

This edition sponsored by: Arctic Slope Regional Corp. Resource Development Council Box 100516, Anchorage, AK 99510 ADDRESS CORRECTION Resource Review April 1991

Crucial Senate vote on ANWR leasing expected in early May

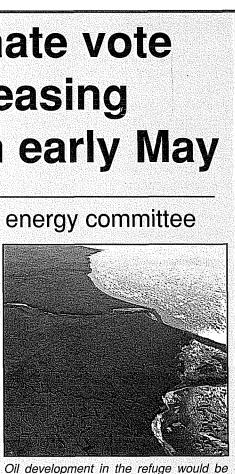
Make or break vote in energy committee

A make or break vote on opening the Coastal Plain of the Arctic National Wildlife Refuge to oil and gas development is expected in early May when a U.S. Senate committee faces off on the highly volatile energy issue.

The vote by the Senate Committee on Energy and Natural Resources is expected to be much closer than the 12-7 favorable vote in March 1989. just before the Exxon Valdez accident. Currently nine committee members are in favor of opening the Coastal Plain while eight are opposed and three remain undecided.

Chairman Bennett Johnston, D-La, expects the Committee to pass the development legislation by an 11-9 vote or better. The legislation would than move to the full Senate floor where the vote is uncertain. At last count. Senate vote counters estimate 44 favor opening the Coastal Plain while 40 are opposed.

If the bill passes the full Senate, it would than move to the House where its fate is uncertain. It may be next



probably several years.

The opening of ANWR is proposed in several bills, but the main ticket for (Continued to page 3)



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confined to the Coastal Plain and would not occur in any Wilderness zones.

year before the House approves a bill "Clearly, we need to be through the Senate this year - and I expect to be," Johnston said. However, if the Senate Energy Committee fails to pass proleasing legislation, the issue would die immediately and remain buried for

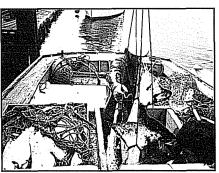
Battle in the fishing industry

RDC debate sheds light on volatile bottom fish issue

Factory trawlers are sweeping up too much of the North Pacific fishery and it's time to consider phasing out such operations from harvesting bottom fish, said Alaska "fishery czar" Clem Tillion at a debate before the Resource Development Council April 18 in Anchorage.

Bruce Buls, public relations director of the American Factory Trawler Association in Seattle, defended his industry's record in the North Pacific.

(Continued to page 4)



Alaska fishermen are concerned large factory trawlers will cause longterm harm to the fisheries.

Spring 1991 brings change to RDC



Message from the Executive Director by Becky L. Gay

ATTENTION all members! RDC will be fully operational at its new office on May 1, 1991.

The new physical address is 121 W. Fireweed, Suite 250 (Fireweed and "A" St.). The phone and fax numbers will remain the same, as will the post office box for the remainder of the year.

RDC has given Pacific Legal Foundation pro bono office space for the remainder of the year, so PLF is expected to maintain its Alaska presence throughout 1991.

The Alaska Wetlands Coalition is continuing to be spearheaded by RDC and is also moving to the new location. And of course. RDC's Education Foundation will be established there, too. All-in-all, it looks promising for all these likeminded organizations to be headed into the 1990s with new vigor, new surroundings and hopefully, some new members along the wav!

Please take the time to stop into the new location whenever you can. There has been considerable work done to make RDC operations more efficient, improve the professional surroundings, make the location and parking more convenient to its members and to enhance RDC headquar-

ters in other ways, including lowering monthly fixed costs. Technologically, RDC will be expanding with enhanced computer potential, telecommunications and more capacity for fax and mailing operations.

April also provided RDC Thursday breakfast audiences with stimulating debates. Although debates are more complex to arrange, the subjects were worth the extra effort. Subjects included "Mining in the National Parks: Are the promises of ANILCA still valid?," "Battling over Bottomfish: Two view on proposed allocations," and "Prince William Sound Recreation Area: Two Perspectives." Breakfast meetings will be suspended after Memorial Day for the summer, but more debates are planned for the fall when the regular schedule resumes.

Programmatically, RDC continues its efforts on the ANWR fronts with Lower 48 outreach trips, feature stories, debate participation, speeches and legislatively, in Juneau and Washington, D.C., Comments on land-planning efforts from state land entitlements to the Kodiak Wildlife Refuge are being written, as well as work on the federal mining law and other multiple-use issues. Wetlands education and research continues. Membership is increasing and broadening in its scope. RDC is strong and better than ever, looking forward to its mission.

