas outside the plain. It has yet to be proved that the Porcupine herd has a specific "core calving area" that is unique and irreplaceable, the Council pointed out. The herd's calving concentrations vary each year, some falling within the same general areas, while in other years separated by hundreds of miles. Members of the herd calve in a range that spreads over 200 miles in an east-west distance and over an area exceeding 6,500 square miles, larger than the state of Connecticut. In 1982, the majority of the herd calved east of the Alaska border in Canada. In 1986, much of the herd calved outside the 1002 area. It is a misconception that a "core calving area" exists as a specific tract of land with fixed boundaries, used consistently and predictably.

It has been assumed that areas outside the "core calving area" have reduced habitat values or higher exposure to predators. If this assumption were true, the Council said reduced productivity would be apparent from years that the herd calved in alternative ranges. Data show no sign of reduced productivity, but does indicate that the herd has steadily grown since the early 1970s.

The fact that the Porcupine herd has higher calving densities than the Central Arctic herd at Prudhoe Bay is not sufficient to argue that displacement would likely cause adverse effects, the Council said. The large area used by the Porcupine herd for calving and its historical use and success in alternative habitat areas indicate this is the case.

At Prudhoe Bay, the Central Arctic herd has adapted well to carefully planned and engineered oil and gas development. In fact, the herd has multiplied since massive oil development has taken place.

Among other points, the Council expressed concern that many of the environmental consequences in the federal report are overstated and highly speculative. Many of the conclusions of severe impacts and concerns for caribou populations, as presented in the report, are stated as fact, when in actuality, they are highly speculative and not supported by what has taken place at Prudhoe Bay.

INDUSTRY BRIEFS

British Petroleum, Greens Creek could be producing by late 1988, creating some 225 local jobs.

State delays ruling on inlet dredging

State officials have delayed a decision on a plan to allow dredging for gold in lower Cook Inlet.

Aspen Exploration wants to mine the seafloor between Ninilichik and Anchor Point.

The state is hesitant to make the controversial decision until Resources Commissioner Judy Brady appoint a new director for the state Division of Mining and Geology.

Aspen is hoping to search for gold, silver, copper, platinum and other hard rock minerals in the area.

The venture is opposed by the Department of Fish and Game and various fishing groups.

Aspen President R. V. Bailey insists his company can perform its development activities without harm to the environment. The operation would employ some 200 people, and pump \$20 million into the Alaska economy.

Alaska may overtake Texas

With Texas oil production falling to 2 million barrels per day, Alaska may be on the verge of overtaking Texas as the nation's top oil-producing state. Alaska output through the trans-Alaska pipeline has increased to 1.9 million barrels as a result of expanded production at Kuparuk and startup of the new Lisburne field and the Prudhoe Bay Central Gas Plant. The Prudhoe Bay field will begin its gradual decline in 1988. However, the decline will be partially offset by the Endicott field coming on line in late 1987.

The small loss of habitat represented by proposed oil and gas development in the Coastal Plain of the Arctic National Wildlife Refuge would not impact growth or productivity of the Porcupine caribou herd, according to the Resource Development Council.

In lengthy comments submitted to the U.S. Fish and Wildlife Service last month, the Council strongly supported full leasing of the Coastal Plain while challenging the concept of a "core calving" area.

In addressing highly-speculative concerns of the environmental community that development would pose a threat to the healthy existence of the Porcupine caribou herd, the Council stressed that development in the refuge would comprise an extremely small portion of the 1002 area, which itself represents only eight percent of the refuge.

Habitat is not currently preventing the growth of the Porcupine herd since its large population has remained far below the carrying capacity of the Coastal Plain. A small reduction in total range should not significantly alter the herd's population.

Since habitat is not limiting the continued growth and survival of the herd, conclusions within the report regarding displacement of maternal cows or bulls carry little significance, the Council said. As a result, loss of access to small portions of available habitat due to oil field development will have minimal impact on the herd.

The Council explained that in defining management goals for a herd, a key ingredient is the concept of habitat carrying capacity. Neither the Central Arctic herd nor the Porcupine herd approach the carrying capacity of their ranges based on food, calving habitat, insect relief or any other habitat basis. It is an established fact that the total habitat has never been fully occupied, and that caribou populations have maintained densities much lower than the maximum dictated by habitat.

