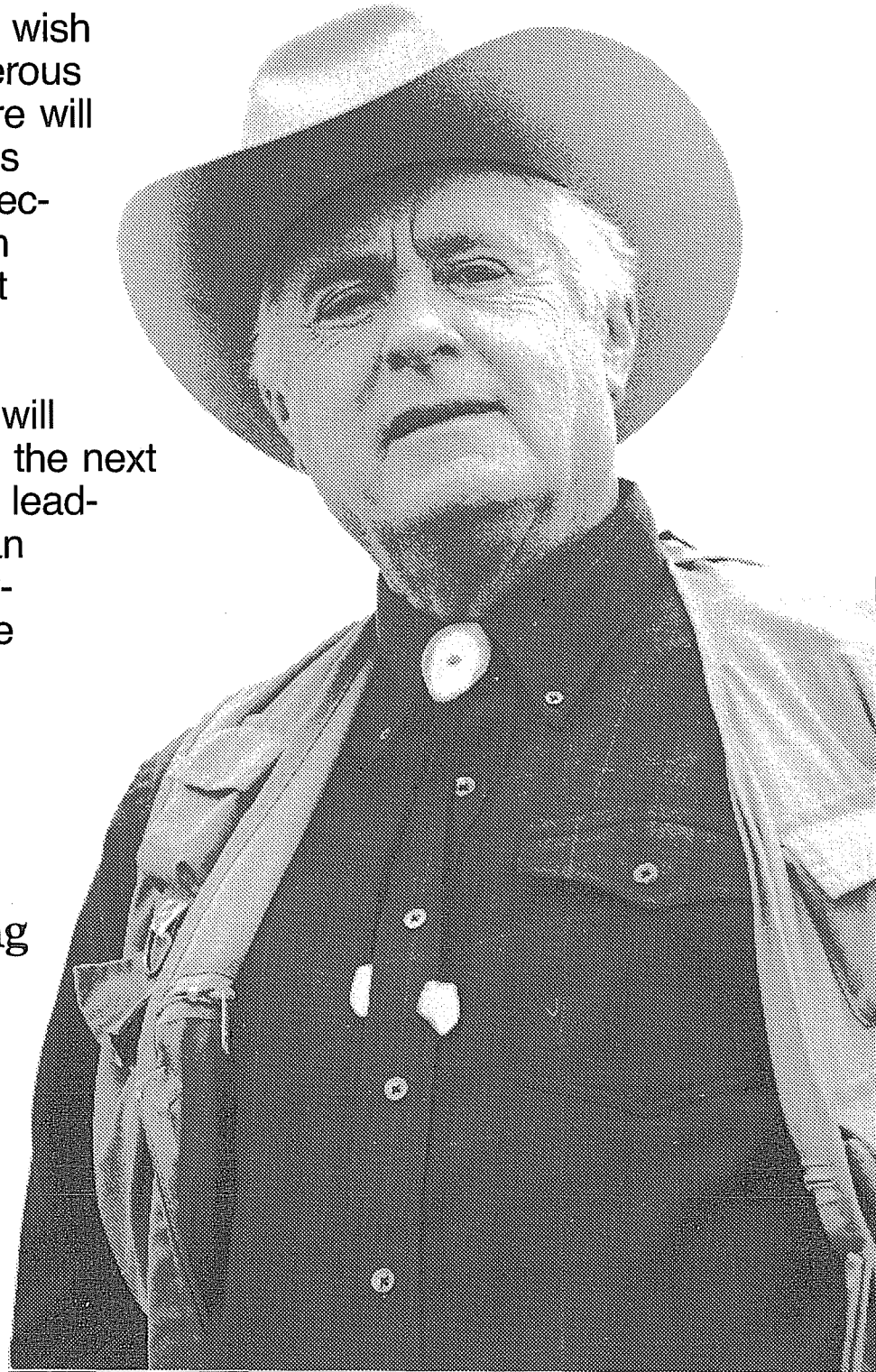


Let's Keep Energizing Alaska in 1988

The folks at Tesoro wish everybody a prosperous 1988. 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 1988.



This edition sponsored by: **Tesoro Alaska**

Bulk Rate
U.S. Postage
PAID
Anchorage, AK
Permit No. 377

ADDRESS
CORRECTION
REQUESTED

Resource Review

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

January 1988

The 49th star of America is a challenging land, for contained in all its vast climatic and geologic diversity lies much of the future wealth and security of the United States.

Alaska is indisputably a land of tremendous resource potential, abounding in rich opportunity. With its endowment of resources, Alaska has the means — and the raw materials — to keep open the door to a prosperous and secure future for America.

