



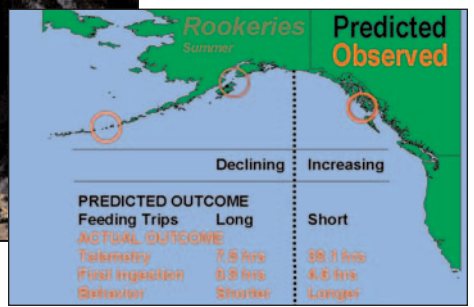
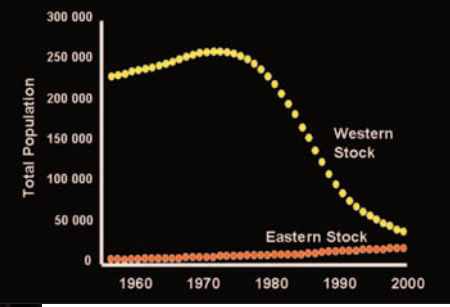
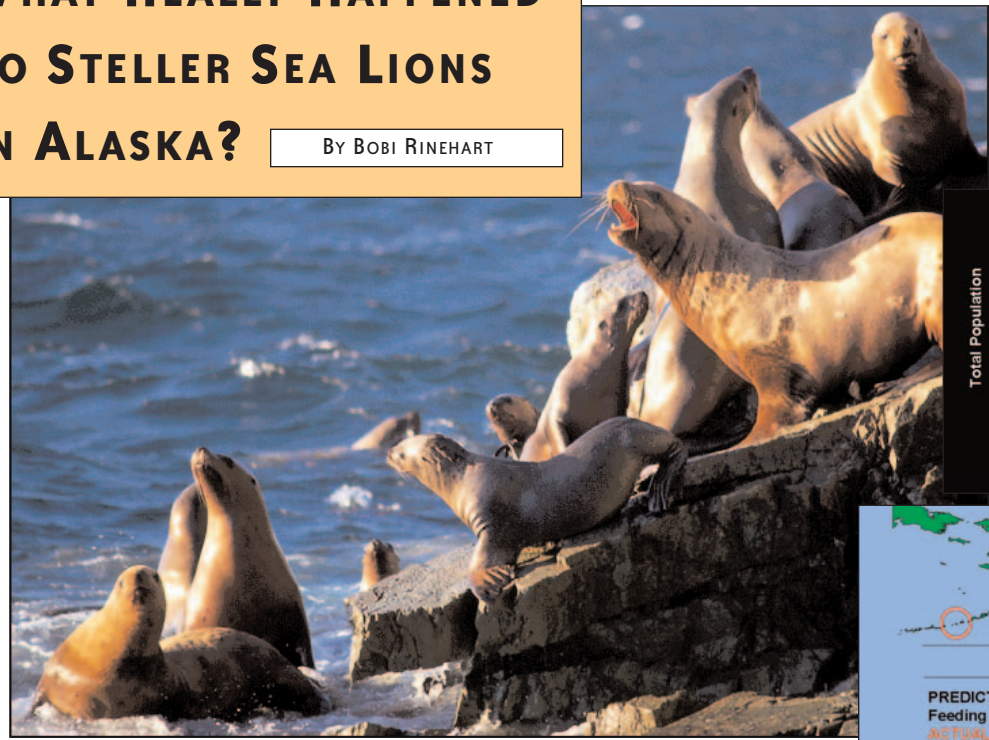
A PERIODIC PUBLICATION OF THE RESOURCE DEVELOPMENT COUNCIL FOR ALASKA, INC.

www.akrdc.org

WHAT REALLY HAPPENED TO STELLER SEA LIONS IN ALASKA?

By BOBI RINEHART

This Edition Sponsored By
 Alaska Railroad Corporation
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Commercial fishing has often been indicted for the decline in Steller sea lion populations. However, research is showing that there does not appear to be any single cause for the sea lion decline. Many factors appear to have contributed to their demise.

