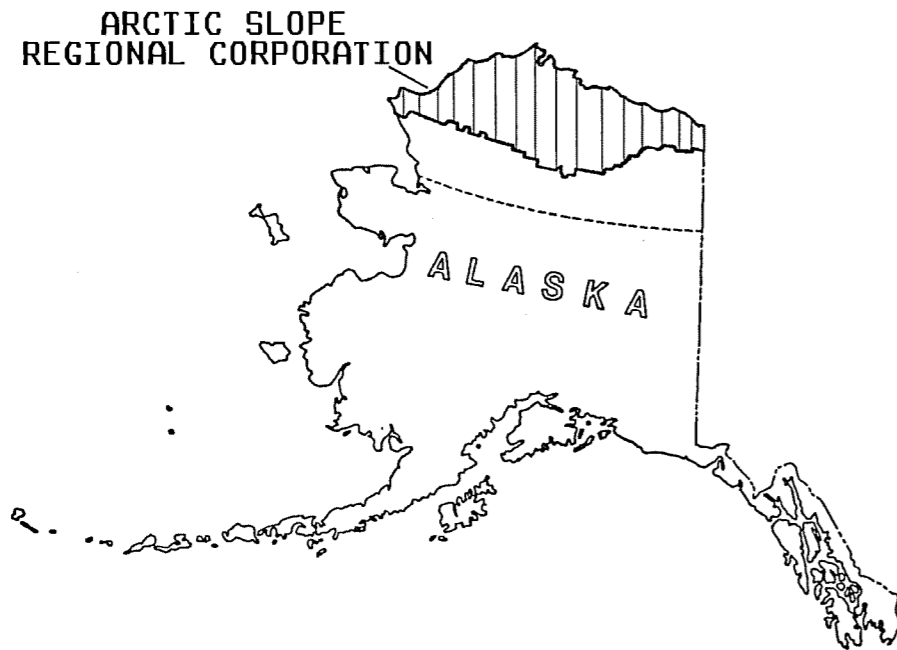


Arctic Slope Regional Corporation

The Arctic Slope Regional Corporation is the northernmost of the regional corporations established under the Alaska Native Claims Settlement Act of 1971. ASRC operates communications, transportation, construction and engineering companies within Alaska. The map below illustrates the ASRC region in relation to the rest of the state.



ASRC Subsidiaries:

- * **Arctic Slope Consulting Group** - specializing in civil, mechanical, electrical, structural engineers, geologists and land surveyors.
- * **Alaska Petroleum Contractors and Houston Contracting Company** - specializing in building and general civil and pipeline construction as well as maintenance contracting in arctic and subarctic regions of Alaska.
- * **Eskimos, Inc.** - specializing in fuel and gravel sales, and NAPA parts distributor.
- * **Executone of Alaska** - specializing in sales, installation and servicing of telephone, facsimile and other telecommunications systems.
- * **SKW/Eskimos, Inc.** - specializing in general building construction, civil and industrial construction in the arctic.
- * **Tundra Tours, Inc.** - operates the Top of the World Hotel in Barrow and Tundra Tours Bus Company.
- * **VRCA Environmental Services, Inc.** - specializing in oilfield clean-up services, with specialty vacuum trucks and other oil spill clean-up and containment equipment.

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Oil spill takes tragic toll, but is no holocaust

Broader view counters misconceptions

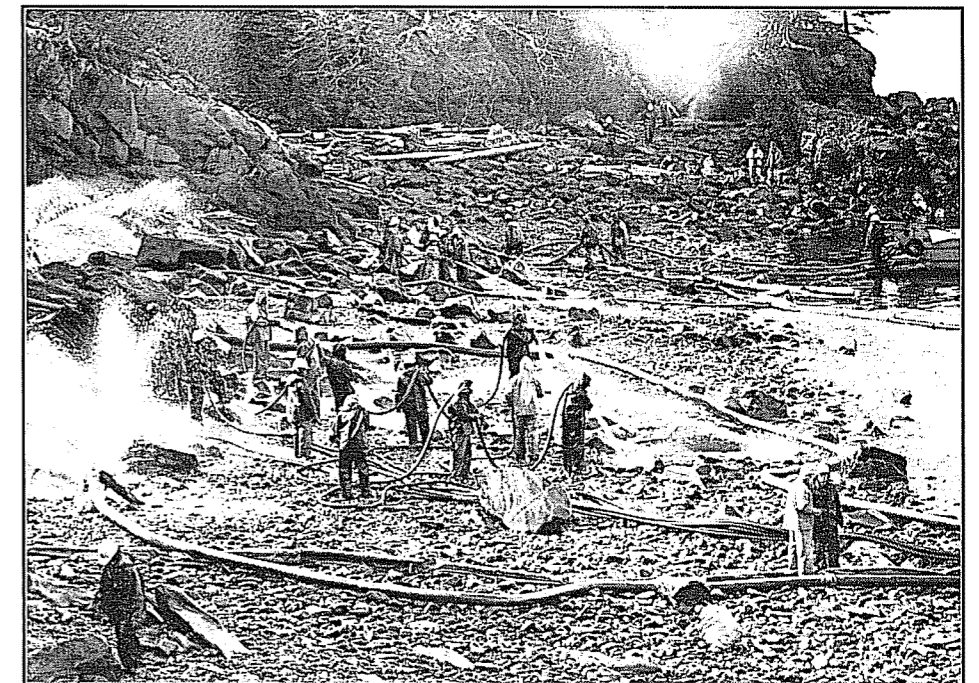
Every day almost 2 million barrels of oil flow through the Alaska pipeline, across 800 miles of one of the world's most spectacular settings, to the ice-free port of Valdez. For 12 years, America has tapped up to 25% of its domestic oil supplies from 8,200 acres of Alaska's 56-million acre North Slope with minimal environmental consequences.