Trillions of cubic feet of natural gas lie under Alaska's arctic coast. The only stretch of American arctic is in Alaska. With over 30 percent of the proven reserves in the U.S., the surface of Alaska's tremendous petroleum potential has only been scratched. The state already contributes nearly 25 percent of domestic oil production.

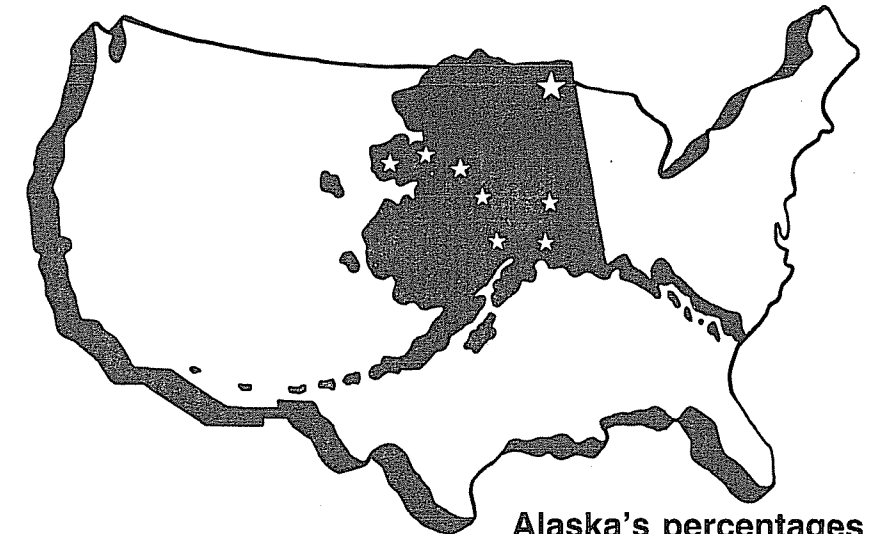
Alaska's coal resources, topping six trillion tons, equal the total coal reserves of all other states combined. World-class mineral deposits — yet to be developed — have been discovered throughout Alaska. Of the 30 minerals that the U.S. must now purchase abroad, 22 are found in Alaska. Many occur in commercial concentrations.

Alaska's forests contain more than 28 million acres of commercial timberland while the 49th state's commercial fishery accounts for over half of the total annual U.S. fish production. With 33,000 miles of coastline, more than all of the continental U.S., Alaska's fishery is ranked sixth in world production. In 1986, 1,162 domestic fishing vessels and 527 foreign vessels operated in Alaska waters.

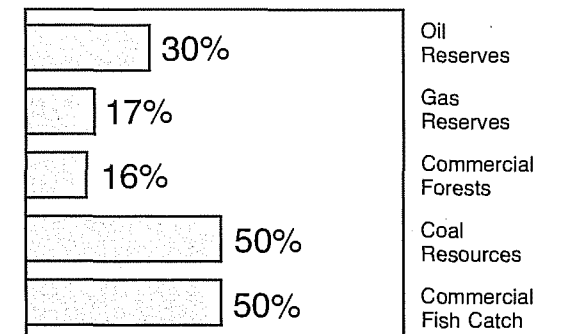
(continued on page 7)

— INSIDE —
Boreal forest series —
Part II pages 4-5

What Alaska Can Do For America



Alaska's percentages of total U.S. resources



Foreign investment for local jobs

A hurdle which Alaskans must overcome in our quest to strengthen the basic industries here is the xenophobia which reigns when the spectre of foreign investment rears its opportunistic head. The world-wise public is beginning to realize that import and export cannot be divorced from each other. Export is one side of the coin. Import is the other. In that regard, a few economic realities are worth considering.

First, the general public tends to think of importing goods and services, not money. Secondly, when consumers import goods, they simultaneously export money to the country which is selling those goods.

Thirdly, foreign investment is importing money. What is wrong with that?

Universally, there are strings attached to business deals. Import/export deals are no exception. Supply and demand, comparative advantage and joint ventures all figure in the equation. In that regard, foreign investment is no worse or better than other deals.

The real beauty of importing money is creating local jobs with it. For instance, importing money in the form of capital investment in manufacturing plants allows Alaska to use Outside money to build value-added capacity in the state, effectively creating local jobs from non-local money, in turn increasing export or import substitution potential, and thereby (ideally) increasing the import of money through the export of goods and services which are Alaskan-produced.

It can and does work. Alaskans can and should take advantage of this international flow of opportunity. Alaskans can help balance the nation's trade deficit, its current account and ideally, make some money on the local fronts while we are being so noble.

Importing goods is something Alaska already does very well, as does America. Witness the trade deficit. We need to improve our ability and willingness to import money, not goods and services.

