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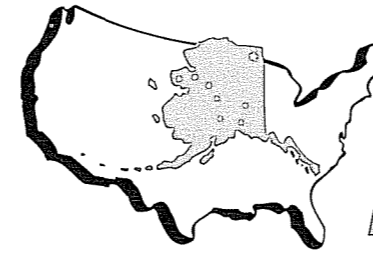


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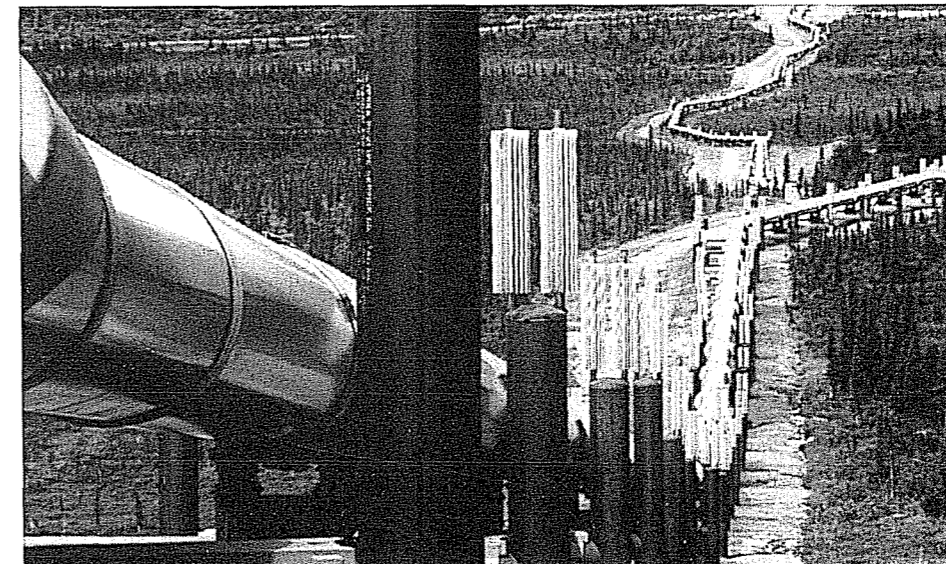
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Resource Review

March 1990

U.S. oil dependency hits record level

Risks grow larger as domestic oil production falls



Output from the Prudhoe Bay oil field, which accounts for 25 percent of America's domestic oil production, peaked in 1988 and is now in steady decline. As much as 25 percent of America's future domestic oil production could come from the Coastal Plain of the Arctic National Wildlife Refuge (ANWR), 65 miles east of Prudhoe Bay. The proximity of the 800-mile Alaska Pipeline to ANWR promises extended use of the multi-billion dollar transportation system after current North Slope reserves are exhausted.

Disaster or not, the Prince William Sound oil spill diverted America's attention from a phenomenon that could lead to enormous political, economic and social repercussions later this decade.

Last summer, while America's attention was focused on the oil spill and the subsequent \$2 billion cleanup effort, the nation's dependency on foreign oil climbed past the 50 percent mark for the first time in twelve years. While some called for an end to new oil production in Alaska, most Americans were unaware of the fact that U.S. oil dependency had surpassed record levels and going up.

As the new decade dawned, oil imports in January accounted for an all-time high of 54 percent of the nation's petroleum consumption. And the news isn't good because projections show Americans could be breaking the 50 percent barrier every month in the early 1990s and may regularly break the 60 percent level before the end of the century.

The nation's increasing dependency on foreign oil makes it more vulnerable to petroleum price increases and supply disruptions. The inherent risks will only grow larger as domestic oil production falls and new petroleum prospects on federal lands are withdrawn from exploration and development.

(Continued on page 4)