Thousands of wells have been drilled without incident. Wildlife populations have flourished across the oil fields and the migratory caribou herd that visits the area each year has increased five-fold in population since development began.

But to the public, none of that seems to matter, nor does the fact that arctic oil production is a secure source of energy vital to the nation's economy and national security. For now, all that matters is that oil has spilled into Prince William Sound. The fact that the Exxon Valdez tanker spill resulted from a maritime accident far removed from onshore exploration, development and production activities 800 miles north of Valdez, is overlooked.

The Alaska oil spill was a sad and avoidable disaster, but it was far from a holocaust or a catastrophe on the scale of Hiroshima or Chernobyl, as described by those trying to exploit the spill to block further oil exploration in Alaska. Not one human life was lost and there was no radioactive materials involved. Nor is most of Alaska's coastline awash in oil. There are several hundred miles of beaches that need cleaning by man and nature, but these dirty shorelines represent a very small fraction of the state's 33,000-mile coastline. While it is true that beaches extending the length of Rhode

(continued on page 4)



Exxon's shoreline cleanup operations are accelerating. Cleanup crews are shown here at McPherson Bay on Naked Island flushing the oil from the shoreline rocks and recovering it with booms and skimmers. Over 70 vessels and 5,000 people will be involved in cleanup operations this summer.
photo by Frank Flavin

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Message from the Executive Director

by
Becky Gay

Divided we fail

Welcome to May, generally a wonderful month around Alaska.

Citizens are gearing up for the new season. The ravages of winter are behind us, but a freeze is still possible. The sun is high and up for most waking hours in Southcentral Alaska. In the Arctic, it already seems like 24 hours of daylight. Whaling spirit abounds in America's only arctic, the northern-most coast of our state.

Fishing season is nigh. The coastal communities are active with the scent of fishing in the air. Commercial fishermen gear up while the sportsmen dream of days almost here, hooking the big one.

Miners are rejoicing at high commodity prices and getting ready to set up camp, new lawsuits having been decided favorably for many.

In the cities, summer vehicles, joggers, skaters and walkers take over. Bicycles, motorcycles, motorhomes and pedestrians share the streets and trails. The urge to "be outside" is upon us. Being outside plays a big part in the satisfaction we get from being Alaskans and it's not to be confused with being Outside, as in Lower 48.

The greening of Alaska is here. Trees, pussy willows, bogs, wetlands, thickets and the special early flowers are budding and blooming. Birds are returning everywhere. Gardens begin to emerge from the raking and trimming. Planting trees and shrubs and readying the soil harkens the spring and early summer. The sap is rising. New plants break through, seeking the sun which is with us already so long in the day. To some, there is nothing quite like a good day in a garden to feel one with the earth.

To others, nothing but the wild side of Alaska will do. The great outdoors and the great weather create a variety of Edens for each

person to find and enjoy. There are plenty of outside experiences, recreational and otherwise, in Alaska. Trying to find the time to fit them all in is the real problem.

It's a fact that no matter how our hearts quicken with the spring, our spirits have been diminished by the oil spill. We Alaskans have had a terrible experience come between us and it has divided us greatly. While the oil spill is sloshing its way onto beaches and out into the great Pacific, with a veritable army chasing it and trying to head it off, we all give pause at the thought of a spill of this magnitude happening anywhere, much less this close to home.