Export is also paramount to balancing the trade deficit. Alaska has a vital export-driven economy, although national restrictions

Message from the executive director

By
Becky L. Gay



prevent Alaska from fully participating as it could in many arenas. Alaska presently exports primarily raw materials, not necessarily by choice, but by circumstance. Looking to the future, most Alaskans would rather export products, goods and services than raw materials, because those products require Alaskan hands at work. Making the transition has been difficult, often due to capital shortage for infrastructure of that nature. If a foreign supplier, whether from Japan, Korea, Finland or elsewhere has the wherewithall to invest in Alaska's basic industries, then Alaskans should be helping that person or corporation to do so, joint ventures or otherwise. It is good business sense.

Meanwhile, Alaskans should be helping each other understand the ramifications of importing money to create local jobs. It is time Alaska acts on its strength in attracting investment which upgrades our capabilities on our native soil. Alaska should be leading the charge, not cowering behind unnamed fears of foreign investment "bogeysmen" or scaring away valid offers before they have a chance to succeed.

Adding value to raw materials is a long-standing goal in Alaska resource development. Let's get on with it, especially if we can get foreign investment to help pave the way.

Canadian ANWR stance angers Young

Incredibly, the Canadian government is continuing its efforts to persuade Congress to designate the Coastal Plain of the Arctic National Wildlife Refuge wilderness, thus banning all development activities in what is believed to be America's greatest onshore prospect for the discovery of world-class oil deposits.

Alaska Congressman Don Young calls Canada's position "an affront to the sovereign right of the United States to determine our own energy and national security interests." According to Young, the Canadians are sustaining a "breakneck pace of energy development in their own Arctic onshore and offshore" and appear to be "unwilling to practice that which they seem so willing to preach."

The Canadians note they have established a huge wilderness

preserve in the Yukon abutting the refuge. But Young says the Canadians established the preserve only after thoroughly exploring the area for oil and gas. By contrast, the Alaska refuge has been off-limits to exploratory drilling.

"Further they neglect to mention to members of Congress that the entire onshore and offshore areas to the east of their Yukon preserve in the MacKenzie Delta is undergoing massive industrialization in an effort to secure Canada the energy security they so willingly would deny the United States," Young said.

Young also expressed concern about Canadian plans to ship oil through the ice-clogged Beaufort Sea off Alaska where endangered bowhead whales could be disturbed.

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.



Executive Committee Officers

President Joseph Henri
Vice President Shelby Stastny
Vice President John Forceskie
Vice President John Rense
Secretary Stephen Ellis
Treasurer Larry Laughman
Past President Boyd Brownfield

Staff

Executive Director Becky L. Gay
Public Relations Director Carl Portman
Projects Coordinator Mike Abbott
Member Services Anne M. Bradley

Resource Review is the official monthly publication of the Resource Development Council, Box 100516, Anchorage, Alaska 99510 — (907) 276-0700.

The RDC business office is located at 807 G Street, Suite 200, Anchorage.

Material in the publication may be reprinted without permission provided appropriate credit is given.

Carl Portman
Editor & Advertising Manager

RDC conference: "What Alaska Can Do For America"

The Resource Development Council's Eighth Annual International Conference on Alaska's Resources, "What Alaska Can Do For America," will explore solutions, new concepts and different avenues to secure the public policy decisions necessary to transform Alaska's vast potential into great wealth for the nation.

Set for February 26-27, at the Sheraton Anchorage Hotel, the conference will focus on what Alaska **can do** for America with its strategic location, its people, front-line defense, basic industries and sound resource management. The Friday and Saturday event will put in motion techniques to elevate Alaska's national standing and convince decisionmakers in Washington that Alaska has great potential for making a contributing difference to the nation's future.

With extremely professional and high-level speakers to help us expand horizons, the conference is designed to serve as a platform for the vital interaction necessary to build a national consensus favorable to Alaska development. Conference proceedings will be circulated across the country, including Congress.

The Council is now in the process of confirming political leaders, senior executives, of Alaska's industries and national authorities for the conference. A special conference brochure listing speakers and other details will be released shortly.

In association with the conference, the All-Alaska Exposition, highlighting tourism, transportation and local economic development projects, will also be held at the Sheraton. The 1988 Expo will feature exhibits of Alaska communities, manufacturing and service companies and renown resource developers.

The All-Alaska Exposition and the **What Alaska Can Do For America** conference is your great opportunity to learn and share important ideas, meet with other influential decisionmakers and embrace a new public/private sector spirit of cooperation. RDC urges its members to share in the excitement.

Registration for the conference is \$195. For additional information on the conference and expo, call RDC at 276-0700.

Alaska's resources ...

(continued from cover)

Strategically, Alaska is a secure and vast source of critical and important minerals. With its key geographic location, Alaska is the hub of the vital air corridor for the Western Hemisphere and the front line of defense for North America. Perched on the Pacific Rim, Alaska is poised to be a major force in Pacific Rim trade and defense.