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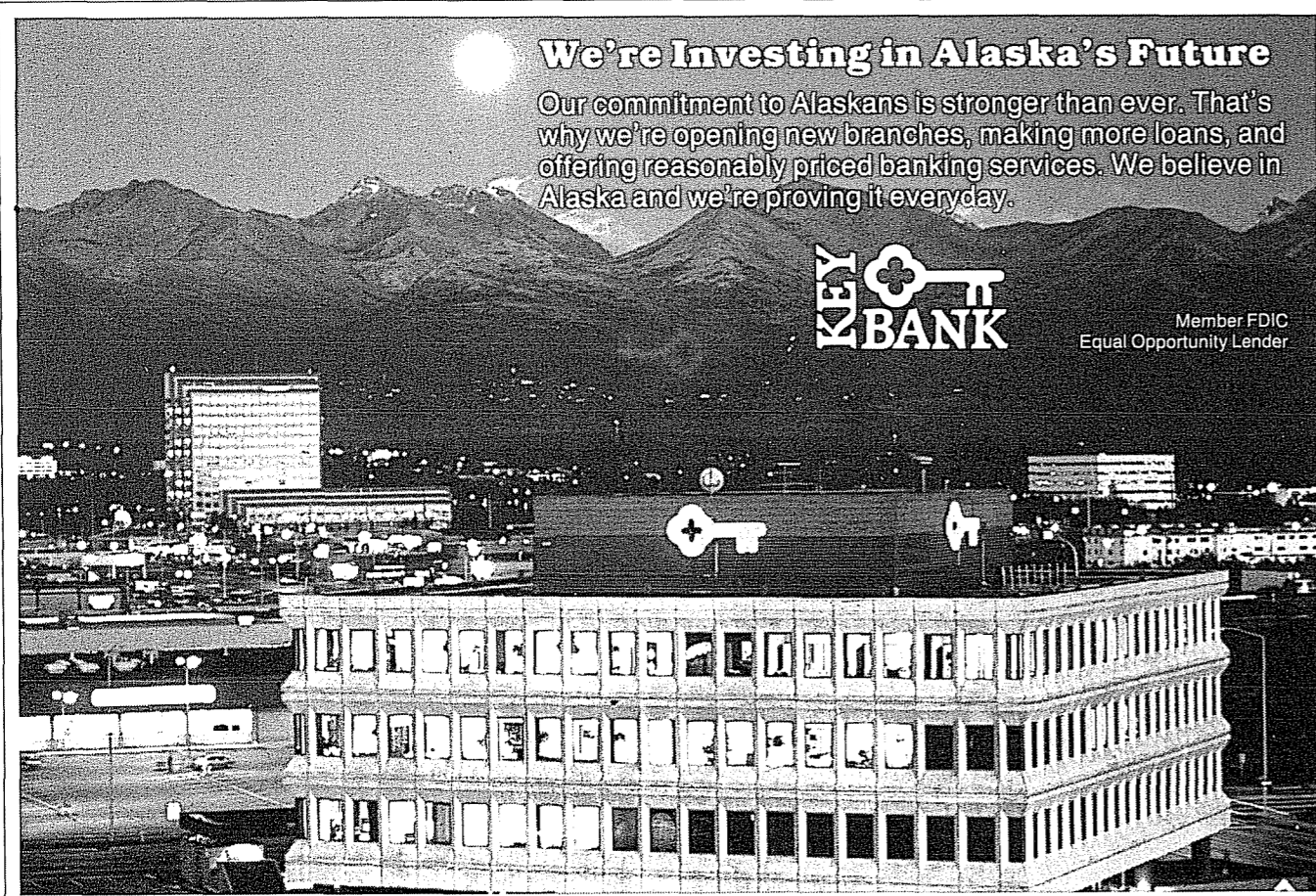
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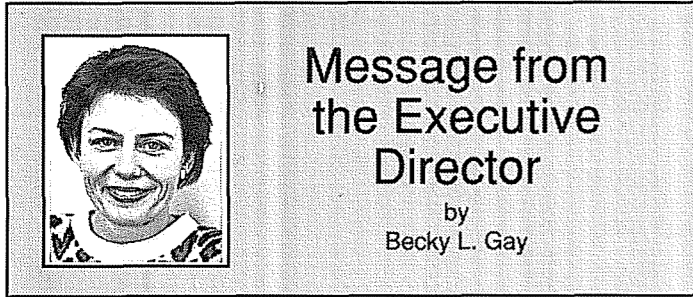
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Procedural victory will not solve Alaska's wetlands dilemma



Message from the Executive Director

by
Becky L. Gay

The Memorandum of Agreement (MOA) between the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers on Section 404 (b)(1) guidelines of the Clean Water Act is now in effect. Despite three delays and some modification, the MOA faces five lawsuits from Alaska alone, but regardless of the outcome, it is generally agreed that even a procedural victory in court over an illegal MOA will not resolve the "no net loss" of wetlands issue.

Some contend that flexibility was gained in the final MOA. The MOA goes into elaborate reiteration in an accompanying "notice" about no net loss being a goal, not a policy, but frankly speaking, it is difficult for even lawyers to pretend to see any real difference in intent. What I can tell you directly is—there are no concrete provisions in the MOA for Alaska communities facing development in wetlands. However, the White House has at least acknowledged our interest and our situation.

RDC and others believe the MOA is still an illegal document. EPA and the Corps have jumped the gun and tried to make new policy, according to a wide array of legal opinions. Those who disagree say it is nothing new. Personally, I find that alarming.