Since habitat is not limiting growth, ample room exists to accommodate development interests in the 1002 area without impacting the size or growth of the Porcupine herd, the Council said.

In addition, the Council stressed that the acknowledged effect of weather erodes the "core calving area" concept and points out the wide annual variability and adaptability of caribou.

Taiwan Buys Alaska Coal

Taiwan Power Company plans to buy 100,000 metric tons of coal from Usibelli Coal Mine this summer for testing of handling and storage characteristics. If the tests work out, the Taiwanese may enter into a long-range purchase agreement for roughly the same quantities of coal Usibelli now ships to Korea Electric Power, or about 600,000-800,000 tons per year.

TPC will do a test burn to see if an existing power unit can be modified to take Alaska subbituminous coal, or if the coal can be blended with bituminous coals from other suppliers, so that the low sulphur content of the Alaska coal decreases emissions control problems at the plant.

The small purchase could lead to a significant breakthrough for Alaska coal. If Usibelli can expand production volumes, its unit costs will fall to the point where the company can compete on a straight economic basis on the Pacific Rim.

Diamond to comply with permit

Diamond Alaska Coal Company hopes to comply shortly with requirements of Natural Resources turned back the company's application last month for a permit application for its proposed mine at Beluga. The Alaska Department of Natural Resources turned back the company's application last month for more work on topsoil erosion and stream pollution control measures.

The state granted approval in all but two sections of Diamond's 27-volume application for mining up to 12 million tons of coal per year.

Greens Creek work advances

Amseco Minerals Company has given the go-ahead for a new 2,000-foot tunnel at the Greens Creek silver, gold and lead mine on Admiralty Island near Juneau. In addition, a formal okay for development of the \$80 million mine is likely at the March board meeting of Amseco's parent company,

of the "fish processing committee" would get together (at no charge) and design the device for you. If it works, you agree to share a percentage of your profits with the corporation. If it doesn't, you pay nothing. The idea is to apply every available human resource to your problem so you stay on the leading edge of your industry's technology, and therefore in business, and therefore paying taxes, and therefore employing people.

What if we charged this triad with solving a tourism industry problem? One that comes to mind is how to get 25,000 Japanese tourists a year to make Alaska their destination, thereby discouraging international carriers' overlying Alaska in the new superpersonal jets? A technological committee for tourism could design cable television programs — paid for by the tour facility operators — that would be broadcast in Japan in its native language. Or, user-friendly CRTs could be set up in the international terminal publicizing Alaska's recreational opportunities. No telling what ideas could be conceived if the brainpower were applied to the challenge.

Suppose this same corporation also placed the heads of all its technological committees on another committee that did nothing but brainstorm what an industry's technological needs would be five, ten years down the road. Why do that? Simple. To make darn sure the educational system was cranking out people who could walk into your business with the knowledge and skills absolutely critical to your economic survival.

Wouldn't it be exciting if such a marriage took place between Alaska's government, industry and universities? Can you see how every economic sector would benefit by such a commitment?

On a recent trip to a state whose economic strategy greatly intrigued me, I met a host of people within state government who confessed falling all over each other as they attempted to get state permits processed for the private sector. This state even had a regulatory ombudsman, who reported direct to the governor, whose sole responsibility was to assure that agencies handled permits quickly and efficiently. His marching orders were: "I only want to see you when you can't get the agencies to cooperate and agree on issuance of a permit — and I only want to see you once a year!"

There is no limit to what we as citizens of this great state can do to pull our economy up by the bootstraps.

Great opportunities are what the conference is all about. None of the ideas presented in the plenary session will take root unless a large, committed audience is willing to consider and refine them to fit Alaska's needs.

The place for that will be in the Community Leadership Workshops scheduled for Saturday morning, also at the Sheraton. Will we see you there?

Community Leadership Workshops

Saturday, April 4, 1987
Sheraton Anchorage Hotel
Concurrent sessions in six sections of the Howard Rock,
Yukon and Kuskokwim Rooms

Registration fee for workshop featuring conference speakers is \$60.