Much ignorance exists of Alaska's contribution to the security and economic well-being of the United States. This lack of understanding results in a variety of undesirable decisions being made by state and federal governments. Possible favorable developments are often legislated against, postponed or discarded, effectively thwarting America's opportunity to utilize Alaska's great potential, with Alaskans bearing the brunt of the economic impact.

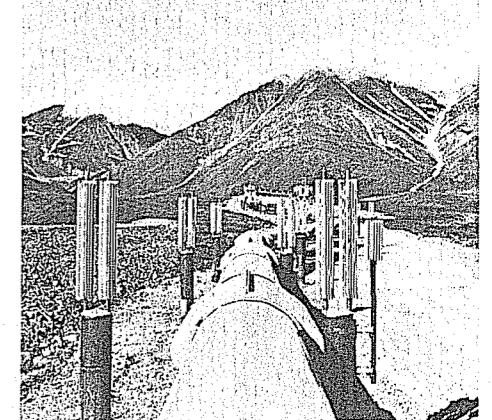
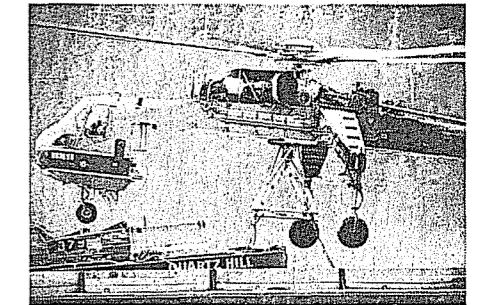
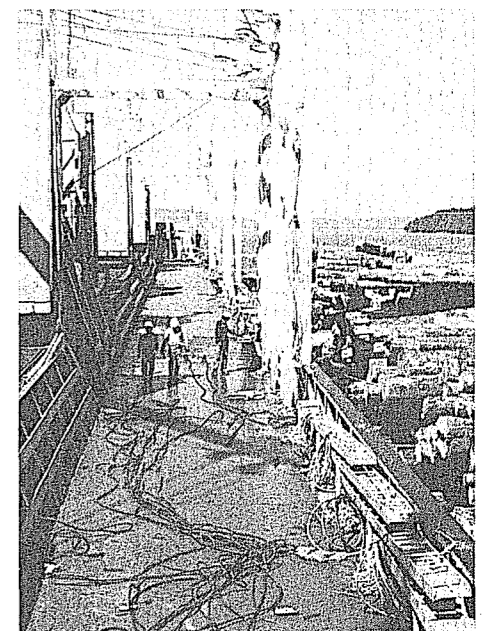
Much of the 220 million acres of federal lands in Alaska, which alone would comprise the second largest state in the union, have been withdrawn from resource development. For example, the 55 million acres of designated Wilderness, where all development activities are banned, would consume the entire state of Utah. In addition, the 75.4 million acres set aside as national wildlife refuges severely restrict development activities within their borders. Domestically speaking, these refuge lands would comprise the fourth largest state in America. Ninety percent of the nation's refuge system lies within the state of Alaska.

Placement of land into restrictive classifications, while failing to provide adequate access routes through those lands to prime resource deposits, jeopardizes Alaska's promise of making a major contribution to the future of the U.S. and its neighbors in the Pacific Rim. It is on federal, state and native land that most future development will occur, yet much of this land has been isolated as islands in a sea of parks and refuges.

The Resource Development Council's Eighth Annual International Conference on Alaska's Resources, set for February 26-27, 1988, will address unfavorable land use policies and other barriers that inhibit development. Most importantly, the conference is directed at acquainting national decisionmakers and the media of Alaska's true potential and the contribution new Alaska development could make to the nation's economy and security.

The Council believes the February conference, titled "What Alaska Can Do For America," will challenge Alaskans to influence national perspectives, market resources competitively and fight at the highest levels against barriers that inhibit development.

The conference proceedings, featuring the complete presentations of all speakers, names and addresses of attendees, a sponsors and exhibitors list and an executive summary, will be distributed to key decisionmakers across the country, including members of Congress. Attend and make sure your name makes this vital register of concerned and capable Alaskans. Proceedings may be ordered at time of registration for \$20.



Sparks fly over proposed Susitna timber sale

RDC submits comments

A proposed timber sale in the Susitna Valley that would allow the harvesting of 5 million cubic feet of wood annually over the next 20 years could attract hundreds of millions of dollars in capital investments, dramatically improve the local tax base and put tens of millions of dollars into the state and local economy each year.

However, a well-orchestrated campaign designed to stop this and any other large-scale logging effort in the region has gained momentum and threatens to derail a project that could create hundreds of new jobs in a depressed economy. State and local government officials complain the opposition has released highly-speculative and misleading information to landowners and recreationalists as well as tourism and fishing interests. Meanwhile, the forest products industry itself has expressed concern with some procedures and sale mechanisms under consideration.