But, for the near term and for the last two decades, Alaska has depended on a strong oil industry to fuel our economy. America has grown to count on us for one quarter of its domestic output. And now, in a time of strife, America stands ready to turn its back on Alaska oil production. Many Alaskans are posturing similarly, some with a venom that can't help but poison us all a little.

From fishermen and loggers to mountaineers and bush pilots, Alaskans are a risk-taking group. The risk of mistakes is weighted by the probability of reward. Mistakes are made; sometimes the rewards seem worth it. The oil spill is a mistake seemingly in a class all its own, apparently unforgivable, regardless of the rest of the record. So, what next?

It seems we soon forget this industry is integral to our modern life. In Alaska, it has done much for many, including state government and the nonprofit sector. Kick them while they are down or rally to the emergency, what shall it be? The fact that we have a choice is the ultimate American difference. The choice to utilize Alaska's resources in this fossil-fuel driven era was considered and made. The Prudhoe reservoir is half full, or half empty if you are a pessimist. Where do we go from here?

It is now up to all of us to strive for solutions to prevent mistakes with the onerous magnitude of the Exxon Valdez spill, without abetting the mortal wounding of the very industry which fuels Alaska's economy. It seems wrong to penalize the industry for the things it does well, like exploration and development, in the rush to punish for this transportation accident. It is like solving the wrong problem by overlooking the real one.

The "jury isn't in" on the oil spill and the cleanup. But the "trial by media" has been painful and shows little sign of letting up. I am sure I speak for many industries and other companies who are giving the well-known thanks, "there but for the grace of God, go I."

May the forces of nature heal Prince William Sound and the hearts of all Alaskans who have suffered through this terrible time together. Only then will we be able to convince America that sound resource development is alive and well in Alaska. In fact, our economy is riding on it.

A session of challenges

There is no question that the tragic Good Friday oil spill in Prince William Sound this spring changed the entire outlook for pro-development legislation in the 16th Alaska Legislature.

The first session ended in a flurry of oil spill bills coupled with an oil tax increase - actions which will cause Alaska crude producers to re-think their investment and development strategy in the 49th state for years to come.

The session began on an optimistic note with a pro-ANWR resolution moving quickly through the process, and a bill to give Governor Steve Cowper more funds to lobby Congress on the issue also gaining support.

The critical 6 (i) mining rents and royalties legislation which RDC advocated was the subject of great debate and revision before a final compromise was reached. RDC minerals division director Paul Glavinovich was in Juneau more often than he was in Anchorage, and was credited by both House and Senate leaders with being a knowledgeable voice on the issue, who was willing to compromise in order to reach a consensus. Changes to the bill were approved by both houses and it was sent to the governor shortly before the session adjourned May 9.

As the session perked along, RDC bills were moving fairly quickly, and it appeared like 1989 might be a banner year.

Then on a Friday afternoon in March, the situation changed. After the Exxon Valdez grounded on Bligh Reef, the generally pro-development state Senate began to re-evaluate several positions. Among them was a decision to hold the Economic Limit Factor legislation in committee. Public pressure mounted and administrative lobbying on the issue was intense. The measure finally came to a floor vote on Sunday, May 7 and was defeated by a close 11-9 ballot. But the following day, on reconsideration, Sens. John Binkley, R-Bethel, and Mike Szymanski, D-Anchorage, changed their "No" votes to "Yes," giving the measure the margin for passage.

The ELF issue had been a top priority for RDC and other pro-development organizations, which opposed any tax increase. Testimony was presented before both the House and Senate by RDC president Shelby Stastny and lobbyist Debbie Reinwand in an attempt to provide yet another public voice on the issue.

Senate leaders indicated the spill would have a far-reaching

(continued on page 3)

An Arctic perspective on PWS spill

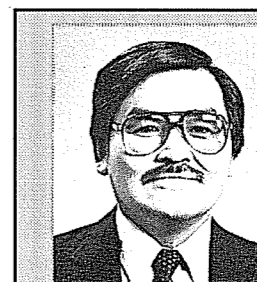
The nation's attention has once again been focused on Alaska with 24-hour media coverage and numerous "in-depth" reports. But rather than the three gray whales trapped by the forces of nature, the event is the disastrous Exxon Valdez oil spill. And rather than the cooperation of the oil industry helping to solve a natural phenomena, we are seeing outrage and despair toward Exxon and Alyeska, both of whom appear culpable and inadequate in their response.

Viewing the Prince William Sound oil spill from the Arctic, I find it both disturbing and instructive. It is disturbing because like so many other Alaskans, I too feel a sense of betrayal and disappointment. The oil spill is instructive, because I believe it will compel the putting in place and implementing of needed and necessary safeguards for crude oil transportation and for offshore oil and gas exploration. Further, I believe the Exxon Valdez spill will bring about a constructive re-evaluation of frontier OCS development in certain areas of Alaska.