However, if you are in the camp that the EPA has been overstepping its policy bounds for some years and this is an attempt to assert and codify its behavior, you might be interested in paying attention to the lawsuits on the procedural aspects of the MOA. Jumping from "restore and maintain the waters of the United States" to "no net loss of wetlands" is an interesting legal question and the argument over jurisdictional wetlands goes on in many forums.

The dilemmas facing Alaska are many now that the MOA has gone into effect. Should Alaska proceed with the illegal rulemaking lawsuit it has filed and risk being cut out of deliberations? How can Alaska contribute to the national goal of no net loss of wetlands when approximately 74% of all non-mountainous lands in our state fall under the wetlands definition? Should Alaska ask for an exemption (politically unpopular, according to the Alaska delegation) to an unworkable policy? Would a better route be for Alaska to join the effort to improve the policy for all states while defining Alaska out of the range of impracticable elements of the sweeping new policy?

There are many other questions that merit an answer. Will compensatory mitigation reach across states and if so, how far and how deep? Will Alaska be given credit for its mitigation banking of unprecedented magnitude in the Alaska National Interest Lands Conservation Act? Are lands already withdrawn in Conservation System Units considered banked, in particular, 55 million acres of federally-designated Wilderness?

In recent testimony presented in Washington, D.C., before the House Subcommittee on Water Resources, the Alaska Wetlands Coalition pointed out that Alaska still has an estimated 99.95 percent of its wetlands and much of these lands are conserved in perpetuity in the Federal CSUs.

There are many questions but few answers. Wetlands is a complex issue and no solution is apparent. No matter what the outcome of the lawsuits challenging the MOA, the "no net loss" issue will be with us all for quite some time.

RDC and the Alaska Wetlands Coalition believe that wetlands conservation can be effectively pursued without bringing community growth and prudent development in Alaska to a screeching halt. The Coalition looks forward to working with the Bush administration on Section 404 reform and consideration of a no net loss goal. It also will work with Congress regarding legislative oversight and enactment of new law if necessary.

All we ask is that decisionmakers pay particular attention to the unique physical, legal and social circumstances found in the 49th state. In an effort to save the dwindling wetlands in the Lower 48, the Coalition seeks to ensure that no undue restraints are imposed on Alaska.

Colville plan . . .

(Continued from page 3)

North Slope to be quite adaptable to the presence and activity of oil development.

RDC believes the Advanced Identification should consider the extent of actual disturbance to local fish and wildlife and examine measures which can mitigate those impacts. Various mitigation measures have been applied very successfully to oil and gas exploration and production on the North Slope, allowing development activities to proceed under seasonal and site-specific restrictions. Based upon the relative importance of the affected habitat and the existence of alternative development sites, other measures, including consolidation of facilities, noise-reduction techniques and mandatory stream setbacks, can be imposed on a site-specific basis to successfully mitigate adverse impacts.

In comments prepared for the EPA, RDC said the Advanced Identification process should recognize the abundance, habitat value and distribution of North Slope wetlands. Only those unique wetlands determined to be scarce and of high value in terms of functions should be given maximum protection, RDC said. Other wetland losses can be fully mitigated through avoidance and minimization techniques, including rehabilitation of disturbed areas.

RDC warned the proposed guidelines could block access to subsurface resources in the area, foreclosing on surface access for roads and pipelines to connect to existing North Slope infrastructure. It could also block access to other important energy resources such as coal in Northwest Alaska.

The Corps and EPA disagree, claiming the Advanced Identification is a broad-brush assessment which is advisory only, neither replacing nor materially changing final permit decisions. However, an internal Corps memo has revealed otherwise. The memo stated "EPA has indicated that they will take Section 404 (c) denial action for sites determined to be unsuitable for disposal under this ADID process."

Wilderness . . .

(Continued from page 6)

Although the House legislation ignores mining, it acknowledges fishing, recreation, timber and tourism as contributors to the economy of Southeast Alaska. It further acknowledges that the ability of these activities to contribute to the economy depends on balanced planning and management of the Tongass.

However, the AMA argues that the House legislation violates every tenet of balanced land planning and management. Borell noted that HR 987 does not recognize or acknowledge mining as a use of the forest.

The Wilderness additions outlined in HR 987 will clearly erode Southeast Alaska's mineral potential, according to the AMA. The Wilderness designations will adversely affect mineral development by denying development of known deposits that have become part of the Wilderness. In addition, the designations would jeopardize mineral development in adjoining areas by making development non-competitive due to higher costs for elevated "near Wilderness" environmental standards.

Moreover, Wilderness will limit the long-range potential of adjacent projects. The information developed in an operating mine will frequently show that the orebody extends beyond the initial mine area. Extension of the mine would not be possible if there was adjacent Wilderness. Furthermore, some projects will die due to insurmountable access problems created by Wilderness designations.

