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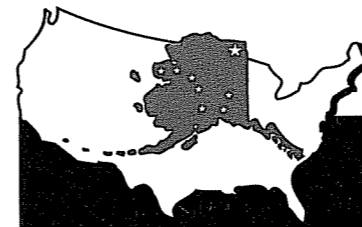
By addressing the difficult and diverse issues facing Alaska today, we are building on the strength of our past and working together for a strong and vibrant tomorrow.

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GOP takeover bodes well for Alaska

Potential for substantive changes on host of issues ranging from wetlands to ANWR

The GOP takeover of Capitol Hill could give Alaska's all-Republican congressional delegation the most influence any state has ever had over natural resource land policies, with the potential for substantive changes on a host of issues ranging from wetlands regulation to lifting the ban on exports of North Slope oil.

Committee reorganizations recently announced for the new Congress will give Congressman Don Young authority over every inch of federal lands not occupied by the military. In fact, observers say Young will have more control over public lands than has been wielded by any House member in recent memory.

Serving his 12th consecutive term, Young will serve as chairman of the new Public Lands and Resources Committee, setting the House agenda for legislation affecting national parks, national wildlife refuges, fishing in federal waters, threatened and endangered species, mining on federal lands, timber harvesting on national forests and oil drilling in coastal waters. Young's committee will take over all functions of the House Natural Resources Committee, which was previously headed by Rep. George Miller of California. The new House committee picks up jurisdiction over fishing in federal waters and offshore oil development from the Merchant Marine and Fisheries Committee, which is being abolished. (Continued to page 7)

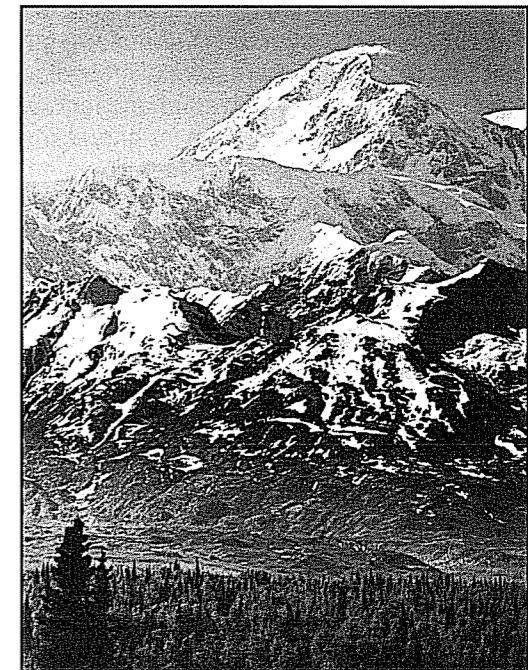
RDC's reaction to Denali report mixed

The Denali Task Force, a 17-member citizens committee formed at the request of Secretary of the Interior Bruce Babbitt to examine several key issues at Denali National Park and Preserve, has put forward some 40 recommendations regarding planning and management at the park.

The recommendations, ranging from new visitor infrastructure development south of the park to the purchase of development rights on private lands near and inside the park, have been sent to the National Park System Advisory Board in Washington, D.C., for consideration. The national board's final recommendations will go to the Interior Department and the National Park Service for consideration and implementation.

Among the Task Force recommendations was a call to build a combination of developments and attractions south of the park in or near Denali State Park. The proposal would include new road access, lodging, mountain view sites, visitor centers, campgrounds, trailheads and trails, interpretative facilities and a wide array of visitor and recreational opportunities. The Task Force concept for development at several sites would disperse crowds, provide for a variety of visitor

(Continued to page 6)



Denali National Park is a top visitor attraction in Alaska.



Message from the Executive Director
by Becky L. Gay

A look back at the top issues of '94

Over the past year, RDC has been involved in a wide range of issues. Here's a synopsis for your information.