The people of the Arctic have been endeavoring for many years to protect both their environment and its inhabitants. The struggle over limiting offshore development in some areas has been based, in large part, on the fear of what an oil spill in Arctic waters would do. The harsh climate of the Arctic, its remoteness and lack of support systems — such as fishing fleets — would complicate a spill even further than that faced in Prince William Sound. If a spill occurred during the winter, when ice prevented recovery activity, the ability to recover oil would be close to non-existent. A major spill during a time of intense migration would also threaten the bowhead whale and damage an already fragile transitional Eskimo culture.

This is a risk that we, and the people of Prince William Sound, had begun to accept. Given the volume of oil shipped from Alaska and number of wells drilled, the experience of the industry has been very good over the past twenty years. Though reluctantly, and not yet completely, we have acquiesced in some nearshore OCS exploration and development. But our priority has been to pursue "onshore" oil and gas prospects. We are more confident oil spill containment can be better managed on land than offshore.

Our commitment and resolve to see the small, but highly prospective Coastal Plain of ANWR opened to exploration and development has not been diminished by the Prince William Sound oil spill. If anything, it has underscored the significance and importance of oil flowing from Alaska as well as the consequences of disrupting



Guest Opinion

by
Jacob Adams
Arctic Slope Regional Corp

this flow and the need to find additional deposits to keep up production. We have become somewhat more weary of oil company promises. We continue to press even harder for demonstration of stated capabilities. We remain cognizant of the fact Alaska needs to continue to develop its resources, but not in a manner that destroys one for the benefit of another. Oil, timber, fish and tourism can be made to coexist. But this will require governmental intervention, regulation, inspection and enforcement.

The experience ASRC has had on its own land convinces us that the industry has the knowledge and technology to operate safely on land. The ice covered waters of the Arctic, however, present other problems that must continue to be studied.

The problems raised by the Prince William Sound oil spill must be faced before we have another tragedy or uncontrolled spill. And, they must be faced before we proceed to open ANWR.

I am confident, however, that they can be faced and dealt with in a satisfactory manner. The people of the Arctic Slope have their lives and culture at risk if the industry does not act responsibly. We are not willing to put that future at risk without increased resolve and demonstrated capability by the industry as to activity in the offshore areas and the transportation sector. We are optimistic that these measures can and will be faced, even if incrementally and slower than we hope, so that we can proceed with the exploration of the ANWR Coastal Plain. Our economic livelihood is tied to energy resource development, but only when the industry acts responsibly. Now is the time for all Alaskans to work together to learn from the mistakes of the past so we may ensure a better future for our children.

Miners win major victory

In a major victory for Alaska miners, the Ninth Circuit Court of Appeals in San Francisco has upheld a decision by the federal district court in Alaska that affirmed the right of miners to operate within Alaska's national parks without undergoing exhaustive new regulatory procedures sought by the Northern Alaska Environmental Center (NAEC) and the Sierra Club.

NEAC and the Sierra Club asked the Court to force the Park Service and other federal agencies to prohibit mining on federal claims until a complex review process known as a validity test was first conducted on each claim.

The Resource Development Council and the Alaska Miners Association, represented by the Pacific Legal Foundation (PLF), opposed NAEC and Sierra Club, arguing that the mining law did not require such validity exams, and that miners could be severely injured by such unnecessary bureaucratic requirements.

Currently miners must abide by a number of stringent environmental review procedures. The validity exam procedure, however, would not help fulfill environmental regulations.

PLF believes the new regulatory requirements sought by NAEC and the Sierra Club could have put hundreds of small operators out

of business, and could have established a precedent for halting mineral exploration on all federal lands in Alaska and in the Lower 48.

"When the environmental plaintiff asked the federal court to require complex validity testing of every mining claim, it was done solely to stop mining," said PLF's Alaska attorney Kathleen Weeks. She insisted the issue was not one of protecting fish and wildlife or the environment, but "just one more tool to keep the mines shut down longer."

According to Ronald Zumbrun, president of PLF, the mining industry can now continue to lawfully operate on the public lands in accordance with existing rules, regulations and congressional intent.

Becky Gay, Executive Director of the RDC, praised PLF's work in Alaska on behalf of the pro-development community.

"This case demonstrates how important PLF is to Alaska," Gay said.