"The Wilderness designations will not only affect mining, but all other development, including recreation, tourism, timber harvesting and fisheries enhancement," warned Becky Gay, RDC Executive Director. "Any commercial venture is generally ruled incompatible with Wilderness, especially if it requires structures, power or transportation infrastructure."

"Wilderness represents an admission on the part of society of its inability to intelligently manage our natural resources," noted AMA's Borell.

Bills affecting development moving through legislative process



Capitol Concerns

by
Debbie Reinwand
Projects Coordinator

As the second session of the 16th Alaska Legislature hit the halfway mark, numerous bills that affect resource and economic development have been moving through the legislative process.

Sometimes, the bills that gather minimal public comment and pass quietly from committee to committee can turn out to be quite dangerous, and several such packages are currently on the move.

One bill RDC is watching (which may reach a House floor vote by press time) is HB 210, dealing with instream flow reservations for fish. An active lobbying coalition of miners and other interests are working to kill the bill. Some legislators who have contacted RDC are concerned that this bill is too far-reaching. As written, it would

(Continued page 7)

Capitol Concerns . . .

(Continued from page 2)

require the state to reserve an instream flow of at least 60 percent of a river's mean annual flow for fish, during the months of April through October, while reserving an instream flow of at least 30 percent from November through March.

In order to allow a developer or other water user to access rivers or streams, DNR will have to perform a costly analysis, which currently runs between \$8,000 and \$10,000 per review. Originally, DNR requested \$800,000 to cover the costs of the projected analyses, however, a House Resources committee substitute cut that figure down to \$150,000, leaving water use applicants left to pick up the tab. HB 210 does not affect developers only, however. According to a DNR review of water rights applications, a broad spectrum of users historically access Alaska rivers, from seafood processors to residential water users to hydroelectric projects to marinas and restaurants.

Opposition among rural legislators is beginning to take hold, as they have determined the provisions of HB 210 could cause hardship to rural water users.

Another RDC issue has come to the forefront this month - the spruce bark beetle infestation. The Alaska House of Representa-

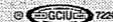
tives is considering HB 574, which would appropriate \$700,000 to DNR to build fire breaks to control the hazard created by the beetle-killed timber, and set aside another \$300,000 to the division of forestry to develop a public consensus and plan on how to treat state land on the Kenai Peninsula that is stricken with the beetle infestation. RDC board member Gail Phillips, who works for Senate President Tim Kelly, has been working closely with House Majority Leader Mike Navarre of Kenai, and the House Resources Committee to push the issue. HB 574 passed the Resources Committee unanimously on March 11 and proceeds to the House Finance Committee.

In addition, Rep. Curt Menard, co-chairman of the Resources Committee, has introduced a concurrent resolution on the spruce bark beetle infestation, urging responsible state action.

The Senate Resources Committee has also been busy on forestry issues - although Sen. Bettye Fahrenkamp's committee is looking at ways to reforest Alaska with new trees. That committee has introduced SB 511, which would appropriate \$2.3 million to DNR for reforestation. Southcentral and Interior Alaska forest managers joined forces, and led by RDC board member Dr. William Wood, lobbied at length in Juneau to ensure the bill was introduced. It was referred to the Resources and Finance committees.

<p>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.</p>		<p>Resource Review is the official monthly publication of the Resource Development Council, Box 100516, Anchorage, Alaska 99510 - (907) 276-0700. RDC is located at 807 G Street, Suite 200, Anchorage. Material in the publication may be reprinted without permission provided appropriate credit is given.</p>	
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Tongass reforms advance in Senate

Major battle brews over controversial Murkowski amendment

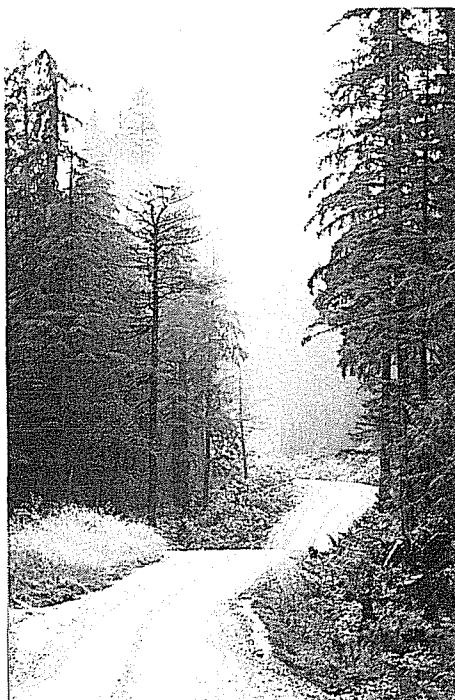
Legislation which reforms timber operations in the Tongass National Forest is now heading to the Senate floor where a major battle is brewing over a controversial amendment to the bill.

