

RDC, Coalition host congressional staffers



Message from the Acting Director

by
Debbie Reinwand

1991 has been a successful year in that regard. The wetlands issue has seen major changes as President George Bush issued a new policy direction to allow flexibility for states with minimal wetlands losses. RDC and the Alaska Wetlands Coalition have been instrumental in that process of "federal enlightenment."

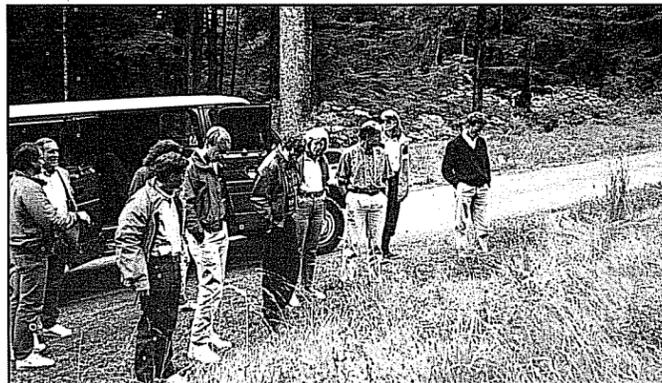
One of the most effective tools public interest groups can use as they educate is bringing decision-makers to Alaska to view our resources, development projects and geography firsthand.

This year, RDC and the Alaska Wetlands Coalition hosted two groups of congressional staffers, taking them to King Salmon, Kotzebue, Juneau, Anchorage and Prudhoe Bay. The tours were effective and informative.

RDC has made a strong commitment to such education and information efforts - a direction our members can participate in and be proud of.

As the Resource Development Council grows and matures, one thing the board and staff are proud of are the outreach and education efforts of the organization.

Not only does RDC try to impact public policy and public opinion, but a major goal is to educate so that public policy is formed based on fact and first-hand knowledge, rather than emotion and misinformation.



Juneau city officials and congressional staff view site of proposed Juneau school, an area classified by the federal government as "forested wetlands." (Photo by Debbie Reinwand)



Juneau's tour included a stop at a homeless shelter that suffered construction delays due to disputed wetlands status. (Photo by Debbie Reinwand)



Congressional staff and Alaska Wetlands Coalition officials view a lot defined as a wetland in the middle of a Juneau industrial complex. (Photo by Debbie Reinwand)



RDC Acting Director Debbie Reinwand surveys the Red Dog mine site.



Aerial view of Kotzebue and surrounding wetlands. (Photo by Debbie Reinwand)

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.

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Writer & Editor
Carl Portman



Mayor responds

Sitka series misdirected and unfair

by
Mayor Dan Keck

Sitka by the Sea.

All 8,500 of us in this coastal town live here because of the surrounding natural resources — the fish, the trees, the ocean and natural beauty. Throw in some Russian and Tlingit history, whales and eagles, snow-capped peaks, a volcano, a few fish processing plants, a pulp mill and you have the setting for Sitka.

Because of its beauty, Sitka gets a lot of attention from those near and those far away. We live in a fishbowl that is constantly stirred up by those that seek reasonable solutions. Since early August, Sitka has been a focus of The Anchorage Times and a continuing series labelled "Sitka - Mill Town Torn." It may be a catchy title for selling newspapers, but it has little to do with the town I have known and lived in for 31 years.

If you have been following us in this series, you would think that Sitka was a horrible place and on the verge of civil war. You would not want to hold a convention here or to visit on vacation. I have been involved in local government for over two dozen years and have a pretty good knowledge of that business as well as fisheries and tourism. I know the people live and work throughout the region.

We think a lot of the criticism leveled against us and our timber industry is misdirected and could unfairly hurt us. It could hurt our tourism industry and it might hurt our bond rating for municipal projects. The skewed coverage also might be a bad omen to any Outside company that was seeking to invest in our state.

If an Anchorage newspaper is trying to boost its circulation at the expense of our town, other industries in Alaska should take notice. They may be next. If this paper had wanted to look at real pollution, it would have needed only to go as far as Anchorage's Ship Creek or to look out its windows at smog during a winter air inversion. There are six Superfund cleanup sites in Anchorage and Fairbanks. Sitka has none.