The state Division of Forestry maintains that the sale layout, buffer zones and road construction would be designed to meet the requirements of the Forest Practices Act to insure no adverse impact to either the fisheries habitat or the water resources. The average annual cut will not exceed the sustained growth capacity of the region. Only a small fraction of the area's forests will be harvested in any one year.

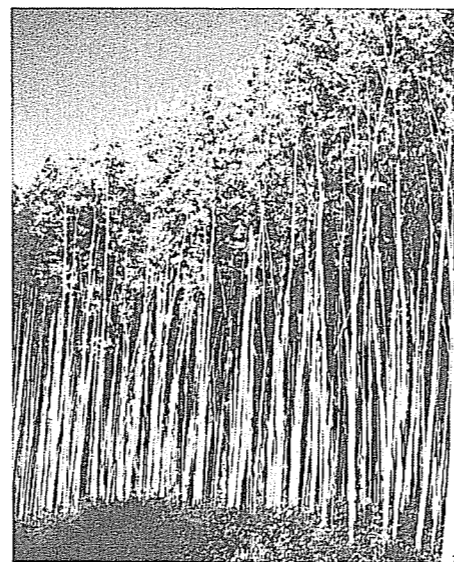
By mandating cutting regimes that minimize visual and other aesthetic impacts, the state can insure that no single portion of the sale area is ever harvested so heavily as to destroy the opportunity for residents and visitors to enjoy the Susitna

Valley. Access routes and bridges can be sited to guarantee only marginal impacts to the important scenic qualities of the region.

Evidence from other areas with similar ecosystems indicate the impacts to fish and game populations from a timber sale such as this can be positive if handled properly. With improved infrastructure, fisheries enhancement projects — which are presently too expensive — could become economically feasible and actually improve the commercial, sport and subsistence harvest of important fish species. An improvement in game habitat could also occur through a greater abundance of important food sources not as prevalent in currently over-mature forest areas.

In a lengthy letter to state forester John Galea, RDC Executive Director Becky Gay said the Council would not support any timber sale that would threaten the continued viability of the crucial fish and wildlife values of the region. However, Gay stressed that impacts to anadromous fish and other fish and game can and should be prevented. She pointed out that any timber sale operator must comply with strict laws and regulations enforced by three state agencies and several federal agencies.

Gay assured Galea RDC strongly supports the state's intent to place large areas of state forest land under active forest management. She said "on state land, the best opportunity for near-term expansion of Alaska's fledgling wood products industry lies in large, long-term timber sales in the relatively untapped forest areas like the



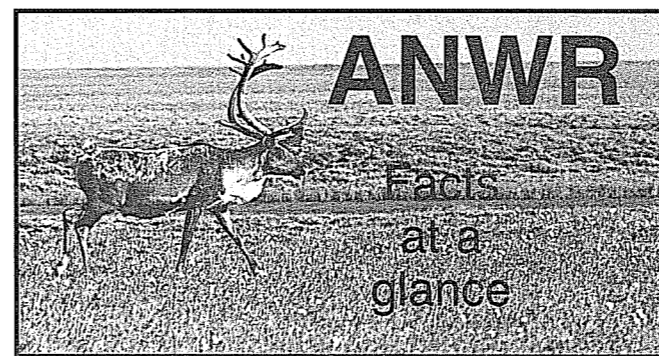
The proposed timber sale would cover less than 15 percent of the state lands in the Susitna basin.

Susitna Valley." The type and quality of the resources dictate the need for high volume, low cost operations if maximum in-state benefit is to be garnered for Alaska, Gay said. She added, "The proposed Susitna-Tyonek sale is the closest the state has come in recent years to offering enough timber in an appropriate time frame to attract in-state investment and processing."

RDC pointed out that long-term, large-scale forest management programs of the sort proposed have a number of advantages over the existing harvest-only programs. For instance, a significant advantage of the proposed sale is its likelihood of attracting investment in value-added processing facilities in Alaska. The vast majority of employment associated with the wood products industry lie in manufacturing, not harvesting. But major processing activity will not come to Alaska unless the state can guarantee long-term access to a large and plentiful timber supply.

In addition, the large, long-term timber sales are likely to make timber held by other public and private entities more viable for future development. Access and infrastructure provided to support a major sale would also provide for other resource development, recreation and other land management opportunities in the region that could further diversify and stimulate the economy.

Within its comments, RDC addressed several technical concerns with the sale, one of which focused on timing. The Council expressed concern that the schedule may not allow enough time for potential operators to evaluate the final sale proposal and prepare responses to the state. RDC has found a keen interest in this sale from many Alaskans and from entities in other states and countries. An extension of time allowed for the submission of bids and proposals may be warranted in this case due to the level of interest that has been expressed.