Oil and Gas

RDC worked with the Legislature to enact oil and gas licensing and tax incentives credit programs and took a strong stand against legislation that would have repealed the statute of limitations on past tax assessments. In addition, RDC and its members testified on other important bills, including Coastal Zone Management Procedures, 470 Fund reform and oil and gas lease sales. RDC mounted an intensive campaign to solicit comments from across the state on new liability bond requirements under the Oil Pollution Act of 1990 and was instrumental in securing a federal public hearing in Anchorage on the issue. RDC submitted comments on a wide range of issues affecting the oil and gas industry, including the toxicity characteristic rule under the Resource Conservation Recovery Act. RDC also continued its ANWR education and advocacy efforts.

Forestry

RDC supported measures to broaden Alaska's forest products industry and defended multiple use, sustained-yield principles in national and state forests. RDC supported efforts to convert the pulp mill in Sitka to a medium-density fiberboard plant and defended long-term timber contracts in the Tongass. In addition, RDC worked with Alaska's Congressional delegation to secure an exemption for Alaska forests from PACFISH mandates. RDC campaigned for Multiple Use Management Agreements in the Matanuska-Susitna Borough and Forest Management Agreements on state forests. Regarding the Spruce Bark Beetle infestation on the Kenai Peninsula, RDC worked with state and federal foresters on a cooperative management plan for harvesting infested timber, as well as an area-wide reforestation plan. RDC also initiated a letter-writing campaign to the U.S. Forest Service voicing opposition to an Environmental Assessment recommendation calling for new habitat conservation areas in the Tongass National Forest.

Mining

RDC supported efforts to reopen 446,000 acres of previously closed state land to mineral entry, as well as a number of proposed mining projects across the state, including the Healy Clean Coal Project. RDC was a major player in key issues affecting the mining industry, including RS-2477 rights-of-way, ANILCA Title XI access regulations, water quality regulations and others.

Tourism

Staff and board provided testimony and submitted comments on a wide range of issues, projects and land manage-

ment plans affecting tourism. Specific projects included the South Slope Denali Management Plan, the proposed Knik Glacier Visitors Center, Kenai Fjords National Park Plan, the Turnagain Arm Management Plan and the Denali Task Force Report which addressed a number of concerns, including Kantishna and related access and management issues.

Fisheries

RDC has played a major role in the wetlands debate, helping to advance the Alaska perspective in the national debate. RDC continuously underscores the fact that since fisheries is a water-dependent resource, infrastructure supporting the industry must be built on coastal wetlands which are becoming increasingly off-limits to commercial activities. RDC has arranged tours through processing facilities around Alaska, including Homer, Sitka, and King Salmon/Naknek, for Congressional staff and its statewide board members. RDC was instrumental in public educational efforts to support the State in the recent water quality debates, supporting mixing zones and realistic risk levels for processing industries.

Wetlands

RDC worked closely with federal regulators and key Clinton administration officials to ensure regulatory flexibility for development in Alaska wetlands. RDC held the development stakeholder seat at key federal policy meetings to fashion a federal wetlands initiative for Alaska. RDC represented Alaska industries and local community concerns at these meetings, which were held across the state in the fall and mid-winter. RDC spearheaded the Alaska Wetlands Coalition (AWC), which mounted an intensive campaign to solicit public and community comment on the "no net loss" policy and the subsequent "1% rule," and later the Alaska Wetlands Initiative. In July, RDC was invited to testify before President Clinton's White House Interagency Task Force on Federal Wetlands Policy. In August, RDC and AWC completed a week-long tour across Alaska with 12 Congressional staff members and an EPA official to see the diversity and abundance of Alaska wetlands. RDC submitted testimony on Congressional bills, as well as working with the administrative process.

Mental Health Land Trust

RDC was instrumental in helping forge a settlement which resolves the 1978-1994 dispute concerning the Mental Health Land Trust. The settlement establishes a new trust and clears property titles for thousands of third-party property owners.

RDC's important work is made possible by you -- its membership. Thank you for your past and future support. It makes a big difference in RDC's effectiveness on the major issues facing resource producers and local communities.



Reflections and visions from a Past President

by Charles R. Webber

Editor's Note: Charles R. Webber served three consecutive terms, from 1983 through 1985, as President of the Resource Development Council. He was appointed by Governor Jay Hammond in 1979 as Commissioner of the Alaska Department of Commerce and Economic Development.