The Senate Energy and Natural Resources Committee passed the reform legislation on a 19-0 vote in an attempt to strike a compromise between a harsher measure in the House and an equally-harsh companion bill in the Senate, sponsored by democratic Senator Tim Wirth of Colorado. However, a last-minute amendment by Senator Frank Murkowski to scale back 100-foot buffer zones along trout streams in the Tongass has upset environmentalists who are threatening to throw their weight behind the Wirth bill.

Even with the amendment, timber interests say they have nothing to gain by the bleak reform package passed by the Senate Energy and Natural Resources Committee. But in the face of the much tougher provisions of the Wirth bill and those contained within the companion legislation in the House, loggers consider the Committee's package acceptable.

The Committee's bill deletes the \$40 million automatic appropriation to the Tongass Timber Fund, used to construct roads and other facilities to provide loggers access to timber. The bill also unilaterally modifies, but does not cancel, timber contracts with the two major timber companies in Sitka and Ketchikan. Moreover, it erases an annual target harvesting level and removes an additional 670,000 acres from logging.

The Murkowski amendment provides for 100-foot timber buffer strips along class one salmon streams and extends the buffer zones for 300 feet upriver from the confluence of a salmon stream. However, it eliminates the no-cut zone in tributaries where salmon don't go.



Of the commercial forest lands in the Tongass, one-third is closed in Wilderness, another third is reserved for other values and one-third is harvestable on a 100-year rotation. Only seven percent of the forest is scheduled for harvesting. (Rollo Pool photo)

Murkowski said he supports measures which would buffer salmon streams from logging operations, but sees no need to extend buffers in class two streams where salmon don't migrate. He estimates that his buffer provisions would remove six percent of the land from timber harvesting. Other proposals would have blocked harvesting on three times as much land.

The Committee's reform package was written with an understanding from key senators, including Wirth, that they would

support it through committee deliberations and on the floor if it were unchanged. But with the passage of the Murkowski amendment, Wirth is threatening to break rank and may offer new highly-restrictive amendments when the Tongass reaches the Senate floor.

Energy Committee Chairman Senator J. Bennett Johnston, D-LA, was hoping to avoid a battle of amendments on the Senate floor, but one may be unavoidable at this point.

"I don't think Murkowski's amendment necessarily weakened our position," said Don Finney, Executive Director of the Alaska Loggers Association and RDC board member. "A 19-0 vote coming out of the Senate Energy Committee is going to give Johnston pretty good strength as far as representing the Committee's position on the floor."

The Tongass bill is expected to hit the Senate floor at the end of March with much debate, but Finney expects the real fight to occur in conference committee.

Once the reform package passes the Senate, the bill will head into conference committee which will compromise differences between the Senate bill and the House legislation. The House last year overwhelmingly approved its stringent reform bill.

Finney believes that Senators Murkowski, James McClure and Congressman Don Young, all supporters of multiple use in the Tongass, will be appointed to the conference committee and will work for the best bill. He noted Young is working with the Bush administration to veto the bill should it emerge from conference committee in an unacceptable form.

Finney speculated the House would overturn the veto, but that enough support may exist in the Senate to preserve the veto. In any case, Finney expects the Tongass legislation to go right down to the wire.

"It appears to us that no effort was made to recognize mining as a potential use of federal lands in the Tongass," says Steve Borell, Executive Director of the Alaska Miners Association (AMA). "One could argue that the selection of a number of the proposed areas appears to have been planned to squeeze out mining operations that are in advanced stages of exploration or that are under development at this time."

(Continued page 7)

New Tongass Wilderness will block mining

Areas proposed for Wilderness designation in the Tongass National Forest include many geologic tracts of high to very high mineral potential, according to the Alaska Miners Association.

The 1.8 million acres of new Wilderness proposed by legislation which overwhelmingly passed the House last year would result in a Wilderness classification for more than 50 percent of Southeast Alaska. Active mining districts and mining claims would be included in the new designations.

Oil imports threaten nation's prosperity



Thoughts from the President

by
Pete Nelson

There is good news and bad news to report on the U.S. trade balance. The good news is that the U.S. scored better-than-expected advances in trade with both Western Europe and Japan last year, resulting in a significant reduction in this nation's trade deficit.

However, the downside of the matter is that America's sharply climbing bill for imported oil will seriously hamper efforts to close the trade deficit. The nation's leading economists warn that our huge oil imports threaten the nation's prosperity.