Spring abounds and brings with it the sense of rebirth, renewal and a good feeling about this great land we inhabit. It is a good time to celebrate life. In that regard, tree-planting time is nigh and I encourage every RDC member to plant at least one tree this year in the memory of our recentlydeceased friend and board member Dick Tindall, who planted trees all his life.

ANWR oil production would provide big boost to economy

Oil development on the Coastal Plain of the Arctic National Wildlife Refuge could mean 735,000 new jobs nationwide, including 38,300 jobs in Alaska, according to a study by Wharton Econometric Forecasting Associates of Bala Cynwyd, Penn.

The projected jobs would be primarily permanent posi-

tions in numerous industries that would feel the spinoff effects of new oil development.

Overall, net national economic benefits from ANWR production could reach \$325 billion, according to the Interior Department. The U.S. Gross National Product would increase by \$50 billion.

The oil industry has invested about \$47 billion developing North Slope oil fields, which today supply up to 25 percent of America's domestic production. Development of the North Slope fields has contributed more than \$300 billion to the U.S. economy.

Total North Slope production recently passed the 8 billion barrel mark, saving the U.S. approximately \$192 billion in oil import costs.

TheResourceDevelopmen	tCouncil (RDC) is Alaska's larg-	Secretary	Rex Bishopp	Reso
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Capitol Concerns by

Debbie Reinwand Deputy Director

ANWR advocacy proposal tops **RDC's agenda**

One of the most effective tools RDC has is its membership and its ability to advocate on the issues this organization supports. During the current session of the 17th Alaska Legislature, RDC's executive committee has endorsed a number of bills and urges members to contact legislators to voice support.

Topping RDC's priority list is the \$5 million appropriation for ANWR advocacy and education work proposed by Governor Walter Hickel. ANWR outreach work has been a fact of life for grassroots groups like RDC as well as the oil industry and support businesses, but it has been a tough process trying to get the state of Alaska to commit funds to a similar effort. Many legislators recognize the importance - in fact the House passed a funding measure in 1989 - and are supportive. It is encouraging to see the administration take the lead on the issue. RDC members should contact the finance committees of both houses and let them know there is support for the funding.

Members should contact legislators to voice support

This year, an acceptable version of the unitary tax replacement bill has been introduced by Rep. Tom Moyer, D-Fairbanks, which would institute the "water's edge" tax system, designed to encourage investment in Alaska by businesses from outside the state and nation. Alaska is the only state that has not altered or replaced its unitary tax structure to encourage new investment and RDC is supporting the measure (HB 12) as introduced.

A bill that realigns priorities established under oil spill response legislation passed in 1990 is also being advocated by RDC. HB 196 would enable oil spill reponse contractors to respond or attempt to respond to a spill without fear of being sued unless they are grossly negligent. Current law reverses this order by preserving the right to sue before encouraging responsible clean-up efforts. This so-called "good Samaritan" bill is currently in the House and deserves broad support.

"Tracking Arctic Oil'' slams North Slope development

Industry responds to charges

A report released by environmentalists containing sweeping criticisms of oil development in the Arctic is nothing more than the rehashing of old material and hollow allegations with no scientific basis, according to oil industry executives and state officials.

"Tracking Arctic Oil," a 36-page report released by the Natural Resources Defense Council, the Trustees for Alaska and the National Wildlife Federation, compares development of the Coastal Plain of ANWR to drilling for oil on the White

The report drew sharp criticism from Alaska's congressional delegation, which attacked its credibility. Dan Kish, a top aide to Congressman Don Young, said the impact of drilling in ANWR is not like an oil rig on the White House lawn.

The authors of the highly-critical report charged that environmentally-sound oil development is a myth. They slammed the industry's track record on the North Slope and drew a bleak picture of giant, polluting industrial complexes.

Mike Jovce, an environmental scientist consultant to ARCO Alaska, Inc., said the report grossly exaggerated the impact of oil production on the North Slope. He charged its authors with betraying the public's trust and using deceit and mistruths to try to achieve their objective.

"Instead of debating the true impacts and merits of development based on facts and logic, they use twisted innuendo to try to convince the uninformed public that the oil industry has created a vast polluted waste land," Joyce said. He pointed out that every aspect of industry performance is strictly regulated and monitored by federal, state and borough agencies.