Oil spill hurts ANWR prospects

Legislative action halted

Public reaction in the Lower 48 to the Prince William Sound oil spill has abruptly halted legislative action in Congress on proposed oil and gas drilling in the Arctic National Wildlife Refuge, even though the tanker accident had nothing to do with onshore exploration, development and production activities in Alaska.

With the spill so fresh in the minds of the public, drilling opponents are pressuring Congress to "draw the line in the arctic," declaring the Coastal Plain of the refuge Wilderness. Such a designation would permanently preclude any exploration of this nation's most outstanding onshore petroleum prospect.

Press coverage mixing proposed ANWR development and the oil spill together has clearly harmed drilling prospects. Some reports have gone so far as to label ANWR as America's last Wilderness area.

Such a claim is incorrect since over 57 million acres of Alaska have been closed to all types of resource development through a Wilderness designation. In addition, millions of additional acres in Alaska are now under Wilderness consideration, even though the state already contains 62% of all federal Wilderness in the United States.

According to the Office of Technology and Assessment, petroleum operations in the refuge would involve between 5,000 and 7,000 acres, less than one-tenth of one percent of the Coastal Plain. Millions of acres of pristine wilderness would remain undisturbed, where a continuum of wilderness would be preserved under a specific Wilderness designation.

Development of major oil fields in ANWR would help offset the alarming rise in oil imports and play a key role in reducing the growth



The energy-rich arctic coastal plain is the subject of an intense national debate.

of the U.S. budget deficit. Oil from ANWR would also provide the federal government with increased income from leasing bonuses, rents and royalties on federal lands. A significant portion of these revenues will be used to enhance environmental protection throughout the U.S.

Although the spill has hurt prospects for the opening of ANWR, it hasn't cost Alaska any real support in the long run, according to several Washington sources. Senator Bennett Johnston, Chairman of the Senate Energy Committee, pointed out that "all the factors that motivated us to open ANWR in the first place are still there, include the trade deficit, decreasing domestic production and increasing domestic consumption.

Senator Frank Murkowski admits that it would be premature to bring the legislation to the floor before the development of new contingency plans to assure the safe marine transport of oil. He believes that development prospects will clearly hinge on a successful cleanup of Prince William Sound and the immediate overhaul of the spill prevention and response system in Alaska.

While angry and frustrated, most Alaskans overwhelmingly support drilling in ANWR if it is done with care. But turning the tide of national perceptions toward oil development in Alaska will be a serious hurdle to overcome.

Exxon defends spill response...

(continued from page 5)

The most damaging thing that's being said about us is that we've delayed it, we're very slow to respond, and so forth. That's absolutely not true," Rawls said.

Explaining that the logistical problems are horrendous, Rawls said over 3,000 workers must contend with huge tides and rocky wilderness shorelines in their cleanup tasks.

Rawls repeatedly defended his company's reaction to the spill, saying contingency plans were foiled by a lack of decisive action by the Alaska Department of Environmental Conservation.

The Exxon chairman said his company had enough dispersants on hand and enroute to "contain the spill and significantly mitigate the impacts of the oil on the shoreline."

For spills of the Prince William Sound magnitude, the industry considers dispersants as the first line of defense in containment and mitigation efforts. Exxon claims that it immediately applied for permits to use dispersants and burn the oil, but that government permission was not forthcoming during the first days of good weather following the Good Friday spill.

Exxon claims it had 20,000 gallons of dispersants ready to spread on the oil when the slick was confined to an area of 2,500 acres on Saturday. Another 25,000 gallons arrived Sunday.

Rawls said about 5-10 gallons of the dispersants would control oil spreading over an acre of water surface. He suggested that most of the oil could have been contained immediately and the rest two days after the accident. But, authorization for full-scale use of the

dispersants came too late. By Monday, strong winds developed, grounding airplanes in Valdez and spreading the oil over 100-square miles.

Rawls said a lot of misinformation has also been spread about the environmental consequences of using dispersants. He said he knew of no knowledgeable person who supported the state's claim that dispersants increase the oil's toxicity.

Dr. June Siva, an oil spill scientist who oversees ARCO's environmental sciences department, recently noted that modern dispersants are relatively benign, breaking the oil into tiny droplets that quickly dissolve into the first 30 feet of the water column.

Unlike some who contend that dispersants would have been ineffective in the first days of calm water, Siva said most dispersants used now do not need agitation to work. She pointed out that had the dispersants been sprayed, they would have been in the water when the storm hit the area three days after the spill.

Cowper insists that the state did not stop a chemical attack on the spill in the first days of the spill. He contends that documentary evidence shows that Exxon is wrong when it blames the state for the response.

"Exxon is trying to give the state a black eye, probably to try to escape culpability on behalf of itself," Cowper said.