Surprisingly, the problem isn't rising consumption. Americans aren't consuming much more as the consumption curve has turned rather flat. The main problem is that U.S. production is falling at an alarming rate.

Last year America's bill for imported oil and refined products surged 28 percent to \$49.62 billion, accounting for a big chunk of total U.S. imports of \$472.93 billion. When compared to the overall trade deficit of \$108.58 billion, the gravity of the situation becomes apparent.

While U.S. oil import dependency climbed to record levels last year and are still moving upward, domestic crude production fell an average of 553,000 barrels a day, the biggest drop on record. The U.S. is now producing some 7.6 million barrels per day, the lowest production level in 26 years.

The decline in production is certainly no amazing revelation since domestic output has been moving downward for nearly two decades as old wells run dry. However, this fact was masked through much of the 1980s by Alaska's North Slope production,

Habitat protection plan jeopardizes development

A new federal proposal for identifying sites in the Colville River Delta as suitable or unsuitable for the disposal of dredged or fill material could place about 70 percent of that North Slope area off limits to oil development.

The proposal would severely limit filling of wetlands with gravel in order to protect wildlife habitats. A gravel base is required for virtually any construction on the North Slope.

The proposed guidelines are part of a new procedure called "Advanced Identification" which the U.S. Army Corps of Engineers and the Environmental Protection Agency say will provide developers with information about areas that are environmentally sensitive.

The State of Alaska is a major owner and lessor of oil and gas rights in the Delta and the Arctic Slope Regional Corporation is a subsurface owner. A substantial area of the Delta is currently under oil and gas lease by the state. A number of wells have been drilled in the area and oil has been discovered. A 1985 Texaco discovery on a state lease in the Delta is located in an area now described as "generally unsuitable for fill."

By designating such a large area of the Delta unsuitable for fill, the Advanced Identification (ADID) effectively precludes oil and gas

where production peaked at 1.97 million barrels per day in 1988. But now we're running short on luck as the giant Prudhoe Bay oil field enters a steady decline.

The problem is aggravated by weak prices which have contributed to a reduction in the amount of exploratory wells. Last year only 542 exploratory wells were drilled in the U.S., compared to 2,334 in 1984. Another problem is that new drilling is not being conducted in areas like the Arctic National Wildlife Refuge where large energy deposits are likely to exist. Instead, ever-increasing amounts of land, including highly-promising onshore and offshore frontier prospects, are being closed to leasing.

As a result, domestic production is slumping and our reliance on imported oil is increasing. Yet Americans appear relatively unconcerned about their future energy security. Why? Many Americans believe that cheap and easy solutions to the oil import problem are available. They believe a mix of greater conservation and further development of solar, biomass and other environmentally-benign fuels will solve the problem. But the hard cold facts show that these "solutions" are neither cheap or just around the corner. No amount of energy savings will eliminate the need for large amounts of fuel in the future.

The 1990s are shaping up as a clash between facts and false hopes. If we don't turn the tide on declining domestic production, we stand to lose our domestic oil industry. The political, economic and social repercussions could be enormous.

What can the U.S. do? According to oil economists, domestic production can be spurred by a gradual rise in prices. If crude prices rise to the \$25 to \$30 a barrel range, the U.S. could produce at least an extra one million barrels a day in the 1995 to 2000 period. If we eliminate some of the roadblocks (not environmental protection), and open up promising offshore areas and Alaska's Arctic National Wildlife Refuge, output could rise significantly.

True, we would still be importing a lot of oil, but at least we would be holding down imports and doing all that is within our power to avoid a darker situation. New oil production from ANWR and other onshore and offshore areas won't solve all of our energy problems, but could very well make a big difference in turbulent times.

activities on the entire Delta. The Corps of Engineers and the Environmental Protection Agency have yet to reference any solution to the loss of rights of lease holders. Many existing property rights in the Delta are entirely based on the extraction of energy resources. If extraction is denied, then the property is essentially rendered uneconomic since there are no other remaining viable uses of the property.

The Resource Development Council reviewed the Advanced Identification and found it incomplete and premature because it considers only habitat values, ignoring other public interest considerations and practical alternatives which can mitigate impacts to fish and wildlife. The proposal makes no attempt to balance important national economic, energy and security concerns derived from the development of domestic energy sources with the potential adverse effects to fish and wildlife resources.

The federal agencies identification of suitable/unsuitable sites also ignored the abundant scientific data collected in the existing oilfields that shows minimal disturbances to waterfowl and shorebirds from oilfield operations. These studies show waterbirds on the

(Continued page 7)

Rising imports, falling production

Disaster in the making?