Wilderness and wildlife

- 8 million acres, or 45% of ANWR's 19 million acres, are designated wilderness, off-limits to development.
- Another 47% of ANWR, managed as wildlife refuge, is essentially wilderness, although not given that classification.
- Development of potential world-class oil deposits would occur only within the Coastal Plain 1002 lands, a small area which comprises less than 8% of the refuge.
- Another 450,000 acres of similar and adjacent coastal plain is already designated wilderness, and would remain off-limits to development.
- Less than 1% of the 1.5 million acre tract being considered for leasing would feel any development impact even if "full development" were to occur from the discovery of a super-giant oil field.
- In ANWR, concern for loss of wilderness is an aesthetic problem, not a wildlife or biological problem.
- The Central Arctic Herd at Prudhoe Bay has increased five-fold since oil activity began 15 years ago. The herd still roams freely amid the infrastructure, safe from hunting.
- The notion that oil development harms caribou is based on the idea that oilfields displace caribou, denying them access to habitat. If full development would consume less than 15,000 of ANWR's 2 million acres of coastal plain lands, habitat would not be a limiting factor.
- The Porcupine Caribou Herd knows no political boundaries, roaming across millions of acres along Canada's Coastal Plain.
- Two-thirds of the pregnant cows in the Porcupine Caribou Herd chose to have their calves in Canada during 1987, while only a third of the cows calved in Alaska's ANWR. In eight of the past 15 years, most cows stayed east of the area proposed for oil and gas leasing.
- The large majority of Prudhoe Bay spills have been small and occurring on gravel pads designed to catch oil. During the 1985-1986 recording period, more than 1 billion barrels of oil were safely produced at Prudhoe Bay. Only 25 spills totalling 166 barrels reached the tundra, requiring minor restoration measures.
- Data from government-mandated monitoring programs reveal Prudhoe Bay air quality consistently meets federal and state standards and is not comparable to that of large cities.

RDC hopes the ANWR issue can be brought to a favorable conclusion before July 1988, otherwise the fall election will likely postpone final action until 1989 or beyond. You can help influence this issue by writing letters to members of the Senate Energy Committee, Senate Environment and Public Works Committee, House Merchant Marine and Fisheries Committee and the House Interior Committee. We can win this issue only with your help. Your opinion counts!

Thoughts from the President

by
Joseph R. Henri



What Alaska can do for America

The title of this column is the theme for our 1988 conference, to be held in Anchorage at the end of February. The heading also suggests the thrust of our RDC Foundation's activity—educating the federal establishment, American decisionmakers across the land, and even the folks here at home, about the contributions the 49th State can make toward a more prosperous and secure country.

What can Alaska do? What important role can she play? The published proceedings of our forthcoming conference will provide a pretty good answer and a working document. The participants at our 1988 event will help mold the result; we need the most diversified and biggest attendance we've ever had. The intellectual stimulation will be superb.

Alaska historian Robert A. Frederick, over 20 years ago, limned Alaska's specialness: "As the prehistoric gateway from Asia to America it is both the **first frontier** in the New World and a **last frontier**. It has a unique distinction of being an **eastern frontier**, and a **western frontier**. It is both the **oldest frontier** and the **newest frontier** of this continent."

An Alaskan named Alfred P. Swinford expressed the RDC spirit when he asked, "Is it desired that the undeveloped resources of Alaska should be developed? If so, it lies with Congress to inaugurate a substantial beginning in that direction. It is only necessary that the shackles which fetter the progress of a great empire in embryo be removed . . ." (Fourth report of the Governor of Alaska to the Congress, 1888). The embryonic great empire is still waiting to "strut its stuff." To be sure, considerable progress has been made. Nevertheless, our economy could be more diversified and vibrant.

Take fisheries. Alaska is one of the most important fish origins on the globe. But, much more value could be realized from an expansion of the fishing industry. Alaskans have shown themselves to be good at it; our waters are rich and productive. A great new effort is in order.

Take mining. Gold was the lifeblood in the first quarter of this century. In the last 30 years oil has enriched our lives, the Treasury and the stockholders. Its contribution is unparalleled. But the most knowledgeable mining people tell us that Alaska today has enough valuable minerals to support a multi-billion dollar industry. We still need to get rid of the shackles; we need a more favorable and forthcoming attitude. The minerals await.

Take timber. A good start was made through the efforts of former regional forester and later governor, Frank Heintzleman. But most of the resource has not been tapped. Again, the most knowledgeable people on the subject aver that Alaska's timber industry could be in the multi-billions of dollars.