8:30 to 10:00 a.m.	Phillip Fixler	State and Local Privatization Strategies
	Hugh O'Neill and James Soudy	Rural Economics, Poverty and Economic Development
	R. Scott Foster	The Public/Private Partnership: What's It All About?
	Alex Kochkin and Ray Benisch	Case Studies on Community Development Proposals
	Steve Waldhorn	Build on Your Strengths: Marketing Communities
10:30 to Noon	Paula Mannillo, Catharine Ashmore, Jeffrey Finkle	Education and Training for Entrepreneurs
	Brian Bosworth	Mobilizing Constituencies for Economic Progress
	Robert Friedman and Sam Hubbard	Improving Competitiveness in World Markets
	Alex Kochkin and Ray Benisch	Case Studies on Community Development Proposals

Message from our executive director

By Paula P. Easley



By the first week in April, people who attended the Alaska "Great Opportunities" Conference will know more about economic development than they ever thought possible. It will be exciting to hear not only the general approaches states have used to pull themselves out of economic crises, but specifics as well.

I can already hear the unbelievers: "Yeah, that might have worked in North Dakota, but it won't work here." This column is for warning that, indeed, some of the approaches we'll be exposed to might not "fit" Alaska's needs, but that shouldn't preclude our learning about them.

For example, one state observed: "We need entrepreneurial investment capital — how can we develop this capital pool and protect it from political influences that have plagued state-operated venture capital entities?"

The answer was to establish a private corporation and empower it to grant a fixed level of tax credits to companies willing to put up the cash. Within a year 70 corporations took the bait. Ten million dollars were raised, the corporations got a tax credit equal to 30% of their investments, plus a good rate of return on their money, and the entrepreneurs got their financing. The corporations were easy to convince because they realized their own companies would make greater profits if all these smaller companies were nurtured to prosper — it created instant customers for their own products and services. Should we consider such a venture for Alaska? I don't know, but we can sure talk about it. While we're at it, let's do some brainstorming on other ways to enhance the viability of Alaska's industries.

Many states have created entities that, in a marriage of industry, universities and government, apply scientific knowledge to industry challenges in a most innovative way. Can you imagine, for example, taking a problem to a corporation and having it give you the solution? Say you need a fish filling device that will improve your plant's productivity by 500 pounds an hour. All the geniuses

Great Opportunities . . .

(Continued from page 1)

the New York and New Jersey Port Authority, will also address the conference in a presentation highlighting new frontiers in labor — management relations. Steven Waldhorn, Director of the Public Policy Center in Menlo Park, California and Samuel Hubbard, Executive Director of Montana Science and Technology Alliance, will also speak along with Catherine Ashmore from the National Center for Research in Vocational Education at Ohio State University.

The April 4 Community Leadership Workshops will feature concurrent sessions covering such topics as State and Local Privatization Strategies and Financing Municipal Projects Under New Tax Law.

To register for the conference and Community Leadership Workshops, call RDC at (907) 276-0700. The registration fee for the conference is \$225; the workshop fee is \$60.

Notable Quotes

As anyone interested in Alaska's future knows, the opening of the Coastal Plain of the Arctic National Wildlife Refuge to oil and gas exploration will be of crucial importance to continued economic growth in the state. On a broader scale, ANWR is the most critical energy security issue to face Congress in the coming years. We have a clear choice — develop ANWR and employ Americans or send a trillion dollar ransom overseas to pay for imported oil.

— Congressman Don Young

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.

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

Canada's ANWR position deserves much scrutiny

By Senator Frank Murkowski

The Canadian government recently made national headlines when it recommended that the United States not permit oil and gas exploration in the coastal plain of the 18-million acre Arctic National Wildlife Refuge (ANWR). In fact, the Canadians suggested that we designate the entire 1.5-million acre coastal plain as a wilderness area.

Reaction to the Canadian announcement has been interesting. The environmentalists are cheering — they believe a formidable ally has joined their emotional campaign to permanently close the coastal plain. On the other hand, Secretary of Interior, Don Hodel, was justifiably outraged. Not only had Canadian officials accused him of violating U.S. law by not consulting with them, the Canadians had said, in essence, that he didn't know how to do his job.

From my perspective, there has been too much national media focus on the Secretary's reaction, and not enough examination of the apparent hypocrisy of the Canadian smoke screen.