(Continued from cover)

The impending disaster is what will occur economically and to the nation's ability to defend itself if it increases its dependency upon foreign suppliers, some of whom are not friendly to American interests. Moreover, closing off promising prospects in Alaska and offshore California will mandate the import of ever-increasing amounts of oil on an aging and less reliable fleet of foreign tankers.

Alarming fall in oil production

America's increasing reliance on imported oil directly coincides with an alarming decline in domestic drilling activity nationwide. The Energy Department's petroleum forecast projects a plunge in domestic production from 7.3 million barrels a day in 1990 to 6.4 million in 1995 and 5.8 million in the year 2000. It also predicts imports of crude and refined products of 7.6 million barrels a day this year, 9.1 million in 1995 and nearly 10 million in 2000.

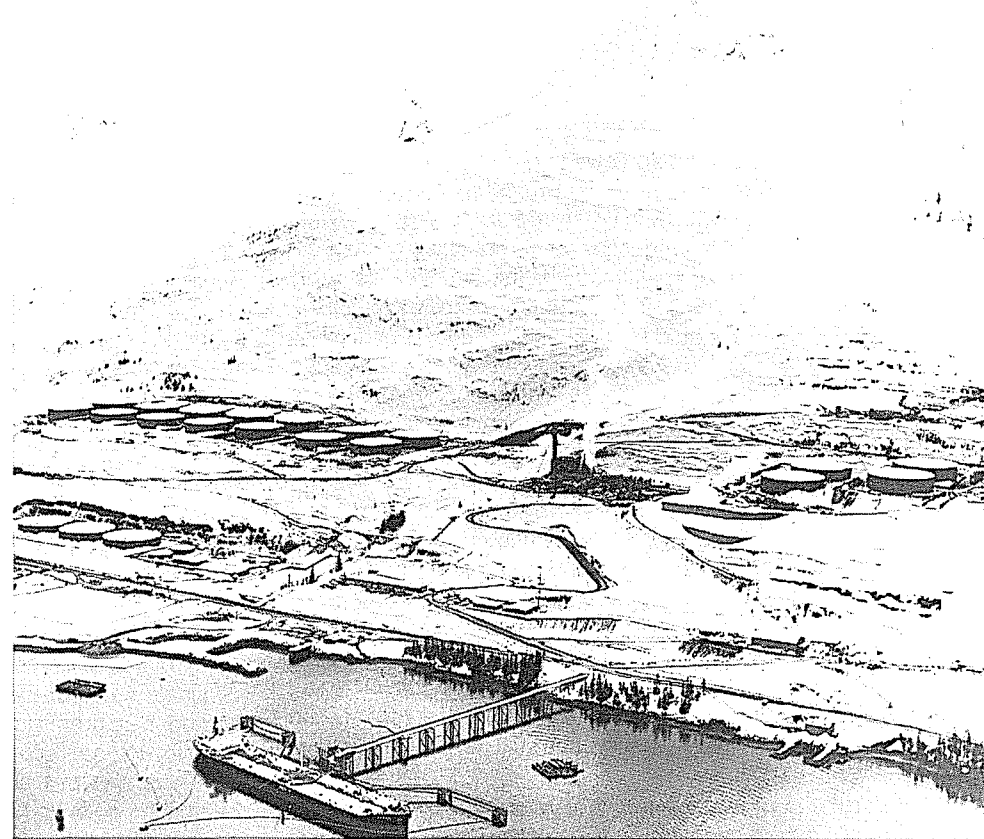
As aging wells deplete, domestic production has been falling for nearly two decades. Output from the giant Prudhoe Bay field in Alaska held up national production levels and significantly slowed the rise in oil imports. But Alaska's North Slope output, which accounts for approximately 25 percent of all domestic production, peaked at 1.97 million barrels a day in 1988 and is now in steady decline. North Slope production is expected to fall to one-third of its present volume by the end of the decade.

Oil import bill climbs

As the Prudhoe decline accelerates, the bill for imported oil is sure to rise.

The U.S. oil import bill in 1989 totaled \$49 billion, up \$10.5 billion from 1988, and yet a larger bill is expected this year. Oil imports accounted for a staggering 45 percent of the total U.S. trade deficit in 1989.

According to the U.S. Department of Energy, the import bill could surge to \$88 billion in 1995 and to nearly \$101 billion in the year 2000. The department's calculations are based on a scenario it deems most likely.



Over 7 billion barrels of oil have been safely pumped through the Alaska pipeline and transported out of Valdez in over 9,000 tanker trips to Lower 48 ports. Prohibiting ANWR development will not reduce the risk of oil spills. The U.S. is importing some 50 percent of the oil it uses. Virtually all of it must travel by tanker through American waters into American ports.