No one knows for sure why the Steller sea lion population is shrinking in the Aleutian Islands and Gulf of Alaska, but commercial fisheries have remained a suspect for many years. As a result, the National Marine Fisheries Service (NMFS) has placed restrictions on commercial fishing in the Bering Sea and Gulf of Alaska. The lost revenue associated with this decision amounts to millions of dollars each year. According to Wells Fargo representatives, fishing accounts for approximately

30% of Alaska's economy. Therefore, the future of Alaska appears to be intertwined with that of the Steller sea lion. But what if fishing is not the cause of the Steller sea lion decline or what if it is only one part of the puzzle? Policy makers need better information before they can craft effective policy for fisheries and marine mammals. The North Pacific Marine Science Foundation is dedicated to fostering a better understanding of the interaction between fisheries and marine mammals in the North Pacific. For the past 10 years it has been raising

funds to support research undertaken by The North Pacific Universities Marine Mammal Research Consortium — a group of faculty members and graduate students from the Universities of Alaska, British Columbia, Washington and Oregon State University. Since 1993, Dr. Andrew Trites has been leading a group of researchers who have been comparing the behaviors, diets, and movements of Steller sea lions in southeast Alaska (where their population is considered healthy and

The chart shows that sea lions from declining areas of population travel shorter distances to feed than those from areas of increasing population. Scientists originally predicted sea lions in the declining population would have longer feeding trips.



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How do you move a two thousand ton dragline?

Very
slowly.

Clean Energy for Alaska's Future

After 24 years of mining at Poker Flats, Usibelli Coal Mine moved operations to Two Bull Ridge. That's two miles away, and the Bucyrus-Erie Dragline "Ace-in-the-Hole" had to make the move too. Traveling at a blistering speed of seven feet per minute the journey was made in 29 hours over a period of four days.

Challenges like this are just par for the course for Usibelli Coal Mine. For over 60 years, UCM's production has been supported by the most modern mining equipment and state-of-the-art engineering.

At least "Ace-in-the-Hole" shouldn't have to take any more long strolls for another 20-30 years.



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Resource Review is the official periodic publication of the Resource Development Council (RDC), Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in a responsible manner and to create a broad-based, diversified economy while protecting and enhancing the environment.



SENATE REJECTS ANWR DRILLING

The March 19th U.S. Senate vote on ANWR was a painful setback in the effort to open the Coastal Plain to carefully-regulated and responsible oil and gas development. When the dust had settled, Alaska finished a mere two votes shy of victory, as eight moderate Republicans broke party lines to vote with 43 Democrats and one independent stripping ANWR language from a budget measure on the fast-track to President Bush's desk. Five Democrats supported ANWR drilling, including the Hawaiian delegation.

The Senate budget resolution was the best chance for getting ANWR through Congress this year, as Senate rules require only a simple majority for its passage. Stand-alone legislation is unlikely to overcome a sure filibuster from drilling opponents. Intense, passionate and often emotional testimony dominated the debate on the Senate floor leading up to the crucial vote. Unfortunately, misperception and emotion drove the ultimate decision-making in defiance of reason, the facts and the needs of Alaskans.

Senators Ted Stevens and Lisa Murkowski argued eloquently and forcefully that an overwhelming majority of Alaskans support oil exploration, that impacts to the Coastal Plain would be minimal and that revenues derived from production would help restore economic stability in the far north. They articulated the national economic benefits of ANWR oil production, as well as the national security issues. They also noted Alaska has preserved more land than any other state, yet many in the Senate continue to deny Alaska the same economic opportunities they have gained from their lands.

In spite of these arguments, the perception that the Coastal Plain of ANWR is one of America's last wild places lives on in the Senate and in the hearts of many across the United States. The powerful national environmental lobby has prevailed in this fight. It was a bitter loss, but now the battleground shifts to the House.

While the Senate action may have knocked the wind out of many Alaskans, we have no choice but to work even harder toward the ultimate opening of ANWR. Opportunity will present itself, perhaps unexpectedly and suddenly, and we need to be ready to take advantage of it.

We must continue to reach out to our friends, relatives and business associates in the other 49 states. Each of us also needs to write letters to those in Congress who might change their mind on ANWR. Most importantly, we must work harder to convince our contacts in targeted congressional districts to counter the passionate efforts of non-development interests in their communities. Those with the most passion will ultimately prevail.

RDC and Arctic Power have prepared fact sheets, brochures, testimonials, and visual illustrations making a convincing case for opening ANWR. All of this educational

material is readily available at our offices and online. Our members are encouraged to use these materials to become more familiar with the facts and to send the information to those who may be in a position to assist. At the very least, refer them to our websites and encourage them to submit letters by fax or email. Arctic Power's website includes a convenient and quick way for people to contact their senators and congressman. The system is set up and ready. Let's use it to keep this issue alive in the House. Arctic Power's website is www.anwr.org. Check out RDC online at: www.akrdc.org.