For instance, how can the Canadian government charge that it was not adequately consulted on the draft report? The Canadians are responding, as is the general public, during the public comment period on the Draft Environmental Impact Statement concerning ANWR. No statute requires that our government consult with the Canadians prior to the beginning of the public comment process. A final report will be issued after the public comment period has closed and Congress will then deliberate the merits of the report and its recommendations including the views of the Canadian government.

The position of the Canadian government to designate the entire coastal plain as wilderness is extreme, and, in fact, counterproductive to the recent cooperation our countries have shared on managing international resources, such as the Porcupine Caribou Herd. Since I came to the Senate seven years ago, I have closely followed the negotiations among the Department of Interior, the Department of State, the State of Alaska, and the Canadian government to manage the Porcupine Caribou herd throughout its migratory range, which includes ANWR. This process has been ongoing for the past 10 years, and we are now close to a resolution.

The reality is that both of our countries are major developers of natural resources and we both share environmental and subsistence concerns. Rather than firing shots over the bow about each other's respective policies in these areas, we should direct our joint energies towards scientific research in the Arctic so we can continue to develop in a safe and efficient manner our vast storehouses of natural resource wealth.

I am sure that the Canadian comments on ANWR will receive a good deal of attention in Congress. I intend to make sure that as we debate ANWR, Canada's own oil and gas development policy is considered as well.

For instance, consider the Canadians' domestic policy on oil and gas development in the North Yukon National Park. This park was first leased during the 60's and 70's for oil and gas exploration. Exploratory wells were drilled in the area and came up dry. After exploration was completed, the park was closed to oil and gas development. I also understand that a recent seismic interpretation made in British Columbia caused the Canadian federal government to withdraw that area from a proposed conservation area.

Consider also that the Canadian government permits exploratory oil drilling in the Beaufort Sea during the time that the bowhead whales migrate through that area, a practice the United States does not allow. Native Alaskans from Kaktovik to Savoonga depend on the bowhead for much of their subsistence needs. Surely those needs are no less important than the subsistence needs of Canadian people.

The Canadians are following a policy to explore for resources before shutting the door on their own lands. Their reaction to the United States pursuing a similar course is ironic — particularly in light of Alaska's success story of Prudhoe Bay, which demonstrates our ability to develop our resources and protect the environment at the same time.

Thoughts from the president

By Boyd Brownfield



For those who have not fully recognized our theme for the approaching economic summit, it focuses on Alaska's "great opportunities."

Now that's kind of odd, one might conclude, for RDC to discuss great opportunities in a time when a deep recession looms over our state. But, let's stop for a second and reflect:

- Alaska has more coal resources than the entire southern states combined.
 - Alaska's world-class hard-rock mineral deposits have yet to be tapped.
 - Oil prices will rebound, bringing new opportunities to Alaska, a leading oil producing state. The continent's most prospective oil and gas region (ANWR) is located adjacent to North Slope oil and gas fields.
 - Alaska's commercial timber potential is estimated at 215,500,000 board feet.
 - Off Alaska's coasts, the continental shelf hosts a fishery that accounts for 50 percent of total annual U.S. catch.
 - Tourism is a rapidly expanding industry with annual growth rates up to 15 percent.
- If that's not enough, Alaska is the only state with a multi-billion dollar Permanent Fund, now approaching \$8 billion.

Alaska has the energy and power supplies needed to make the most of these opportunities. The challenge is to mold our resources and potential greatness into reality. Two ingredients are necessary to make this happen: Private industry must be given the freedom of creativeness and innovation in these difficult times, and the public sector must have the foresight and fortitude to pave the way and accommodate the private sector in a partnership that will make it all happen.

We have the ingredients; we only need a new beginning. And the Alaska "Great Opportunities" Conference will provide that new beginning.

Let's show the southern states that we can do it in the "Upper One." I'll see you at the April conference.

Minerals division pushes new legislation

RDC's Minerals Division is working closely with the legislature on a packet of bills that if passed would improve the development climate for miners across the state.