In congressional hearings earlier this month, Exxon President Bill Stevens testified that "it's our ship, it's our oil and it's our responsibility."

New plan emphasizes rapid response

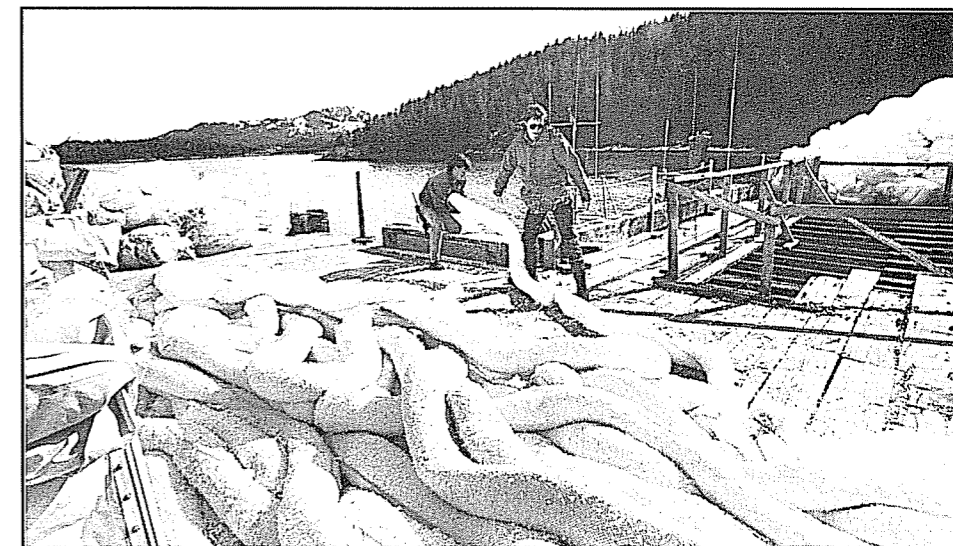
Alyeska Pipeline Service Company plans to use three 200-foot ships to escort tankers through Prince William Sound under new procedures aimed at preventing another major oil spill off the sensitive Alaska coast.

The new procedures are part of a new plan by Alyeska to enhance tanker safety and immediate response to emergencies. The company is now in the process of employing new equipment which will also greatly improve the capacity to recover oil in the event of a future spill.

The new equipment and procedures are in response to an emergency order issued by the state last month. The new escorts and constant ship-to-ship communications should help prevent a recurrence of the Exxon Valdez grounding.

Under the new plan, every tanker leaving Port Valdez will be escorted by a tug and a large Escort Response Vessel (ERV) loaded with oil containment and recovery equipment. Additional equipment will be manned and positioned in Prince William Sound 24 hours per day to assure rapid response to a tanker incident anywhere in the Sound.

According to Alyeska President George M. Nelson, three ERVs will be assigned on a rotating basis to accompany loaded tankers out to Hinchinbrook Entrance. "While the primary purpose of these escort vessels is to prevent hazardous situations from developing, they will also have oil spill response capabilities," Nelson said. "Each vessel will carry two seaskimmers to recover oil from the water, 4,600 feet of containment boom, a workboat and storage for 4,000 barrels of recovered oil," Nelson said. In the event of an incident, all ERVs would



Workers deploy boom in Prince William Sound.

photo by Frank Flavin

be deployed to the scene. The ERVs are also equipped to tow any vessel experiencing power or navigational problems in the Sound.

Alyeska will also deploy two high-capacity skimming devices," Nelson said. The first skimmer, located in Prince William Sound, at Knowles Head, will include a 140,000 barrel tug/barge equipped with oil skimming arms. The second, to be located in Valdez, traps oil within a boom and recovers it through pumps built into the boom itself.

Alyeska has also committed to place two storage barges at Valdez for deployment in the event of a spill. The barges will carry

16,000 feet of spill containment booms, additional skimming equipment and absorbent materials. Alyeska response equipment will be augmented by contract fishing boats with crews trained to respond to oil spills in Prince William Sound. Fifty people will be assigned to man and supervise this response equipment. In addition, a 12-member oil spill response crew is on site around the clock at the Marine Terminal.

The new Alyeska plan provides for a spill of the Exxon Valdez magnitude. All of the new equipment should be on site by May 31.

Alyeska's plan appears to meet all the requirements in the state's emergency order.

Legislative session proves challenging...

(continued from page 2)

effect on the upper house. Senate President Tim Kelly, R-Anchorage, said the Senate would likely be more moderate in its overall approach to resource development and less likely to side with the oil industry.