It is interesting to speculate on the future of Alaska. All of us who live here do it, and those who have lived here the longest probably do it the most.

Why? Perhaps it is because we want to continually look at the future and contemplate the past as it relates to the future on important issues. A look at the past tells us that we have grown rapidly in population, governmental functions, per capita spending, roads, homes and most else. The trigger for this last 20-year cycle has not been from federal per capital spending, but by the dynamics of resource development.

Development of our natural resources has provided the revenue for great expansion in our state and thousands of jobs in a

Markets integral part of resource development

Resource development should be encouraged

large variety of occupations. If resource development were to falter or take a serious decline, the economy would react accordingly and we would see change that would be negative to Alaskans. It would seem that Alaska's best interests would be served by keying to resource development and, sensing the income that past resource development has brought, to provide opportunities for the extraction and use of its resources—and while doing it attempt to establish a high degree of credibility for the manner in which it's done.

Success in this area would assure

current and future Alaskans opportunities here and worldwide, using processes and procedures developed here.

It is important that state and federal government understand that resource development today should be encouraged and done well to provide opportunities for new jobs in a growing state and to maintain the dynamics of production demanded by competitive world markets.

Markets for Alaska's resources are an integral part of the resource development equation and provide additional opportunities throughout the world for Alaskans.

Alaska delegation in power seats ...

(Continued from page 1)

Senator Frank Murkowski will take the leadership position in the Senate Energy and Natural Resources Committee, giving Alaska unprecedented power over public land issues. Senator Ted Stevens will chair the Senate Committee on Rules & Administration and the Defense Appropriations subcommittee.

The Alaskans will even have greater power in deciding how money is spent to support land management, such as logging on federal forests and development in national parks.

The shift in power to the Alaska delegation in public lands policy is key to a state where over 60% of the land mass is in federal ownership. Federal land policies have a significant impact on the development of natural resources in Alaska, where the economy is driven by oil, mining, timber, fishing and tourism.

"Alaska will benefit greatly under the new Republican reorganization," Young said. "In essence, the Public Lands and Resources Committee has emerged as a super committee for Alaska as all of the major resources bills will be considered here."

But Young warned that the Republican majority in the House and Senate doesn't mean

the state is going to have everything it wants. "We still have to deal with a president whose administration is opposed to just about every resource program in Alaska."

For instance, Young is not optimistic that Congress will approve any time soon legislation to open the Coastal Plain of the Arctic National Wildlife Refuge to development.

Roger Herrera, a board member of RDC and Arctic Power, agreed that the power shift probably will have little immediate impact on legislation to open the Coastal Plain to drilling.

Herrera sees at least two major roadblocks to immediate action on ANWR, the first being the administration's long-standing opposition to opening the Coastal Plain to drilling and, second, pre-occupation of the Republicans on other issues.

"ANWR is not part of the Republican program and one can foresee their 'Contract with America' will occupy all legislative energies for the next nine months," Herrera said. Moreover, the Republican leadership in the House is still biased to eastern and southern thinking and is split on some environmental issues, Herrera pointed out.

"It would be a disaster if Alaskans

think they can now sit back and let ANWR happen on its own," Herrera warned. "We have a lot of homework to do over the next couple of years in preparing for action on this issue." However, Herrera did note there is a possibility ANWR legislation could pass much sooner through a parliamentary opportunity or external influence.

"Clearly, I think Congress will be much more willing to deal with contingencies of this nature with quick positive action, but we still have the problem with the administration," the seasoned Alaska political and resource consultant said. "One can say when push comes to shove, there's probably a majority in both chambers for a positive vote."

On other issues, Young and Murkowski plan to put wetlands at the top of their agenda, as well as quick action on legislation to lift the ban on the export of North Slope crude and to improve public access to Alaska parks.

On the national scene, the Republican takeover is expected to boost several western priorities, including long-sought changes in environmental laws such as the Endangered Species Act and the strengthening of private property rights. Other priorities involving unfunded federal mandates to state and local governments and measures requiring the cost of new regulations to be balanced against their public benefits also stand a better chance under the new GOP-led Congress.