If we were writing our biography, here is what we would like you to remember about Sitka:

- Over the last 30 years since our pulp mill was built, we have been one of the most stable cities in Alaska.
- Timber provides more jobs and more payroll than any other industry in our city. It accounts for about one-third of our local economy. Fishing also keeps our town alive. Without either of these, Sitka and its citizens would suffer severe economic injury.
- In 1990, Sitka saw nearly 140,000 visitors, a record for our town.
- Our pulp mill has spent over \$100 million to build and maintain its pollution control equipment. It has state-of-the-art equipment that we applaud. The mill has gotten our recycling program moving with free transportation to Seattle.
- Our city has a much larger share of manufacturing em-

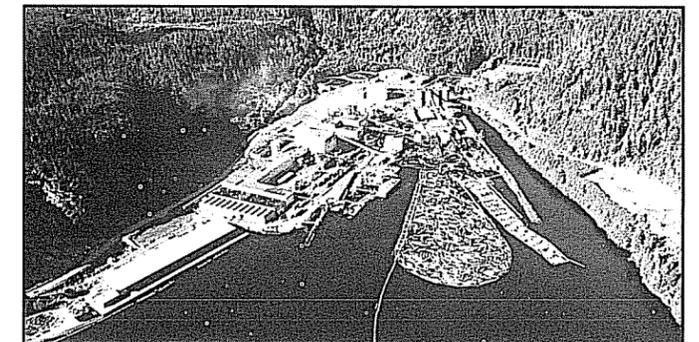
ployment than does the State as a whole, because of fishing and timber products.

- Sitka's per capita income is larger than the State average.
- Sitka has one of the lowest unemployment rates in the state.
- Sitka has its own permanent fund for its future.

Right now one of our industries needs our support, not our scorn. The next industry to need help might be fisheries, and we will be back there in Washington, D.C., Juneau or Anchorage fighting to keep them going. Sitka's lifeblood comes from its people who can afford to stay here because of timber, fishing and tourism.

As mayor of Sitka, I must be an advocate for all of Sitka, not just one or two of the constituents. We hope The Anchorage Times can sit back and look at its coverage and see that it needs a new focus. It needs to focus on some of the positive events in the past few years. We are not a mill town or a mill town torn.

There is an old saying that it is wise not to fight with a company that buys its ink by the barrel. It's probably a good idea. There is also a saying that if you stay quiet, no one will ever hear you.



Aerial view of the Alaska Pulp Corporation mill near Sitka.

Tongass...

(Continued from page 5)

areas are hand-planted. In 1989, over one million seedlings were planted in Alaska.

• There are 5.1 million acres of productive old-growth in the Tongass. Less than one-third of these acres are designated for timber harvesting.

• Under the current plan of harvesting, after 50 years, there would be 4.3 million acres of productive old growth left.

Send comments to: Michael Barton, Regional Forester, U.S. Department of Agriculture, Forest Service, Box 21628, Juneau, AK 99802-1628.

Lots of fish with little value

Tides of change threaten to erode Alaska's market share

A federal report released last month indicates that prices for Bristol Bay red salmon may continue to fall due to the growing foreign development of fish farming and increasing consumer concerns in Japan about quality.

The report, conducted by the U.S. General Accounting Office at the request of Congressman Don Young, indicated that even though the amount of salmon imported by Japan has been increasing, the percentage of imports represented by Bristol Bay salmon has decreased. The Japanese are increasing the amount of farmed salmon they import from nations like Chile because consumers there perceive farmed salmon to be of higher quality than Alaska's natural stocks.

In 1988, almost 90 percent of Alaska's sockeye salmon was exported to Japan. With Japan turning to alternative sources for salmon, new markets for Bristol Bay salmon must be found in order to maintain demand.

Alaska's 1991 salmon harvest of about 180 million fish set a new record, but a market glut and low prices denied most fishermen a profitable season.

"We blew the old record of 154.8 million fish out of the water," said Herman Savikko, the Alaska Department of Fish and Game's chief statistician. Yet low prices of 12 cents per pound for pink salmon and 80 cents for reds drove revenues down.