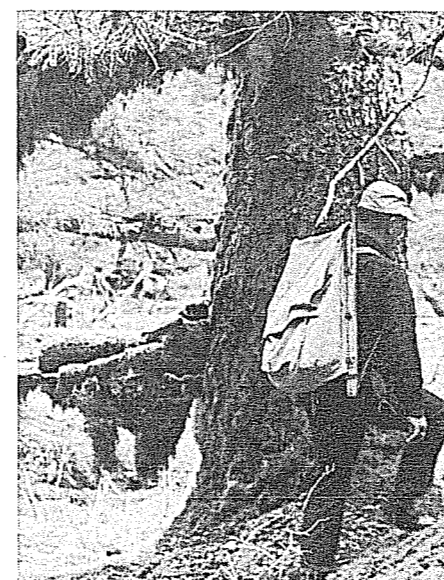
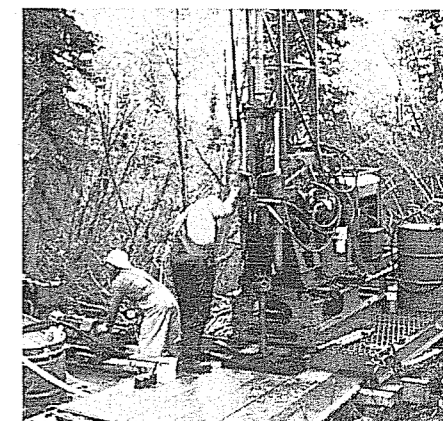
According to division director Paul Glavinovich, legislation has been drafted to mandate legislative oversight of all state mineral closures that exceed 640 acres in size. This legislation was introduced as SB 136 and is currently in the Senate Resources Committee.

Legislation to provide a strong statutory definition for "multiple use" has been introduced as SB 137. In addition, SB 114 has been introduced in an effort to provide legislative oversight to the adoption of coastal zone plans.

The division has infused new language into the 1986 "Clean Water Bill" and this legislation has been introduced as SB 98 and HB 109.

On three different occasions the RDC minerals division has provided testimony to the Alaska Minerals Commission. Glavinovich noted that the Council's recommendations were adopted by the Commission in its report to the Governor.

"I believe that the legislation necessary to implement RDC's 'New Strategies' is in place," Glavinovich said. "We must now be eternally vigilant and responsive to effectuate a positive response from the legislature."



In an effort to encourage timber production on state land in Southcentral and Interior Alaska, RDC is working to advance legislation allowing for the state to enter into forest management agreements with private firms.

Forest agreements advance

RDC and the Alaska Loggers Association are pushing for passage of a Senate bill that would increase timber production on state land through the concept of forest management agreements.

Both organizations have urged the state to adopt the agreements which allow the Department of Natural Resources to negotiate with private timber firms on many contract provisions. The forest management agreements would make it easier for operators to have long-term contracts on timber while cutting state expenses for the contracts.

On timber sales conducted by the state, the Division of Forestry is generally responsible for laying out the sale tracts, appraising the timber and then selling to the highest bidder.

The new legislation would allow the potential purchaser to work with the state in developing a management plan for an area. The private operator would lay out the sale, be responsible for refore-

tation and would market its own timber.

The bill would require that timber-cutting plans be consistent with existing land management plans and that the commissioner consult with other state and federal agencies before agreeing to the contract.

"Forest management agreements allow the state as a land owner, based on its management plans, to allow private industry to come in at its expense and take on management activities, including road maintenance, timber harvest and reforestation," said John Galea, general manager of the Alaska Loggers Association. "The purpose is to provide enough volume to enable private industry to make long-term investments and amortize those investments. With short-term, one-year sales, an operator can't go to the bank to borrow money to buy equipment," Galea said.

If the bill becomes law, its effects are likely to be felt in Southcentral and Interior Alaska, where the majority of the state-owned timber is located.

Fisheries action plan aims to harness potential

Renewable resource can help provide solid economic base

By Michael Broili
and
Lynn Gabriel
Arctic Seas Development Group



Fish harvested off the Alaska coast represent the seventh largest fishery in the world. Still, there remains numerous undeveloped fishery resources.

When oil prices commanded \$28 a barrel it was hard to get Alaskans to give much thought to the state's other abundant resources. Like addicts we became dependent on oil and the wealth it brought. However, with some salmon species selling for more than a barrel of North Slope oil last summer, the diversification of our economic base is getting more attention.