Denali Task Force proposals...

(Continued from page 1)

opportunities and help accommodate future visitor demand in the Denali region.

The Task Force report said that by opening new recreational opportunities to the south, some of the growth in demand for north side use may be curbed.

The south side development proposal includes upgrading and extending the Petersville Road to an overlook site near the Tokositna Mountains where RDC expressed concern on the area larger than Massachusetts.

RDC expressed concern on the heavy emphasis the Task Force has placed on wilderness values. While visitors do come to the state to experience its vast wilderness, RDC explained that some of which would lead to the alpine land management regimes emphasized in wilderness preservation actually preclude most people from experiencing the wilderness. Policies which put wilderness values before recreation and tourism basically eliminate meaningful, user-friendly access.

A small visitors center would also be built at Byers Lake while interpretive facilities, camping sites and trails would be constructed at Broad Pass, Chelatina Lake and Talkeetna. The proposal would also include improvements to the Dunkle Mine Road for natural history and wildlife tours.

Most of the recommendations for new or improved access involve public lands outside of the boundaries of the national park. Only a short portion of the Petersville upgrade would be within Denali State Park. Likewise, recommended trail access focuses on trails leading to or just within the national park from trailheads outside the park.

In extensive comments on the Task Force's report, RDC endorsed the South Denali proposal, but said the Task Force's recommendations should not discourage larger-scale public access to the national park.

RDC noted that Alaska is spending millions of dollars to entice tourists to the 49th state, but once they arrive, many find their options limited compared to European venues where a vast array of well-developed visitor opportunities exist. Many visitors are drawn to Alaska to experience its great outdoors and visit its parks and refuges, but the lack of access to most of these units block all but

Regarding the acquisition of mining claims and other inholdings inside the national park, RDC said acquisition should proceed only if the seller is a willing participant in the process. In all acquisitions situations, RDC said it is imperative that full market value be paid to willing sellers with value estab-

lished by a neutral third party.

RDC strongly objected to a recommendation which calls for the end of "day use" at Kantishna. The Task Force believes that since the use of the Denali Park Road is limited, access to inholdings (guaranteed by ANILCA) has inadvertently become an asset for Kantishna inholders. That asset, the Task Force believes, is now being sold in the form of day tours.

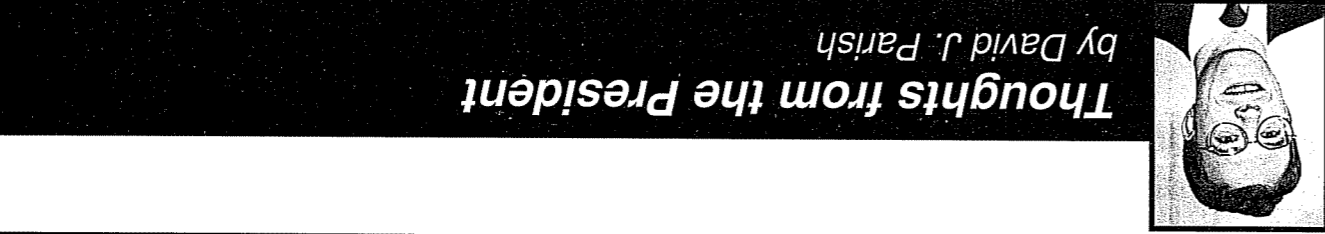
RDC disagrees and noted that ANILCA guarantees access to inholdings so inholders can economically utilize their land. Access is not the economic purpose, as the Task Force claims, it is the key element that allows the recreation-oriented businesses to occur at Kantishna. Whether the visitor spends a few hours at Kantishna or spends the night is irrelevant. Any action that further restricts access provisions and infringes on economic uses is in violation of inholder rights.

If park regulators are concerned about the impact of private traffic to visitor industry businesses in Kantishna, then perhaps serious thought should be given to a "loop road" through the park, RDC said.