The ARCO scientist expressed frustation with repeated references in the report that were based on old technology. He pointed out that new technology, ignored by the report's authors, would alleviate earlier concerns and problems.

Dr. Chris Herlugson, senior environmental scientist with BP Exploration (Alaska), Inc., said the most compelling rebuttal to the environmental report comes from the fish and wildlife populations that continue to feed, reproduce and rear their young throughout developed portions of the North Slope just as they do in the larger, undeveloped areas. Oilfield activities, the BP scientist said, have not had a negative impact in the populations of any fish or wildlife species using the North Slope.

"If the claims of this report were accurate, Prudhoe Bay, Kuparuk and other North Slope oil fields would be biological wastelands," he said. "This clearly is not the case."

House lawn. "It's like clipping one blade of grass on the White House lawn."

U.S. must pursue balanced energy program

In 1987, after an extensive six-year study of wildlife and oil and gas potential, the U.S. Department of the Interior determined that the Coastal Plain area of Alaska's North Slope is the nation's "best single opportunity to increase significantly domestic oil production over the next 40 years." The massive structures and reservoirs lying underneath this area could contain as much as 9.2 million barrels of recoverable oil. This is comparable in size to the neighboring Prudhoe Bay field - America's largest oil field. Even a 3.2 billion barrel field (the Department's "mean" estimate) would be the third largest oil discovery ever made in the U.S.

In February of this year, government geologists and other scientists, at the urging of the National Academy of Science, increased their estimate of a major commercial oil field in the Coastal Plain to an unprecedented 46 percent — almost one in two. This compares with a 2 percent chance --- or one in fifty --- in other frontier areas of the United States.

The estimates were increased partly on new evidence from onshore and offshore wells adjacent to the Coastal Plain and in Canada's Beaufort Sea which point to geologic trends that extend to the largest U.S. oil fields on the North Slope at Prudhoe Bay, barely 60 miles to the west of the Coastal Plain area.

These are resources that could help to stem the growing threat of oil import dependency and vulnerability. Foreign oil provided 50 percent of U.S. requirements last year.

In March of this year, the Secretary of Energy released a new report which projected that the Trans-Alaska Pipeline could be prematurely shut down for economic reasons when North Slope production falls to 300,000 barrels per day. The report projects that this could happen around 2009, a short 18 years away. At this level of production, the operation and maintenance costs of the pipeline exceed the tariff revenue. The report also says this would leave more than a billion barrels of oil in the ground.

Prudhoe Bay production is now in decline. The rate of decline is projected at 7 to 10 percent a year. Slowing this rate of decline and extending Alaska's contribution to U.S. oil needs requires prompt action to open the Coastal Plain to development.

The President in his National Energy Strategy proposal, has told the Congress that, together with conservation and research into energy alternatives for the future, development of the Coastal Plain could "make our nation more secure and less dependent on foreign oil" and that these resources can be "tapped safely" with "respect for the environment."



Guest Opinion by Jacob Adams President Arctic Slope Regional Corp.

The Senate Energy Committee has completed hearings on national energy policy legislation. In early May, the Committee will take up the question of opening the Coastal Plain. In the House of Representatives, preparations are underway for hearings.

Twenty years of experience on the North Slope - where one out of every four barrels of U.S. oil is produced today - demonstrates that energy development can be conducted in ways that are compatible with Arctic ecology and wildlife.

All Alaskans agree that our unique wildlife and scenic values should be carefully protected, even in those areas where commercial activities are permitted. However, more than 60 percent of America's Wilderness areas are located in Alaska, including almost half of ANWR's 19 million acres. In addition to strict Wilderness classification in these areas, fully 92 percent of ANWR is off-limits to oil and gas development. Half of this area is already Wilderness.

No matter what some would have us believe, our nation will continue to need oil for transportation and other uses well into the next century, when other energy alternatives will hopefully reach their full potential.

Until then, we must conserve energy and carefully explore and develop the remaining 8 percent of ANWR that lies on the relatively small 1.5 million acre Coastal Plain. If the past 20 years can be a guide with full development of this area, we will see fewer than 12,000 acres, or less than one-tenth of one percent of ANWR ever impacted by oil development. That's just about the size of a major U.S. airport.