Since oil is a finite resource, logic and responsible planning for the future would indicate that a portion of the oil wealth should contribute to developing a base for continued stable growth. Building a stable economy is like building a home. You must begin with a solid foundation and build up. Well developed renewable resources can provide a solid economic base.

Of all Alaska's renewable resources, none is more productive than its fisheries. While the fisheries have suffered from seasonal fluctuations and a lack of research data, this resource has historically been the salvation for many permanent residents of the state. After the booms there were always the fish!

Fish harvested off Alaska's coast represent the seventh largest fishery in the world. Still, there remain numerous undeveloped fishery resources. The pollock fishery by itself represents a potential three billion dollar a year industry and is just beginning to develop. Other undeveloped species and new product development opportunities in the existing salmon fishery make the economic potential of our commercial fishery seem limitless.

In its efforts to create long-term, stable jobs for Alaskans, the Resource Development Council has consistently advocated that increased efforts be made to diversify the state's economy. RDC's primary goal has always been to improve the quality of life for all Alaskans through creation of new jobs. No resource lends itself more to the creation of long-term employment than our renewable resources. Jobs created today will be there in the future if we protect and enhance the natural inventory on hand.

To expeditiously achieve RDC's primary goal, its Fisheries Committee has prepared a Fisheries Development Action Plan (FDAP). The mission of the committee was to:

"Through the wise use of our natural, economic and human resources, achieve the full development of Alaska's potential for harvesting, culturing, processing and marketing finfish, shellfish and aquatic plants. The benefits of this economic development should flow to the people of Alaska and the United States."

The FDAP was written with the idea that it would be a dynamic, evolutionary document. It must be able to grow and change as the industry grows and changes. The committee felt that the finished document should be **task specific** with tangible goals and objectives. In that context the plan evolved within the guidelines laid out in RDC's *New Strategies for Advancing Alaska's Economy, 1986-1990*.

30 industry and government representatives serving on RDC's Fisheries Committee worked about six months to develop the action plan. The Fisheries Plan was not intended to cover all the particular needs of the fisheries, but to begin addressing the thread of common issues that runs throughout the industry.

Six broad goals were established under headings closely corresponding to those in the *New Strategies*. The plan states that:

- *Federal, state and local land use planning must facilitate the development and enhancement of fishery-based industries.*
- *Regulations, permitting and environmental protection measures should improve and enhance the economic development and conservation of fisheries.*
- *Develop incentives to stimulate investment in Alaska's seafood industry.*
- *Promote investment in public infrastructure to benefit Alaska's seafood industry.*
- *Expand market opportunities for Alaskan seafood and seafood products.*
- *Establish Alaska as a premier authority on fisheries through education, science and technology programs to enhance the fisheries industry.*

The Fisheries Plan lists the following items for immediate legislative action:

- (1) *modify present state law to improve long-term leasing procedures as they affect commercial operations and mariculture development;*
- (2) *allow state and private non-profit hatcheries to sell salmon, all life stages including eggs, to holders of fish or game farm licenses;*
- (3) *allow participation of private industry in development and implementation of disease control and inspection programs.*

The Fisheries Committee is tracking the progress of legislation and resolutions that support implementation of the Fisheries Plan. Members are currently focusing on passage of SB 108 and HB 106 which will assist in the development of Alaska's mariculture industry.

Editor's Note: Michael Broili is chairman of RDC's Fisheries Committee in which Lynn Gabriel is a member.

Legal developments may affect mining



By
James S. Burling
Attorney, Pacific Legal Foundation

The ability of miners and other public land users to efficiently access Alaska's public lands is at the center of several legal controversies now before the federal courts. Recent developments in these cases have given a brief respite to miners anxious to get on with their operations this summer, but the picture remains clouded for individuals requiring streamlined access into conservation areas set aside by the Alaska National Interest Land Conservation Act.