A new surface link to Kantishna, in the long term, would provide the public with major new visitor attractions and opportunities while reducing overuse and impacts on wildlife along the existing park road corridor. Given the immense size of Denali and the units on the north side of Denali National Park, RDC agreed with the Task Force recommendation to improve the shuttle bus system by using buses designed for the park road with safety, comfort and viewing in mind.

While the Task Force expressed reluctance toward substantial improvement to the park road, fearing that its road is already approaching overcapacity. Alternative access that does not traverse the critical wildlife corridor could be a solution that allows for tighter restrictions on traffic levels on the existing park road.

Regarding other parkwide recommendations, RDC warned it would oppose attempts to close lands within Denali National Park to aircraft landings or overflights. RDC, however, supports developing site-specific safety regulations and recommended flight corridors in more-congested traffic areas such as the Ruth Glacier.



Thoughts from the President
by David J. Parish

New Governor, Legislature face critical issues

1995 to bring new challenges and opportunities for Alaska

Congratulations from RDC to Tony Knowles, our new Governor, Drue Pearce, President-Elect of the State Senate and Gail Phillips, Speaker-Elect of the Alaska State House of Representatives.

After a long campaign trail, a heated election and a drawn-out ballot counting and legislative organization process, Alaska now has a new Governor and Legislature. While the attention of the public and many of the candidates was focused on the campaigns this fall, RDC and others continued working on several key issue fronts.

Mental Health Lands Trust Settlement

After more than a decade of altercation, the major parties to the Mental Health Lands Trust dispute finally reached a settlement earlier this year. The settlement was subsequently approved by the Legislature in a special session and accepted by Fairbanks Superior Court Judge Mary Green on December 6. With settlement appeals possible, it is imperative the new administration continue to support the settlement which would put 930,000 acres of land into the trust and establish a \$200 million cash trust and a new Alaska Mental Health Trust Authority to oversee how income is used. The settlement would also clear land titles to 6,000 parcels comprising hundreds of thousands of acres across Alaska.

Wetlands

RDC and the Alaska Wetlands Coalition have been actively working the national wetlands policy debate for the past four years. The wetlands issue impacts a broad spectrum of Alaskans, from rural communities to resource development interests. Congress and the Clinton administration are now considering several alternative proposals on the wetlands question. It is crucial that the Knowles administration and the new legislative leadership continue to keep the state active in the Washington, D.C. debate.

Access

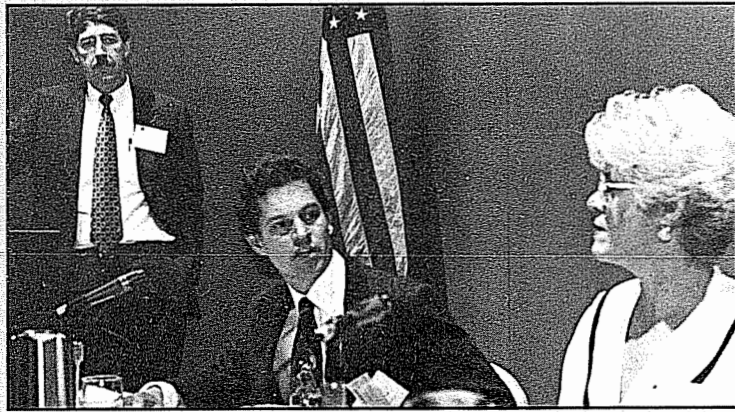
Several pending transportation issues also need the continued attention of the new Governor and Legislature. These are the access issues dealing with Title XI of ANILCA and the state's RS 2477 rights-of-way claims. As the outgoing administration's Department of Law Transition report stated: "The Department of the Interior has

The November election has significantly changed the outlook for congressional action on the Coastal Plain of ANWR as a jobs and economic development issue. Governor Knowles and the legislative leadership have all stated their support for oil and gas development on the Coastal Plain. Not only should our state's new leaders seek all opportunities to participate in the discussion in Washington, D.C., but they should continue to participate in and support efforts of the 49 states on the importance of a good ANWR bill. The State organizations which continue the mission to open ANWR, including Arctic Power.