Are Alaskans smart enough to make use of the opportunities at hand, overcoming governmental obstacles, securing the vast capital required, giving the state an infrastructure which will allow resource development? The answer remains to come in. The question gives us Alaskans the most excitement any present-day Americans could enjoy. Can this first and last frontier, this most easterly and most westerly frontier, this oldest and newest frontier, become a frontier of modern enterprise with an expanded resource economy, providing the most civilized benefits ever enjoyed at these northern latitudes? Can we show that Alaskans have the wit and stamina necessary to create an outstanding American civilization in the far north of the globe? Will our exports and our industries enrich the federal treasury and reduce Uncle Sam's trade imbalances? Will this frontier serve as a sentinel for the American continent's defense? What can Alaska do for America?

Did you know?



Do you know that RDC is a membership organization, supported through corporate and individual membership contributions? A dedicated and diverse membership fuels RDC's efforts and enables us to continue working on fronts which are vital to the health of the economy.

Aside from the satisfaction of knowing you are personally supporting the most hard-hitting and influential pro-development group in the state, as a member your investment pays off in a stronger economy and jobs for Alaska.

RDC extends an invitation to all persons interested in the responsible development of Alaska's resources to join the Council's efforts. For membership information, contact:

Anne Bradley
Member Services
(907) 276-0700



Senator Jack Coghill makes a point before Representative Sam Cotten and moderator Lee Fisher at the boreal forest symposium.

Part II

Alaska seeks answers to boreal forest management

Editor's Note: This article is the final segment of a two-part series focusing on the management of the Alaska boreal forest. The series is based on the RDC Education Foundation's symposium, *Management of the Boreal Forest*, held December 3-4 in Anchorage.

Is it realistic for Alaska to manage a forest that survives at far northern latitudes? From an economic standpoint, can Alaska's interior forest be managed, and if so, what are the costs and benefits? Most importantly, for what should the northern forests be managed?

These are a few questions being asked as Alaska takes an initiative that cries for help and cooperation in arriving at answers that would result in some form of management of the boreal forest.

Forest surveys have identified over 22 million acres of commercial or economically productive woodlands in Interior Alaska. In the past, much of the Alaska boreal forest timber was considered unus-

able due to defects and size, but new advanced manufacturing technology now allows for the production of veneer from stock as small as 9 inches in diameter.

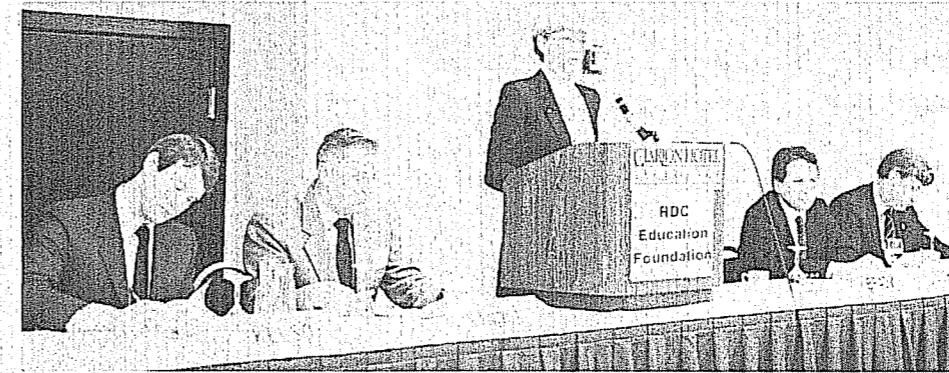
As a result, plywood, particle board, waferboard, cement board, composite board, fiber board, laminated veneer lumber and a product called wisawood can be produced from Alaska's interior timber resources.

"These new products are better suited to our forest resources," says state forester John Galea. "In combination with new technology, we can utilize more of the less expensive natural wood resources." Those would include small tree species such as Alaska black spruce which is presently

either not being utilized or is resulting in a low profit margin to the manufacturer.

Most of the boreal forest, dominated by White spruce, birch, aspen and poplars, is located on the lowlands along flood plains and river terraces of the Kuskokwim, Yukon and Tanana rivers. The Susitna Basin is heavily forested and with scientific management, can presently support an annual allowable harvest schedule of over 100 million board feet.

"Think of what can be done in the Susitna basin alone if this forestland is brought under management" Galea said. "Over-mature birch stands in the Susitna Valley cry out for management."



Department of Natural Resources Commissioner Judy Brady says Alaska has a new window of opportunity in boreal forest management because of new processes available. "We can take care of the resource management part," Brady says, "but you (conference attendees) are going to have to take care of the political part."

Galea noted that access to large tracts of timberland is lacking. Commercial utilization in most areas is limited until access problems can be overcome.

"There is a strong feeling we are close to the time, if not now, to begin investing in our state's forestland," Galea said. He noted the state is in the process of determining what interest there may be by both the domestic and foreign timber industry in bringing into reality a stable wood processing facility that would be the first step in managing forest resources.