The most promising news comes from two recent federal district court decisions in the Sierra Club's lawsuit against the Bureau of Land Management (BLM). The Sierra Club charged that all mining anywhere on the 80 million acres under the bureau's jurisdiction must be halted until a series of comprehensive, and more to the point, very lengthy environmental reviews are completed. A group of state mining associations, represented by Pacific Legal Foundation, intervened in the litigation in order to prove first of all that regulated mining operations today are compatible with the state's environmental values, and that there was no legal justification for shutting down the mining operations when the Sierra Club failed to follow the proper appeal procedures and misinterpreted the National Environmental Policy Act (NEPA).

The federal District Court agreed and in two significant rulings held that the Sierra Club failed to abide by established procedures in challenging mining operations and failed to demonstrate any violations of NEPA for BLM's regulation of smaller mining operations. Although the state's miners can now breathe

a little easier, all of the legal issues have not yet been resolved, and the Sierra Club has appealed. Right now the Sierra Club is asking the Ninth Circuit Court of Appeals to order comprehensive environmental studies be performed and to stop all small mining operations immediately until either the studies are completed or the appeals process is completed. In order to avoid the ruination of a significant portion of the state's mining industry, miners are objecting vigorously to this latest tactic.

Elswhere on the legal front, in the continuing litigation over mining in Alaska's national parks where the industry has already suffered from a district court injunction, the Sierra Club is asking that a new regulatory roadblock be imposed before any mining resumes. Specifically, the Sierra Club is asking that a complete analysis of a mine's economic worth be performed before mining is approved. The Sierra Club would require a showing that a mine would have been profitable at the time the land was first set aside — for most mines in the Parks this would mean that profitability must be shown at the price of gold in 1972 which was officially set at \$35.00 per ounce with a spot price of approximately \$50.00 per ounce. Not only would this be a very cumbersome process, but it could threaten the very existence of a number of operations within the national parks, many of which can trace their history to the turn of the century, well before the parks were established.

What could be of even greater significance to all mining operations, both large and small, hard rock and placer, is the threat that if the court agrees with the Sierra Club that economic evaluations must be performed on operations within the parks, then the legal reasoning could apply to all mining development and even mineral exploration programs throughout the western United States. This could quite effectively cripple a number of exploration programs, making the search for domestic mineral supplies all that more difficult.

As a final note, the Trustees for Alaska recently sued the BLM claiming that all federal regulations governing access into conservation units, including the development of utility corridors, must be rescinded. It is expected the Trustees will ask shortly that access be severely curtailed until new regulations are enacted. No development interests have yet become involved in this lawsuit.

Portrait

Bishopp — a can-do attitude



Rex Bishopp

Ever since the commercial version of helicopters came into existence in the late 1940s, their application in the Alaska wilderness has been a key component of various petroleum, contracting and surveying projects.

And thanks to the vision and can-do attitude of long-time board member Rex Bishopp, helicopters have provided critical air support for projects in the most remote corners of Alaska.

In the 1950s, most of Bishopp's pioneering work was confined to the summer season, but as times and technology changed, so did the seasonal fluctuations.

When oil was discovered at Prudhoe Bay in the late 1960s, business at Bishopp's company, Alaska Helicopters, soared. Some 30 ships performed various exploration and seismic tasks and after a decade of previous air support, Bishopp and his crews were considered experts.

Located at the southern end of Anchorage International Airport, Alaska Helicopters occupies a large hangar and full service avionics shop. For the past two years, the spotless facility has hosted hundreds of people attending the Resource Development Council's annual membership party.

Bishopp now owns and operates 20 helicopters and three fixed-wing aircraft. The fleet includes several Bell JetRangers and LongRangers, a number of Bell 205s with a carrying capacity of 14 people or 4,000 pounds and the Boeing Vertol 107.

The fleet is used for all sorts of tasks, including the towing of a hovercraft barge across the Arctic ice pack and the hauling of 7,000 tons of gravel in the Bethel region. Other ventures include sightseeing tours, film outings and advertising projects.

Even though these are hard times, Bishopp is committed to Alaska and believes in the future. That is why he is so dedicated to the Council's ongoing programs, many of which affect the bottom line of his business in the long term.

"This year the Council has a large packet of legislative bills that many of our elected leaders are committed to passing," Bishopp said. "RDC spends a tremendous amount of time getting legislation passed that will improve the business climate for all of us."

Rex Bishopp, another dedicated RDC board member committed to improving the quality of life in Alaska through sound resource development.