Here's how the Senate voted on Senator Barbara Boxer's amendment stripping ANWR from the budget bill. The final tally was 52 for pulling the ANWR language and 48 opposed.

Akaka (D-HI) NO	Dorgan (D-ND) YES
Alexander (R-TN) NO	Durbin (D-IL) YES
Allard (R-CO) NO	Edwards (D-NC) YES
Allen (R-VA) NO	Ensign (R-NV) NO
Baucus (D-MT) YES	Enzi (R-WY) NO
Bayh (D-IN) YES	Feingold (D-WI) YES
Bennett (R-UT) NO	Feinstein (D-CA) YES
Biden (D-DE) YES	Fitzgerald (R-IL) YES
Bingaman (D-NM) YES	Frist (R-TN) NO
Bond (R-MO) NO	Graham (D-FL) YES
Boxer (D-CA) YES	Graham (R-SC) NO
Breaux (D-LA) NO	Grassley (R-IA) NO
Brownback (R-KS) NO	Gregg (R-NH) NO
Bunning (R-KY) NO	Hagel (R-NE) NO
Burns (R-MT) NO	Harkin (D-IA) YES
Byrd (D-WV) YES	Hatch (R-UT) NO
Campbell (R-CO) NO	Hollings (D-SC) YES
Cantwell (D-WA) YES	Hutchison (R-TX) NO
Carper (D-DE) YES	Inhofe (R-OK) NO
Chafee (R-RI) YES	Inouye (D-HI) NO
Chambliss (R-GA) NO	Jeffords (I-VT) YES
Clinton (D-NY) YES	Johnson (D-SD) YES
Cochran (R-MS) NO	Kennedy (D-MA) YES
Coleman (R-MN) YES	Kerry (D-MA) YES
Collins (R-ME) YES	Kohl (D-WI) YES
Conrad (D-ND) YES	Kyl (R-AZ) NO
Cornyn (R-TX) NO	Landrieu (D-LA) NO
Corzine (D-NJ) YES	Lautenberg (D-NJ) YES
Craig (R-ID) NO	Leahy (D-VT) YES
Crapo (R-ID) NO	Levin (D-MI) YES
Daschle (D-SD) YES	Lieberman (D-CT) YES
Dayton (D-MN) YES	Lincoln (D-AR) YES
DeWine (R-OH) YES	Lott (R-MS) NO
Dodd (D-CT) YES	Lugar (R-IN) NO
Dole (R-NC) NO	McCain (R-AZ) YES
Domenici (R-NM) NO	

(Continued to Page 6)

UNRAVELING THE STELLER SEA LION MYSTERY



(Continued from page 1)

abundant) to the Gulf of Alaska and Aleutian Islands (where populations declines have occurred). The researchers have undertaken a combination of field, captive, and lab studies to explore the effects killer whales, fishing, environmental changes, and shifts in diet have on Steller sea lions.

Field Research

Each year, Consortium students and researchers collect data on such things as diet,

hormones, behavior and foraging habits in order to learn more about the Steller sea lion decline. One of their studies found a relationship between rates of population decline and amounts of fish consumed. Individuals from declining populations appear to have needed to consume more fish than sea lions in the increasing populations due to differences in the caloric content of their diets.

Another study found that mature sea lions from a declining population went on shorter feeding trips and captured prey faster than a simi-

lar group of females from an increasing population. Both studies point to a possible relationship between the decline of sea lions and the availability of large amounts of low-energy pollock in regions where the sea lions declined.

Captive Research

Most of the captive research performed by Consortium scientists is undertaken through the University of British Columbia at the Vancouver Aquarium Marine Science