ANWR production would reduce imports, cut deficit

America's sharply climbing bill for imported oil is sure to seriously hamper its efforts to narrow the trade deficit. However, new oil production from high-potential prospects in Alaska would substantially reduce foreign oil imports and help to decrease the national trade deficit. Yet those who wish to live in a risk-free environment oppose any exploration in what is considered to be the nation's most outstanding oil prospect, the Arctic National Wildlife Refuge (ANWR).

Sixty-five miles east of Prudhoe Bay, ANWR encompasses some 19 million acres. The 1.5 million acre Coastal Plain of ANWR is where geologists believe a giant, world-class oil field may exist. The U.S. Geological Survey estimates that the Coastal Plain, which represents about 8 percent of the refuge, may contain up to 10 billion barrels of recoverable oil, equal to that found at Prudhoe Bay.

Opponents claim that ANWR's Coastal Plain would be transformed into a huge industrial complex. However, under a full development scenario, the pads, roads and pipelines associated with domestic oil production in ANWR would affect only 5,000 to 7,000 acres of the Coastal Plain, according to the Office of Technology and Assessment. This is less than one-eighth of one percent of the Coastal Plain.

Congress hesitant to act

With the oil spill still fresh in the public's mind, Congress is hesitant to act on the question of whether to allow oil leasing on the Coastal Plain of ANWR. Yet while Congress delays action on the refuge issue, domestic oil production continues to slip with a corresponding increase in the nation's dependency on foreign oil.

But how does one convince Congress and the public that oil development and



Under a full leasing scenario and assuming the development of three major prospects, petroleum operations would affect less than 10,000 acres of ANWR's 19 million acres. This is less than one-eighth of one percent of the refuge. Over 99.9 percent of the refuge would remain untouched, yet one-quarter of America's future domestic production could be derived from this area.

production in ANWR can coexist with the environment?

According to James A. Ross, President and Chief Executive Officer of BP America, "the best way to convince them is to show the track record of the industry under similar conditions on the North Slope." In an interview last summer with Woodlands Forum, Ross said "we need to be open with the public. When people actually have seen the conditions there, they have a much greater appreciation of the way industry is performing."

"Footprint" of energy development becomes smaller

Early development in the harsh conditions of the North Slope was a learning experience for the oil industry. But highly effective, efficient and environmentally-safe methods of oil production have evolved out of the early challenges faced at Prudhoe Bay. With the application of new technology and evolving regulations, the industry has shown steady improvement to an overall impressive environmental record.

Advances in oil field technology and design have been applied to new facilities, minimizing the impact of oil development in new frontier areas. As a result of new technology, gravel pads containing twice as many wells and covering less than half the

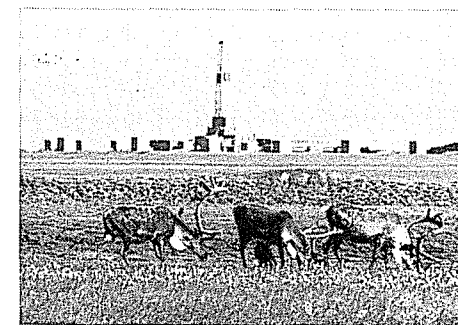
acreage can now be constructed in field development.

Because of these major advances, the "footprint" of energy development in the Arctic has become smaller and more compact. Alteration of land has been minimal and major disturbances to wildlife has been avoided in most cases.

Federal research and regulatory agencies have concluded that with appropriate environmental regulation, the Coastal Plain of ANWR can be developed without negatively affecting wildlife and the environment.

The Exxon Valdez factor

Yet the transportation mishap involving the Exxon Valdez has been equated



Research has provided no evidence that oil field activities have produced any measurable change in the population of any wildlife species using the North Slope.

with the act of finding and producing oil. However, prohibiting ANWR oil development will not reduce the risk of oil spills. Oil will still be pumped from existing fields on the North Slope. As production declines from these fields, more oil would have to be imported via tankers from other countries.

In 1990, the U.S. is already importing 50 percent of the oil it uses. Virtually all of it will travel by tanker through American waters into American ports. Failure to develop promising oil prospects in Alaska will not change that fact.

The oil industry is now making changes to preclude a repeat of the Prince William Sound oil spill and to be better prepared should another occur.

Although it is reluctant to act on the issue, Congress is faced with a very clear choice in the debate to open ANWR to responsible energy development - the jobs, increased national security and positive trade balances associated with domestic production versus no jobs, decreased national security and the increased trade deficit associated with imports of OPEC oil.

Every domestic barrel of oil produced represents a decrease in the amount of oil this nation has to import to meet its energy needs. And each additional domestic barrel of oil will serve to reduce the risks of a real disaster of national, perhaps international, proportion.