Another top RDC priority was HB 9, a bill sponsored on the House side by Speaker Sam Cotten, D-Eagle River, and supported by Sen. Arliss Sturgulewski, R-Anchorage, who introduced a Senate companion bill.

Originally designed to give Cowper \$1.5 million to enhance the state's ANWR lobbying effort, the bill was whittled to \$350,000 in the House, at the request of the governor's office. When it reached the Senate, it was re-written at the direction of Senate Finance co-chairman Binkley, with \$260,000 going to the Dept. of Fish and Game for high seas interception efforts and other fish-oriented lobbying. The ANWR language was changed to give Cowper the discretion to lobby on oil spill legislation in Washington, D.C. and to promote oil and gas development in Alaska. Although calendared

for a floor vote during the last two days of the session, the bill was pulled back to Senate Rules committee shortly before adjournment. RDC will work to see that bill passes quickly next January.

Despite a series of setbacks, RDC still has several pieces of priority legislation percolating through the system. A "No More Federal Wilderness" resolution, introduced by Sen. Jan Faiks, R-Anchorage is in the Senate Rules committee and action is expected early next year. And a critical Forest Stewardship Agreement bill has been sent to House Judiciary. While it will be a tough battle to get the bill out of that committee, there is an enormous amount of interest among Matanuska-Susitna Valley residents, a force which RDC will work with during the second session of the legislature.

RDC has a number of other priorities, which it will work on in 1990 and hope to enlist the support of our members, who can help influence legislators by communicating with them regularly.

No massive fish mortalities expected



Salmon fry from Prince William Sound hatcheries were recently released into the Sound. Biologists will keep a close watch on the Sound's fisheries in the wake of the spill. photo by Frank Flavin

State officials confirmed that salmon fishing will open in oil-free areas this spring.

While shoreline birds and sea otters are taking a beating from the Prince William Sound oil spill, recent scientific studies show fish and other marine life in the water column emerging relatively unaffected by oil floating on the surface.

The preliminary results conducted by the National Marine Fisheries Service are encouraging and appear to indicate that no massive fish mortalities will occur from the spill. In addition, a separate study conducted by the Institute of Marine Science at the University of Alaska reported that the plankton bloom in the Sound appears to be advancing normally with both animal and plant organisms present in large numbers.

The spill has raised fears that the Sound's delicate food chain would be disrupted by the poisoning effects of oil, but the plankton production season appears to be progressing normally.

"As far as we could tell there didn't appear to be any problem at all with the animals that came up with the net," said Ted Cooney, a zooplankton specialist at the Institute.

In the latest water quality samplings, the toxicity level, even at its highest point, was well below lethal dosage for pink salmon fry, according to Stan Rice, oil specialist with the National Marine Fisheries Service. With the natural flushing of the Sound, concentrations of toxins have been falling quickly at a number of sites in the Sound.

Scientists from the university and fisheries service were not particularly surprised by the test results since the continuing flushing of the Sound helps dilute the toxic level of oil.

"Water levels are declining to a point where they are going to be a lot less harmful to the fry," Rice said. "It's a good sign, things are beginning to recover."

The water quality and plant organism studies were both conducted in heavily impacted areas in Montague Strait. The water samples were taken mainly from the nearshore used by salmon fry while the plankton samples were taken from deeper water offshore.

In addition to the two studies, tests conducted by the Alaska Department of Environmental Conservation have found no oil contamination in water samples taken seven feet beneath the surface. Other tests conducted on fish in the Sound and Gulf of Alaska also showed no contamination.

The spill should have no effect on adult fish, including salmon and halibut, since fish live in the water column below the oil. But there is concern fish could be exposed to oil when they are brought to the surface.