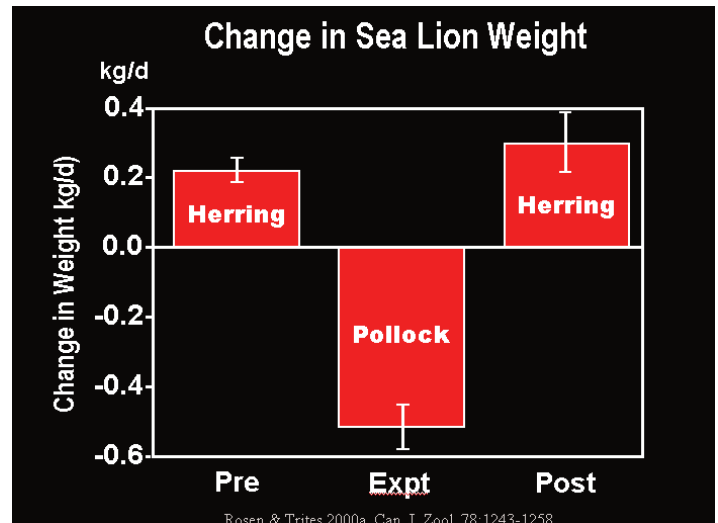
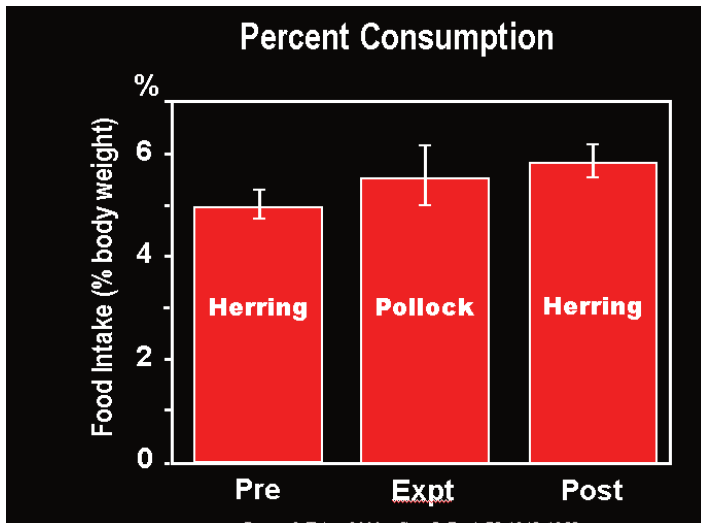
Center. The Consortium was the first to study Steller sea lions in captivity and sent three of their animals to the Alaska Sea Life Center.

One of the most interesting studies to date concerns the effect of pollock on Steller sea lion body mass. The researchers switched the sea lion diets from herring to pollock and measured changes in body mass and the amount of energy the animals obtained from their food.

The researchers found that the sea lions lost about 0.5 kg per day over a two to three week period while they were on the pollock diet. However, they gained 0.2-0.3 kg when they ate herring. It appears that sea lions need to eat 35-80% more pollock than herring to obtain the same number of calories. Such a quantity may be physically impossible for a young sea lion to consume and may contribute to a higher mortality of juveniles in the area of population decline. The captive studies also suggest that there may be negative health consequences for sea lions that consume primarily pollock.

Lab Studies

When researchers begin to integrate studies, the results can be even more telling. For instance, fishery stock assessments and ecosystem models indicate that the dominant prey species in the Gulf of Alaska and Bering Sea shifted in the late 1970s from fatty fish such as herring and sand-lance to leaner species such as pollock and flatfish. This shift was also noted in the diets of sea lions and appears to be linked to changes in cli-



Diets of six captive Steller sea lions (ages 0.9-4.5 years) were switched from herring (pre-experiment), to pollock (experiment), and back to herring (post-experiment). All sea lions gained mass while eating herring. However, eating only pollock for short periods (11-23 days) caused the animals to lose an average of 6.5% of their initial body mass (0.6 kg per day) over an average feeding trial of 16 days (initial mass averaged 125 kg). The animals were allowed to eat as much pollock as they wanted but did not increase their food intake to compensate for the low energy they were receiving.

mate and oceanography called regime shifts.

Another factor that might be involved in the lack of recovery of the Steller sea lion is predation by killer whales. The marine mammal eating type of killer whales (called transients) can consume substantial numbers of Steller sea lions. Some researchers believe that small number of killer whales could be having a significant impact on sea lions. Consortium researchers are therefore working to determine how many killer whales are in Alaska and how many of them consume Steller sea lions.

Why Did They Decline?

There does not appear to be any single cause for the sea lion decline. Many factors appear to have contributed to their demise. Consortium researchers have made major inroads into unraveling this complex puzzle and have brought a significant body of peer-reviewed scientific data to the table for resource managers to use. Much of the Consortium's research is novel and groundbreaking, and has provided fresh insight into what has really happened to sea lions in Alaska.

Results from the research being undertaken by Consortium scientists have implications for the economic health of coastal communities throughout Alaska. Sound fishing regulations must be based on sound scientific advice. Consortium scientists are striving to complete their research and make their findings known and available to decision makers as quickly as possible.

The Consortium's research program has opened many peoples' eyes to the complexity of the changes occurring in Alaska's marine ecosystems. Every two to three

weeks, they send a brief e-mail to over 1400 people about recent discoveries. If you would like to stay abreast of what is happening, you are encouraged to visit the Consortium's website and enter your e-mail address on their home page (www.marinemammal.org).