The nation must get on with a balanced national energy program that uses energy wisely, and develop new ways to produce energy for the future. At the same time, we must carefully continue to explore and produce domestic oil and natural gas. Congress should follow the President's lead and approve exploration and development of the Coastal Plain.

Fisheries Council to consider 50-50 split ...

(Continued from page 4)

cent of both species caught in the Gulf of Alaska be processed onshore.

In June, the North Pacific Fisheries Management Council will take up the proposal. RDC has supported shoreside preferences because their value-added characteristics help support jobs and the economy of Alaska's coastal communities..

Factory trawlers currently process 80 percent of the Bering Sea bottom fish catch. It is an industry capitalized at over \$1 billion with annual gross revenue of \$850 million and a fleet of 65 vessels. The Seattle-based industry spends about \$117 million in Alaska for goods and services, about

half of which goes for fuel.

While the industry is consumed with onshore and offshore allocations and other issues, RDC continues to fight other battles affecting the fishing industry. For instance, the national wetlands issue could have far-reaching impacts on all Alaska industries, including fishing, due to lack of site alternatives.

Executive Director Becky Gay pointed out that most Alaska communities are built on wetlands, as well as most of the state's onshore processing plants and other fisheries support facilities, including airports. She warned that a federal "no net loss" of wetlands policy could severely curtail onshore fishery operations, regardless of allocation decisions.

Reach out and contact a senator



Thoughts from the President by William E. Schneider

With a crucial Senate committee vote on opening the Coastal Plain of the Arctic National Wildlife Refuge guickly approaching, it is imperative for those who support oil and gas leasing to write a brief letter to members of the committee. Timing is critical and your letters are needed today.

RDC is urging its members to focus their efforts on those senators in the Committee on Energy and Natural Resources that are undecided on the issue. They are Senators Mark Hatfield, R-Ore, John Seymour, R-Calif., and Kent Conrad, D-N.D. All members of the Committee are listed in this issue in a chart that shows how each senator may vote on ANWR.

Energy committe

(Continued from cover)

development is Johnston's comprehensive energy bill, th National Energy Security Act of 1991 (S341). Title IX of th legislation deals with oil and gas leasing on the Coastal Plain

Other components of the bill include energy efficience renewable energy, coal, natural gas and electricity, researce and development, transportation issues and nuclear energy The bill provides that the federal share (50 percent) of an revenues from ANWR would be deposited in an energy security fund for energy conservation programs and other projects designed to enhance the nation's energy securi and reduce reliance on imported oil.

A bill (S39) backed by Senator William Roth, R-Del, ar Senator Max Baucus, D-Mt, would designate the Coast Plain Wilderness, thereby foreclosing any potential oil expl ration and development. Representative Morris Udall, D-A has introduced an identical Coastal Plain Wilderness bill the House (H.R. 39).

The area proposed for oil and gas leasing and explor tion covers 1.5 million acres of ANWR's Coastal Plain. Near half of the 19-million acre refuge already has been desi nated Wilderness, including 400,000 acres of the Coast Plain in the eastern sector of ANWR. None of the designate Wilderness lands, including the 400,000 acres on the Coast Plain, are being considered for oil and gas leasing ar exploration.

Johnston's comprehensive energy bill contains the stron est conservation measures of any development bill. It er phasizes that the best way for the nation to reduce its hear reliance on oil imports is to increase conservation effort The address for each is listed at the bottom of the chart. We need the support of a majority of the energy committee, otherwise ANWR will be dead for at least a couple of years. Once the pro-leasing bill clears the committee, Chairman Bennett Johnston plans to send the bill to the full Senate for a vote on the floor by summer recess.

At that time we will need the support of the majority of the Senate, regardless of state or party. At last count, 44 senators favor opening of the Coastal Plain while 40 stand opposed. That leaves over a dozen senators undecided on the issue. Of course, those are the senators we'll need to reach with our message.

RDC urges its membership to contact friends, relatives and business associates in the Lower 48 and ask them to urge their senators and congressman to support opening ANWR. The areas of most critical importance right now are Oregon, California and North Dakota, the home states of the three undecided energy committee senators.