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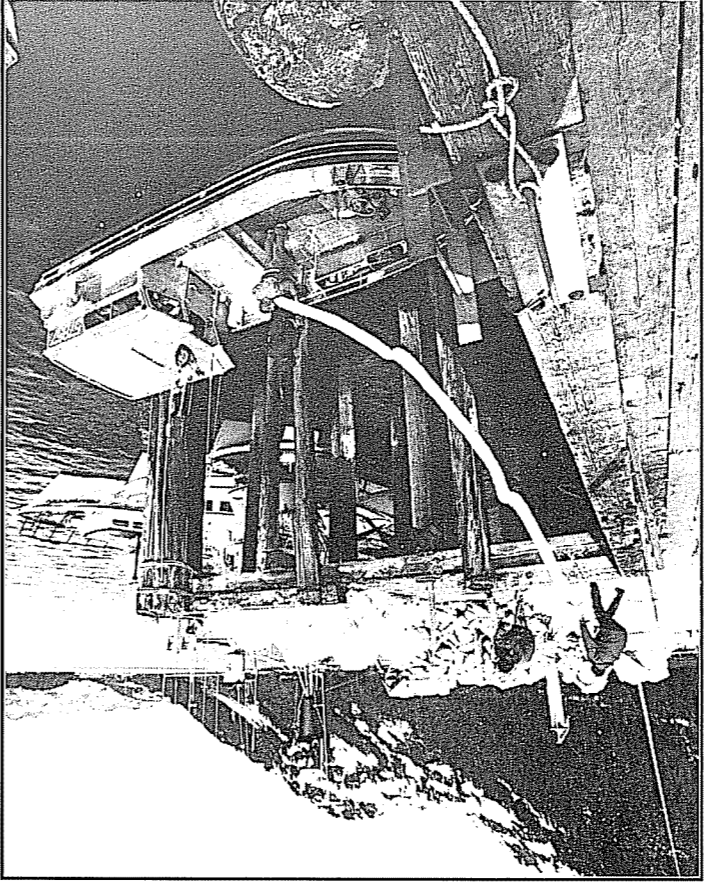
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The water quality and plant organism studies were both conducted in heavily impacted areas in Montague Strait. The water samples were taken mainly from the nearshore used by salmon fry while the plankton samples were taken from deeper water offshore.

In addition to the two studies, tests conducted by the Alaska Department of Environmental Conservation have found no oil contamination in water samples taken seven feet beneath the surface. Other tests conducted on fish in the Sound and Gulf of Alaska also showed no contamination.

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Exxon's cleanup operations will continue throughout the summer. photo by Frank Flavin

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Aftershocks of the spill rattle Alaska

(continued from page 1)

Island have been oiled, Alaska's shoreline is longer than that of the East, West and Gulf coasts combined. Nearly all of the Alaska coast remains as pristine as ever, including most of the major tourism and recreation waterways in Prince William Sound.

This is not to minimize the magnitude of the impacts elsewhere. What has happened is very serious and the long-term consequences on the general environment and wildlife may not be known for years. The short-term impacts are inevitable, and the spill has already taken a tragic toll among birds and sea otters along the shoreline. Livelihoods have also been disrupted. However, a broader perspective is offered here since intense and prolonged media coverage has left many Americans with the impression that Alaska's entire coastline, along with its rich fisheries, have been swallowed by a monster oil spill. Yet spectacular tourism and fishing opportunities about throughout the state.

Objective scientific assessments indicate that impacts to the marine fisheries in Prince William Sound itself are likely to be small. Preliminary results from recent studies show marine life in the water column emerging relatively unaffected by oil on the surface. While the early information is still incomplete, biologists are encouraged and have reason to believe that massive fish mortalities will not occur. In fact, many scientists expect a normal fish run this summer in Prince William Sound, a sheltered body of water that accounts for about 10% of the state's \$1.5 billion-plus fisheries. That's good news, but such scientific assessment pales in the face of the tremendous tide of emotionalism sweeping the nation in the aftermath of the spill.

For Alaska's resource development industries, the mishap represents the biggest setback in the history of environmental politics. Resource exploration, extraction and processing have been at the heart of Alaska's economy since statehood, and the surface of Alaska's immense petroleum, minerals, timber and fishery resources has barely been scratched. Petroleum revenues alone account for \$8.50 of every \$10 spent by the state.

But the political aftershocks of the oil spill are just beginning to be felt across Alaska and the nation. Legislation to open a small strip of the Arctic National Wildlife Refuge (ANWR) to oil and gas development is now on the shelf, and oil companies are facing an increasingly hostile business climate in Alaska. Environmental agencies will have much more political clout in pushing costly stipulations to development projects in all industries regulated by government.

There is no doubt the oil spill will strengthen the hands of those who would like to see Alaska and ANWR preserved as Wilderness. Alaska already contains 62% of all federal Wilderness in the United States, representing more acreage than Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware and Maryland combined. Included among these massive Wilderness designations are 11,000 square miles of the arctic refuge. Since all resource development activities are banned in areas managed as Wilderness, most of the refuge is closed to oil and gas development.

However, the small strip of land of the arctic refuge being considered for oil drilling does not bear the Wilderness designation. The area, which represents eight percent of the refuge, may contain what could be the largest oil find in the nation's history. If such a find is confirmed, the Office of Technology and Assessment estimates that development would affect between 5,000 and 7,000 acres, less than one-tenth of one percent of the South Carolina-size refuge.

In the case of ANWR, plans call for every aspect of development to be strictly regulated and monitored by federal, state and local agencies through a complex structure of laws, permits, stipulations, and national security.

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