For more information on the research being conducted by the Consortium, please contact Dr. Andrew Trites at consortium@zoology.ubc.ca

Bobi Rinehart is Executive Director, North Pacific Marine Science Foundation. She can be reached at www.npmsf.org.

AMEREF Training Sessions For Educators Set, Golf Tournament June 11th

The Alaska Mineral and Energy Resource Education Fund (AMEREF), a partnership between the State of Alaska Department of Education and private industry provides Alaska students with the required resource background necessary to make informed and objective decisions concerning the management and development of Alaska's natural resources. The curriculum is structured to assist students in meeting current state education standards. RDC administers the AMEREF program with the support of private donations.

Coal Classic

The Coal Classic Golf Tournament is set for June 11 at 7 a.m. at the Anchorage Golf Course. All proceeds benefit AMEREF. Please contact staff to sign up or donate goodie bag items.



AMEREF Coordinator Jason Brune briefs Alaskan teachers on the engineering marvels and economic benefits of the Trans-Alaska pipeline during a recent training session in Delta. In the background is the TAPS suspension bridge over the Tanana River.

Rasmuson Foundation

AMEREF recently received a \$7,500 matching grant from the Rasmuson Foundation. In other words, for every dollar that is donated to AMEREF up to \$7,500, the Rasmuson Foundation will match it. Donate online at www.ameref.org.

Training Sessions

Teacher training sessions are held regularly throughout Alaska. These sessions are free to anyone that is interested and college credit is available for teachers wishing to maintain their certification. Upcoming sessions will be held in Fairbanks on April 4-5, Anchorage on April 18-19, Dillingham April 25-26, and Skagway May 2-3. If you know a teacher that would like to receive a kit or participate in these training sessions, please contact us at (907) 276-0700.

WETLANDS REGULATORY REVISIONS COULD BE FAR-REACHING IN ALASKA

The U.S. Corps of Engineers and the Environmental Protection Agency (EPA) have issued an Advanced Notice of Proposed Rulemaking (ANPR) to obtain public comment on wetlands eligible for federal protection after a U.S. Supreme Court decision in 2001 left federal regulatory jurisdiction over some wetlands in question.

The goal of regulators is to develop proposed regulations that will clarify what wetlands and waters are subject to Clean Water Act (CWA) jurisdiction. The ANPR is a direct result of the Court's decision which eliminated the act's oversight over isolated wetlands that are intrastate and non-navigable, and where the sole basis for asserting jurisdiction is the actual or potential use of the wetlands by migrating birds.

The ANPR is the beginning of a process to ensure that regulations are consistent with the Court decision. Specific information is being sought as to the extent of resource impacts to isolated, intrastate, non-navigable waters. The Corps and EPA are also seeking information on the functions and values of wetlands and other waters that may be affected by the issues discussed in the ANPR. The agencies are seeking input on what revisions, in light of the Court's decision, might be appropriate to the regulations defining "waters of the United States."

In January 2001, the Supreme Court ruled that the Corps lacked authority to regulate certain isolated intrastate wetlands on the basis that ponds not connected to navigable waters were used as habitat for migrating birds flying across state borders. The issue developed after Solid Waste Agency of Northern Cook County (SWANCC), a consortium of suburban Chicago municipalities, pur-



Since the number of navigable waterways in Alaska is limited, the upcoming rulemaking is significant. RDC encourages its members to monitor and participate in the process.

chased 500 acres of abandoned sand and gravel mines to create a solid waste disposal site.

The Corps initially concluded it lacked jurisdiction over the site, but when it was told that migratory birds had been observed on the property, the agency concluded that the isolated depressions were "navigable waters" because they could be used as habitat for birds flying across state lines. SWANCC challenged the Corps' broad interpretation of its CWA jurisdiction, and in a 5-4 decision, the Supreme Court ruled in favor of the defendant.

The Court concluded that the CWA would not allow the Corps to extend its jurisdiction to isolated wetlands not adjacent to open water on the basis that they provide habitat for migrating birds.

However, several days after the Court ruling, President Clinton, in the final days of his administration, issued an Executive Order requiring federal agencies to develop and implement a memorandum of understanding with the U.S. Fish and Wildlife Service that "promotes conservation of migratory bird popula-

tions." Several days later the EPA and Corps issued a guidance document that took a very narrow reading of the SWANCC decision and directed regulators in the field to exercise CWA jurisdiction to the full extent of their authority, but consistent with Court opinions.