Fiscal Outlook

Our new Governor and Legislature all campaigned on a platform of addressing the state's fiscal situation primarily through spending reductions. This must be done early on, particularly as a signal to new investors that Alaska has the necessary fiscal stability in order to attract investment dollars in a wide range of resource development industries — from tourism to timber, fishing to oil and gas and mining. Stable state taxation policies for resource industries has long been a top priority of RDC.

From the board of directors and staff of RDC, Merry Christmas and Happy New Year!



Tony Turrini of the National Wildlife Federation and Karen Cowart of the Alaska Visitors Association debate Alaska wetland regulations in a session moderated by Rick Harris of Sealaska Corporation.



Mayor Rick Mystrom of the Municipality of Anchorage welcomes conference delegates.



House Speaker-elect Gail Phillips addressed legislative priorities at a keynote lunch.



ARCO Alaska President Ken Thompson outlined current trends and opportunities for the oil industry.



Vincent Carroll, an editor with the Rocky Mountain News, focused on federal public land policies and their impact on the West.



Alaska political analysts outlined effective strategies for working issues in Washington and Juneau. Pictured are lobbyists Steve Silver, Jerry Reinwand and Ashley Reed. Also pictured are House Speaker-Elect Gail Phillips and panel moderator Dave Parish, President of RDC.

RDC's 15th Annual Conference

Photos by Carl Portman

POINT

COUNTERPOINT



Jim Burling of the Pacific Legal Foundation and Peter Van Tuyn of Trustees for Alaska argue federal law access guarantees in respect to publiclands in Alaska. Pictured between Burling and Van Tuyn is moderator Paul Galvinovich.



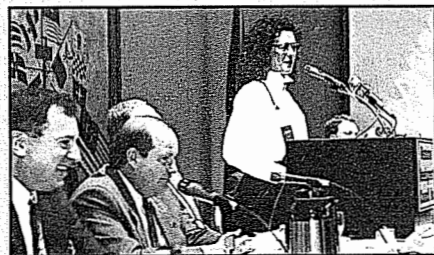
Matthew Cronin, a Senior Research Biologist with LGL Alaska Research Associates, debates issues surrounding the Endangered Species Act with Buck Lindekugel of the Southeast Alaska Conservation Council.



Kim Benton, Communication Essentials, kept strict time limits on all point-counterpoint debaters.



RDC's 15th Annual Conference created links among Alaskans to advance Alaska's economy.



Elizabeth Rensch, Analytica Alaska, moderates a keynote lunch. At left are board members Dale Lindsey and Robert Hatfield.



Alaska Visitors Association President John Binkley describes recent growth in tourism.



Debbie Reinwand of Arctic Power counterpoints Greenpeace's Pam Miller on "Phase out of Fossil Fuels: How Do We Get There from Here?"



Troy Reinhart, right, addresses "What Constitutes Sustainable Logging and Who Defines It?" in a lively exchange with Steve Kallick of the Alaska Rainforest Campaign.



Resource producers Ken Thompson, ARCO, Mary Nordale, Alaska Miners Association, Chuck Meacham, Alaska Department of Fish & Game and Steve Hagan of Ketchikan Pulp Company outline industry trends and opportunities in the 49th state.



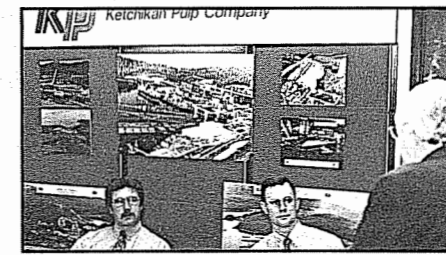
Dave Parish of Exxon and his wife Ingrid, KTUU-Channel 2 News, enjoy a brief break with PLF's Jim Burling in the conference exhibit area.



RDC Vice President Elizabeth Rensch recognizes pianist Elizabeth Freeman, sister of RDC Projects Coordinator Ken Freeman.



Representatives Brian Porter and Joe Green listen to a conference session.



Ketchikan Pulp Company won the Best Exhibit Award. Pictured are Dave Martin and Kent Nickelson.



Greg Bell of Valley Sawmill and Chris Gates, the new director of the Alaska Forest Association, visit.