Savikko said salmon revenues will be about \$300 million this year, compared to \$550 million in 1990. Salmon revenues usually fluctuate between \$500 million and \$1 billion.

Salmon is one of the largest fisheries in the state. In 1990, fish sales were \$1.5 billion. Savikko said this year's catch will be closer to \$1 billion.

But things are changing in the salmon industry, warned Lennie Gorsuch, Executive Director of the Alaska Seafood Marketing Institute.

In using an analogy in a recent speech before the Resource Development Council, Gorsuch said American car makers had a lock on the U.S. in the 1960s, but by the 1970s foreign car makers had tinkered with automobile production methods and product forms and blitzed the media. The results have been obvious.

"The Alaska salmon industry faces a similar challenge from foreign salmon farmers. They are tinkering with product forms, production methods and crafting multi-layered ad campaigns," Gorsuch said. "As Alaskans, we cannot afford to show the same complacency in the 1990s that the U.S. auto industry demonstrated in the 1960s."

Gorsuch noted that in 1980 salmon farmers contributed



Alaska's 1991 salmon harvest set a new record, but a market glut and low prices denied many fishermen a profitable season.

just one percent of the world's supply of salmon. Now they supply 30 percent and Alaska's share is falling despite the fact that Alaska has set salmon harvest records since 1988. Alaska's record harvests, coupled with the explosion in farmed salmon production, has pushed growth in the rate of production far beyond the growth in the rate of consumption. As a result, Alaska salmon is now sitting in cold storages and warehouses trying to find customers.

The new world order salmon markets is sending shock waves through Alaska's economy. The industry employs more than 19,000 people and it has invested more than \$4 billion in the state. Salmon is the foundation of Alaska's seafood industry, but the tides of change threaten to erode that strong foundation.

Gorsuch said the antidote to the "all the eggs in one basket" syndrome is alternative markets.

ASMI is moving aggressively to develop new markets overseas and to maintain Alaska's share in Japan. But, according to Gorsuch, Alaska's best alternative market is the U.S. However, the state has spent relatively little marketing Alaska salmon in the Lower 48.

In 1990 the Norwegians spent about \$.05 per pound marketing their salmon in the U.S. Alaska spent about \$.01 per pound advertising all of its diverse seafood products in the Lower 48.

Gorsuch emphasized that Alaska needs to enhance its markets as aggressively as it protects its resource. "We need to realize that what happens to a fish after it leaves the water is as important, economically, as what happens to a fish still in the water."

"To do less is to resign ourselves to the glimpse of the future that the 1991 salmon season gave us — lots of fish with little value."

Winds of change blowing away from Alaska



Thoughts from the President

by
John Rense

Why do I become uneasy when I contemplate Alaska's future? Sure, everyone knows Prudhoe Bay is declining. We've heard many times about the statewide production drop from the current 2.2 million barrels per day to a projected 1.2 million by the year 2000. Perhaps this is old news, nothing to fret about, just another Alaskan cycle.

So why am I still uneasy? Could something be happening on this earth that is passing Alaska by? We do not seem to be reacting to the winds of change. Either we are not seeing it, or it's not there.

Other nations such as the Soviet Union, Mongolia, Mexico and Chile are opening vast resource areas with new ownership incentives. Oil, gas, base and precious metals, timber, coal and recreation lands await development. We can assume that attractive opportunities for investment and low-cost resources in these countries will impact Alaska in some way and at sometime down the road.

Alaska has potential for economic growth with more oil, opportunities for tourism, fish, minerals, timber and others. Frankly, I do not think we should assume Alaska's oil age is gone, or that ANWR is the only hope.

For the last decade Alaska has watched the world's salmon industry undergo major change. We watched and plotted our graphs while world markets thundered toward farmed fish from Norway and Chile. In 1990, Alaska wild salmon brought such low prices that many fishermen finished with little or no money in their pockets. Is it unfair that a producer receive sixty cents for a product eventually consumed for \$20? Yes, it is unfair. Ask the wheat farmer, the raw metal producer or a sugar grower.