We are aware your involvement will take time and effort, but we also know that we all must work even harder if we are to see ANWR pass the Senate this summer.

e	to vote on ANWR
	Energy and Natural Resources Committee
he he iin. cy, rch	Members opposed to ANWR drilling(D) Dale Bumpers, Ark(D) Timothy E. Wirth, Colo.(D) Wendell H. Ford, Ky(D) Daniel Akaka, Hawaii(D) Bill Bradley, N.J.(D) Wych Fowler, Jr., Ga.(D) Jeff Bingaman, N.M.(D) Paul Wellstone, Minn.
gy. iny gy ner rity	Members supporting ANWR drilling(D) Bennett Johnston, La.(R) Don Nickles, Okla.(D) Richard Shelby, Ala.(R) Conrad Burns, Mont.(R) Malcolm Wallop, Wyo.(R) Larry E. Craig, Idaho(R) Pete V. Domenici, N.M.(R) Jake Garn, Utah(R) Frank Murkowski, Alaska
ind stal	Members undecided about ANWR drilling (D) Kent Conrad, N.D. (R) Mark Hatfield, Ore (R) J. Seymour, Calif. Address: "Senator's Name" U.S. Senate, Washington D.C. 20510
Az, I in	develop alternative sources of energy and increase domestic oil production. Supporters of Johnston's bill stress that none of these
ra- urly sig- stal	components alone is enough to solve the import problem. As a result, Johnston's approach would supplement conserva- tion with the other measures, including development of the nation's most promising oil field — the Coastal Plain of ANWR.
stal Ind	Energy chairman Johnston dismissed environmentalists' concerns that opening the Coastal Plain will devastate the Porcupine caribou herd and ruin the refuge.
ng- em- avy rts,	"Caribou have the resistance factor to man about equal to pigeons," Johnston said. "There is no inconsistency with the caribou herd and drilling in ANWR. If there is any place in America that ought to be drilled, it's ANWR."

Battle for the bottom fish

Trawler fleet takes heavy toll on Alaska fisheries

(Continued from cover)

Buls protested the bad image of factory trawlers as a bum rap.

Tillion, a 40-year veteran of the fishing industry and special assistant to Governor Walter Hickel for fisheries, said factory trawlers are an "unbelievable environmentally destructive method of harvest." He charged, "if turned loose, they could destroy the resource."

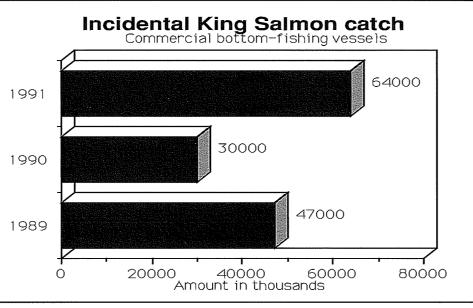
Factory trawlers drag huge nets along the ocean floor, targeting white cod and rock-sole. However, the nets also pick up non-targeted species, including halibut, crab and salmon, tagged as bycatch. So far this year, more than 64,000 king salmon have been accidentally caught in the nets, more than double last year's entire king catch by the trawl fleet.

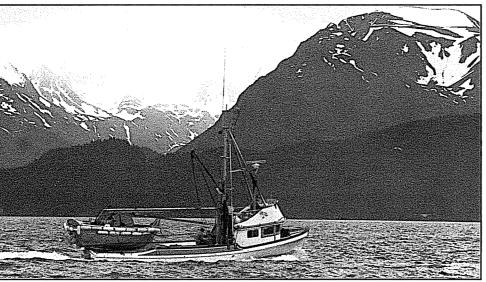
Halibut taken as bycatch amounts to more than 20 percent of the total annual halibut quota along the Pacific coast. More than 8,000 metric tons are netted and discarded as bycatch. That's about \$20 million worth of resource thrown overboard as waste.

Worse than the revenue loss, commercial, subsistence and sport fishermen fear the resources are being damaged by the trawlers. Stocks of halibut are declining as a result of the substantial loss of small, immature halibut thought to be destroyed by bottom fish operations.

Tillion said pot traps and hookand-line operations can catch the bottom fish with less damage to other species. He said trawling is best suited for harvesting pollock, a fish that generally swims in midwater where there is less chance of netting other species.

"We are being vilified as operating slave ships that vacuum the ocean floor, raping and pillaging the re-





So far this year about 64,000 king salmon have been killed by Bering Sea and Gulf of Alaska trawlers, more than double the amount discarded in 1990, prompting a call for emergency action. Above, a small fishing vessel crosses Kachemak Bay near Homer.

source," Buls said.