Galea proposes to build a viable forest products industry through major changes in the way Alaska manages, charges for and renews its forests. Changes include the introduction of a fair and equitable pricing system for timber which is sensitive to market fluctuations, production costs and the value of the products produced.

In addition, the new management would replace the forest with second stands selected for genetic quality as in Finland. Reforestation responsibility would shift from the state to companies harvesting timber with the state retaining oversight supervision. Access roads to harvest areas would be the responsibility of the timber purchaser, except for access roads needed for the small timber operator.

To balance these responsibilities, timber purchasers would be given greater security of tenure and other incentives.

Galea stressed where similar programs have been put in effect, there resulted substantial increases in forest growth, wildlife values, improved habitat and greater tax base support by establishment of wood processing facilities. Significant increases in the local job markets and added diversity to the overall economy also occurred.

While the Department of Natural Resources is strongly in favor of accelerating efforts to bring the boreal forest under progressive management practices which could lead to a large-scale wood products industry in Interior Alaska, other state departments approach forest management from a different perspective.

Commissioner Dennis Kelso of the Alaska Department of Environmental Conservation sees his role in forest management revolving around the protection of air, land and water resources.

"I see the key to the balance we seek as early consultation and early planning," Kelso told delegates attending the RDC Education Foundation conference. "I think it's essential to have full inter-agency cooperation and coordination as sales are planned. It avoids costly delays, makes good sense and identifies expectancies for industry and informs the public."

Norm Cohen, Deputy Commissioner of the Alaska Department of Fish and Game, said his department is prepared to work with the wood products industry to ensure that its timber development proceeds at a reasonable pace and cost, but that such development must be accompanied by a reasonable level of fish and wildlife protection. Through various practices, regulations and mitigation options, Cohen said ADF&G strives to "strike that often fragile balance between helping industries like yours (timber) thrive while at the same time carrying out our mandate to protect fish and wildlife resources."

Representing Alaska's heartland, Senator Jack Coghill of Nenana, Chairman of the Senate Resources Committee, warned conference attendees that Alaska's forest management program is in danger of being studied to death.

"We don't want to manage one tree, but the whole forest," Coghill said in discussions regarding Senate Bill 112, a controversial piece of legislation that would bring about many of the forest management changes proposed by state forester Galea. SB 112 would allow for a Forest Management Agreement (FMA) or Stewardship Contract concept, presently in use in certain Canadian provinces and in some other states.

Under the FMA concept, contracts are written between the state and the private operator covering the entire forest management cycle, including harvesting, reforestation, tending and silviculture. The contracts

are usually written for a period of 20 years, with an "ever-green" clause permitting five-year extensions, providing all contract stipulations are met.

"The bill is loose because we have an area 1/5 the size of the Lower 48 and there needs to be case-by-case flexibility to make it happen," said Coghill. "We need to go forward with it and do a trail-and-error on it and get away from the philosophy of having to answer every question before we make a move."

SB 112 passed the Senate 20-0 last session, but remained in the House Resources Committee.

Representative Sam Cotten, Chairman of the House Resources Committee, said the reason the bill is still in House Resources is because "we think it will take more than a zero fiscal note and we are counting on you (RDC) to help arrange the priority of the dollars in the legislative process." Cotten, who represents Eagle River, said he will be taking a closer look at the budgets of the three resource agencies and promised to release a report with results and recommendations.

Representative John Sund, a member of the House Resources Committee, said FMAs are a way to get around the uncertainty of politics in future years. "If you didn't have the 50-year contracts in the Tongass, Congress could come in and say there will be no more timber sales and that would be the end of industry right there," Sund said. "Industry wants to come in with the assurance that there will be long-term timber sales," the Ketchikan representative added.

"An FMA with a zero fiscal note isn't going to work," Sund stated. "We all know it's going to take some dollars . . . it will take some commitment to get that."

Senator Lloyd Jones, a member of the Senate Resources Committee, said the zero fiscal note is a possibility. "If you ask for proposals from the private sector and provide all the tending of the land under state supervision, I think you can just about get a zero note," Jones said. "That was the intent. If you put more responsibility in state government, you're going to bring that up, which is fine if it's the will of the public and the legislature."

Representative Niilo Koponen of Fairbanks questioned the need for the FMA and complained the current bill as written is "too wide-open." He said if the FMA concept is not set up properly, large multinational logging operators could squeeze out small producers.

Of the senators and representatives speaking at the boreal forest symposium, there was a general consensus that an FMA concept would pass this session, but in modified form.

After spending thousands of dollars in forest management studies and little to show for them, Representative Jim Zawacki, Anchorage, concluded that "we should have had major changes by now. It's time to stop talking."