The fact is unprocessed resources are becoming an increasingly small part of the world's economy. Fish or wood, metal or oil, successful resource producers have to pay attention to the marketplace. States or countries that want to produce raw materials have to compete with each other. An area's attitude, tax history, land availability, cost structure and the amount of financial liability it takes to operate will all help determine where resources are developed and produced.

One of Alaska's strengths is serendipity. In a big land,

with capable people, good luck happens. As the United States sheds itself of its unwanted extractive industries, perhaps it will see fit to open ANWR under reasonable, fair conditions. Then, perhaps luck will strike again and ANWR will live up to its geological potential. We might find a new megafield in an Interior basin previously thought to have little promise, or maybe discover and develop 50 mines, or even be flooded with 10 million tourists.

However, I remain uneasy. Serendipity is hard to use as collateral for school bonds. There is life after Prudhoe Bay, one way or the other. Even stripped bare, we can tax our people to obtain money for state government. This will redistribute income, providing for basic services at the expense of personal wealth. A stripped-down Alaskan economy might still provide a good living, but for a lot fewer people than are supported today. This seems to be the path we are choosing.

The winds of change are blowing around the globe. Many of these winds are blowing away from Alaska, not toward it.

Alaska has potential for economic growth with more oil, opportunities for tourism, fish, minerals, timber and others. Frankly, I do not think we should assume Alaska's oil age is gone, or that ANWR is the only hope. But the Arctic climate, problems associated with our far-reaching lands and an unwillingness to deal with risk — coupled with a growing national attitude against domestic resource production — makes the situation difficult. Everyone in Alaska seems to like economic development — as long as it's not in their backyard.

There may be little Alaskans can do about Outside problems, but often our own actions seem at odds with our best interests. To illustrate, near the McNeil River bear refuge, the State is spending several million dollars on a fish ladder to enhance the salmon fishery. This fish ladder, it seems, may rearrange the bear's feeding patterns and could be a larger threat to the bears than mining, oil or other resource activities. To insure protection of the bears, the state may close to development a big chunk of land. Are the land closures really necessary to protect the bears? If so, are these closures a wise trade for the additional salmon? Despite living in an area one-fifth the size of the Lower 48, we do not seem to realize that most land can be used for more than one purpose at a time.

What we are seeing are fundamental changes, not just another economic cycle. Few people have had such good access to public monies, been blessed with low taxes and received generous checks from the State. During the past couple of years many people worldwide have suddenly found the opportunity to seek a free way of life. To fund their future they want to sell the very same assets we have here in Alaska.

The winds of change are blowing around the globe. Many of these winds are blowing away from Alaska, not toward it.

ANWR Senate action

Filibuster threat looms

(Continued from page 1)

while, President Bush has pledged to veto any energy bill that does not include oil and gas leasing on the Coastal Plain.

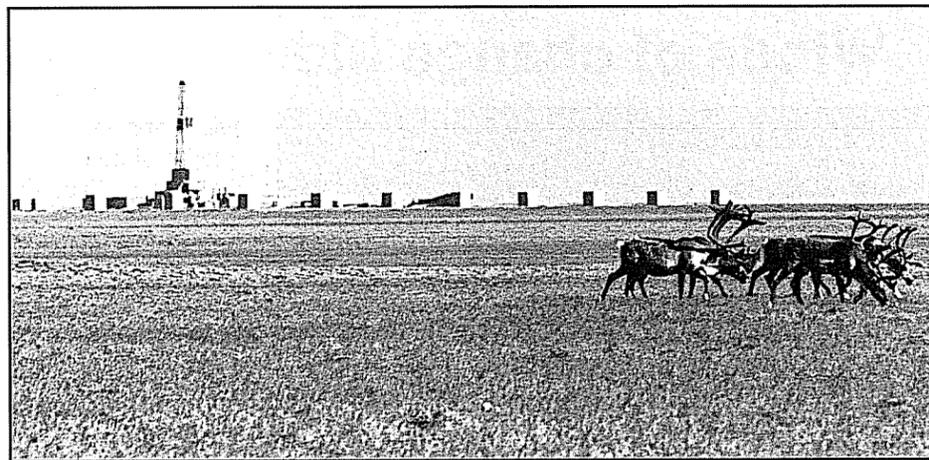
The ANWR component is the cornerstone of Johnston's energy bill. The bill would dedicate billions of dollars generated from leasing to alternative energy research and other provisions of the bill, including conservation. Without the ANWR provision, there would be no revenues to pay for the costly provisions of the energy package.