Buls conceded that accidental catches are a serious problem that needs to be addressed. He said hook-and-line boats also may have high rates of accidental catches. The problem, Buls said, lies with a management system that doesn't offer incentives to cut down on accidental catches.

Tillion said individual transferable quotas, fashioned after Alaska's current limited entry program for fishing within three miles of the state's coastline, may be a solution. "This will dislocate some, but conservation of the resource is excellent," Tillion said. "You have no bycatch problems and no problems with fish mortality because you don't take salmon."

Onshore processing plants, which provide jobs in Alaska's coastal communities, complain they are being shut out by the trawlers. The feud has spawned a proposal that would require a 50-50 split of Bering Sea bottom fish and cod between factory trawlers and onshore processors and require 80 per-

(Continued to page 6)

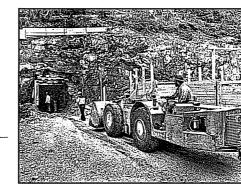
Miners brace for more changes to Mining Law of 1872

RDC supports creation of special commission

In the wake of continuing attacks by the environmental community to strip the federal Mining Law of 1872, the Resource Development Council has asked Alaska's congressional delegation to support a proposal to establish a minerals policy review commission to determine whether current laws and regulations are serving their purposes and what changes should be made.

The Mining Law of 1872 sets the ground rules for the nation's mining industry and is the vehicle that provides the industry with a domestic minerals supply. Attempts were made last year by environmentalists to gut the mining law, but a spirited debate on the Senate floor preserved the law. However, opponents of the law are more organized this year.

It is not a question whether the mining law will be changed, but rather, when. The industry emphasizes that any changes to the law must preserve access to the public lands for the purpose of location and disposition of minerals.



Alaska's mining industry directly employed 3,870 people in 1990. Mineral production in the 49th state exceeded \$534 million last year. Exploration expenditures increased to \$56.9 million.

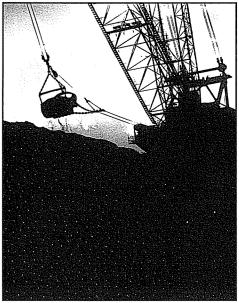
Senator Conrad Burns has drafted a bill to establish a commission to undertake a comprehensive review of mineral policy law. The review will be for the purpose of determining whether the existing law and policy provides for the basis for adequate mineral discovery and production. It will result in recommendations to Congress within three years during which time Congress would not change the existing system.

The bill is supported by RDC, the Alaska Miners Association, the Northwest Mining Association and other organizations supporting multiple use.

"RDC strongly supports the bill and believes it will go a long ways in basing the mining law debate on science, economics and reason as opposed to emotional arguments so frequently fabricated by the preservationist element," said RDC President Bill Schneider.

Meanwhile, bills by Senator Dale Bumpers and Representative Nick Rahall would bring far reaching and profound changes to the mining law. Among other provisions, the Rahall and Bumpers bills would substitute a stiff new fee schedule for due-diligence work, impose rental fees for use of public lands, establish new requirements for mine planning, permitting and reclamation and virtually eliminate the concept of "discovery." The bills would eliminate most provisions of the law.

The industry contends the bills do not present a system which provides the means and the incentive for the private sector to find new deposits and bring them into production. Anti-mining forces which support the bills op-



Alaska's mining industry could be severely impacted by major changes to the Mining Law of 1872. Some changes would gut the law and close access to promising prospects.

pose entry on the public lands for minerals purposes and demand that access be allowed only with special permission or that royalties be assessed, which the industry claims will make mining unprofitable. Environmentalists also claim the law is outdated because it does not include environmental protection.

Miners say environmental protection is a hollow argument since the law is designed to provide access only, and that environmental protection is in force in a myriad of laws controlling every aspect of exploration, discovery, operation and reclamation.

The law has been under pressure by one group or another for decades. It has survived, with over 50 changes that have kept it up to date in meeting the needs of a changing world.

At the request of Congressman Don Young, Rep. Rahall has agreed to hold a hearing on his bill (H.R. 918) on Saturday, May 25 in Fairbanks. Rahall is chairman of the House Subcommittee for Mining which is under the House Interior and Insular Affairs Committee.

Those interested in testifying should send a written request to Rahall with a copy to Congressman Young. Requests should be sent to: The Honorable Nick J. Rahall, Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, D.C., 20515.