In defending the filibuster strategy, Senator Joseph Lieberman, D-Conn., said "I don't believe most Americans want the wilderness destroyed by drilling."

Many Americans are under the mistaken impression that ANWR is America's last remaining Arctic Wilderness. The 1.5 million acre Coastal Plain of the 19 million acre refuge was purposely excluded from Wilderness designation by Congress when it passed the Alaska National Interest Lands Conservation Act (ANILCA) in 1980. ANILCA closed off 92 percent of the refuge to oil development and designated 8 million acres in the heart of the refuge as Wilderness. The Act also extended Wilderness protection to over 56 million acres in Alaska and created — in addition to ANWR — over 28 million acres of national parks, refuges and monuments that lie either completely or partially above the Arctic Circle.

All Wilderness areas are permanently closed to development of any kind and no oil development is permitted in a national park.

If oil is found in ANWR, the area required for development would be less than 1% of the refuge.



The Prudhoe Bay oil fields near ANWR account for 25 percent of America's domestic oil production. Oil pools beneath the ANWR Coastal Plain may rival those found at Prudhoe.

Killer politics cloud chances for energy bill

(Continued from page 1)

fought to protect vital oil supplies still linger in the public mind.

But ideological warfare threatens the opportunity for progress, as the competing parties engage in an uncompromising encounter between their conflicting visions, values and ideologies which include such things as an unfettered marketplace, a pristine environment, government regulations and deregulations.

A coalition of environmental activists opposed to ANWR conjures up draconian scenarios about the fate of the Arctic wilderness based neither on experience nor good science. In the process they resort to absurdities such as George Frampton's (Wilderness Society) recent comparison of ANWR to Yosemite as a potential tourist mecca.

On the other side of the ideological divide, CAFE requirements have been a key factor in moderating oil consumption. Yet a coalition of marketplace purists and automobile manufacturers who oppose CAFE charge that fuel efficiency kills people, and have launched an expensive campaign illustrating what happens when a larger automobile collides with a smaller one. In fact, highway mortality rates have declined in the past 18 years, as average mileage performance of cars rose from 13 to 20 miles per gallon.

Though ANWR has been portrayed as a clash between the environmental

community and the oil companies; and CAFE a test of strength between automobile companies and environmentalists, neither characterization is correct. Oil companies and automobile manufacturers are merely facilitators; the people who know how to do the job.

The best energy package may not be everybody's ideal model nor favorite design. But it would be most acceptable to a broad cross-section of the public, and equally important, most likely to strike a blow to excessive oil dependence. Such a package would have to exclude unrealistic expectations based on utopian visions of what should be acceptable, such as the seductive claim that further U.S. energy production could be stopped if only we used energy more wisely. The package that can work needs to exploit all available alternatives; it cannot be based on the exclusionary either/or formulas advocated by the opponents of CAFE and ANWR.

The Johnston package meets most of the requirements, certainly far more than anything we have seen since the late 70s. But it would be a pity if this rare opportunity to deal more effectively with national energy needs were forfeited to partisan and ideological agendas. Killer politics is bad for everybody's particular interests, and certainly bad for the nation.

Outsiders urge closing Tongass to logging, Alaskan comments sought

U.S. Forest Service supplement on Tongass now available for public review, comment

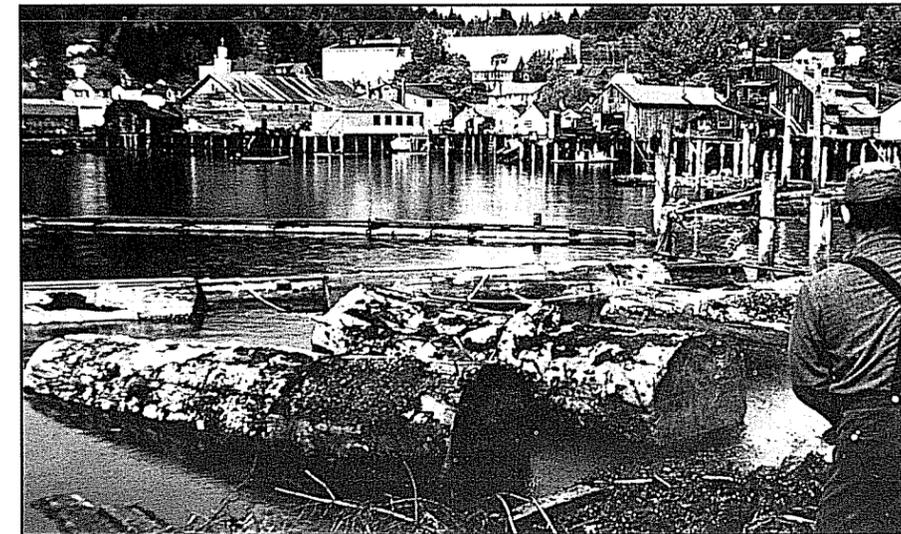
The U.S. Forest Service is revising the land management plan for the Tongass National Forest. The current plan, known as the Tongass Land Management Plan (TLMP) has been in effect since April 1979. The plan is revised every 10 to 15 years and the public plays a critical role.

Last year, the Forest Service provided a six-month long public comment period for the Draft Environmental Impact Statement (DEIS) for TLMP. During that comment period, Congress passed the Tongass Timber Reform Act dictating specific changes for management on the Tongass. The Forest Service has now prepared a Supplement to the DEIS that incorporates the direction from Congress and considers the public comments received so far.

The Supplement is now available for public review and comment. Public comments are extremely important in determining the outcome of these management plans. Of the 3,500 people who sent in comments last year on the DEIS, over half were from outside Alaska, with a major portion coming from the central and eastern U.S. Most of those comments urged closing of the Tongass to all logging.

Environmental groups won many concessions in the Tongass Timber Reform Act. According to the Alaska Forest Association, they are hard at work to further reduce the land available for resource development through the revision of TLMP. Both the Alaska Forest Association and the Resource Development Council urge their members to write to the Forest Service to express concern over the reduction of land available for resource development.

The current plan allows for timber harvesting on 1.7 million acres of the 17 million acre Tongass over a 100 year period. The Supplement just released



Under the current plan, only 10 percent of the Tongass will ever be harvested.

has five different alternatives with varying land use designations with an average annual timber supply ranging from 298 million board feet per year in Alternative A to 472 million board feet per year in Alternative D. The annual timber supply proposed by the Forest Service in its "preferred alternative" would provide 418 million board feet annually.

The Tongass Timber Reform Act directs the Forest Service to provide a supply of timber that seeks to meet market demands. The Alaska Forest Association has calculated market demand for timber for the 90s to be over 500 million board feet per year.

"We need your help in promoting a timber supply to provide a healthy timber industry," said Don Finney, Executive Director of the Alaska Forest Association. "We ask that you support Alternative D with changes to increase the average annual timber supply to meet the market demand of more than 500 million board feet per year."

Here are some important facts on the Tongass:

- In 1980, 5.5 million acres of the Tongass were set aside as Wilderness. In 1990, the congressional reforms added six new Wilderness areas totaling 300,000 acres and another 720,000 acres were banned from timber harvesting.

- Overall, 94 percent of the 17 million acre forest remains unroaded or designated Wilderness.

- Additionally, the Act mandated 100 foot buffers on each side of major salmon streams and made extensive changes to the two long term timber sale contracts. The Act also repealed the automatic appropriation to the Forest Service for preparation of timber sales.

- In the current land plan, only 10 percent of the Tongass National Forest will ever be harvested. This represents less than one-third of the commercial timber land base.

- While over 95 percent of the Tongass reforests naturally, the remaining

(Continued to page 7)