The impact of the SWANCC decision and subsequent regulatory revisions resulting from it could be far-reaching in Alaska, a state with 170 million acres of wetlands subject to Corps jurisdiction. Wetlands some distance away from tributaries of navigable waters, with little to no interaction between such waters, occupy a large portion of the so-called wetlands in Alaska.

The ANPR will be the first step in a two-stage rulemaking process that will define federal jurisdictional determinations in light of the SWANCC decision. Since the number of navigable waterways in Alaska is limited, the upcoming rulemaking is significant. RDC encourages its members to monitor and participate in the process.

U.S. Senate ANWR Vote

(Continued from Page 3)

McConnell (R-KY) NO
Mikulski (D-MD) YES
Miller (D-GA) NO

Murkowski (R-AK) NO
Murray (D-WA) YES
Nelson (D-FL) YES
Nelson (D-NE) YES
Nickles (R-OK) NO
Pryor (D-AR) YES
Reed (D-RI) YES
Reid (D-NV) YES
Roberts (R-KS) NO

Rockefeller (D-WV) YES
Santorum (R-PA) NO
Sarbanes (D-MD) YES
Schumer (D-NY) YES
Sessions (R-AL) NO
Shelby (R-AL) NO
Smith (R-OR) YES
Snowe (R-ME) YES
Specter (R-PA) NO

Stabenow (D-MI) YES
Stevens (R-AK) NO
Sununu (R-NH) NO
Talent (R-MO) NO
Thomas (R-WY) NO
Voinovich (R-OH) NO
Warner (R-VA) NO
Wyden (D-OR) YES

At a February public hearing in Anchorage, RDC urged the Bureau of Land Management to open 8.8 million acres of the north-west area of the National Petroleum Reserve Alaska (NPR-A) to oil and gas leasing.

Endorsing the full leasing alternative outlined in a draft environmental impact statement, Tadd Owens, RDC Executive Director, said "the history of the reserve, the oil and gas industry's track record on the North Slope and the technological advances of the past decade all support full leasing."

Created in 1923 by President Harding, the petroleum reserve has been specifically designated by Congress for energy production. NPR-A has a history of lease sales, exploration and drilling activity.

"Three decades of oil and gas activity in the Arctic clearly demonstrates that industry has the capability to operate throughout Alaska's North Slope while maintaining the highest standards of safety and environmental sensitivity," Owens said. "New advances in technol-

RDC URGES BLM TO OPEN NORTHWESTERN NPR-A

ogy have greatly reduced industry's footprint, allowing for greater consolidation of facilities and the preservation of more acreage within the oil fields for wildlife habitat."



The Alpine oil field in the Colville River Delta on the North Slope sits just east of the National Petroleum Reserve-Alaska.

Owens noted that the Central Arctic caribou herd, whose summer range includes the Prudhoe Bay oil field, has grown from 5,000 animals in 1974 to 32,000 animals today.

The RDC director also

said that talk of advanced technology and small development footprints is no longer a theoretical exercise. For a tangible example, he pointed to Alpine,

ConocoPhillips' most recent development located just east of the petroleum reserve. Alpine has a surface impact of a mere 80 acres on a 40,000-acre field.

Environmental groups testifying at February hearings

in Anchorage and Fairbanks opposed the full-leasing alternative, supporting other alternatives in the draft EIS that would close some highly prospective areas along the coast to development. Owens warned that eliminating any acreage in highly prospective areas would be a big mistake. Instead, he said environmental concerns can be addressed during the permitting process through balanced and reasonable permit stipulations.

All of the producing fields on the North Slope are located within 25 miles of the coast, as well as all pending developments. If sensitive habitat areas had been removed from leasing in the central coastal North Slope area several decades ago, the discovery of Prudhoe Bay and Kuparuk would have been jeopardized.

RDC pointed out that the discovery of new fields is not only important to the enhancement of the nation's energy security, it is also important to the future health of the state and local economies. RDC's comments are available online at www.akrdc.org.

ALPINE SATELLITE DEVELOPMENT PLAN ADVANCED BY CONOCOPHILLIPS

The Bureau of Land Management (BLM) and the State of Alaska are preparing the Alpine Satellite Development Plan environmental impact statement (EIS) to examine potential oil and gas development of leases in the Colville Delta and eastern National Petroleum Reserve-Alaska (NPR-A).

BLM has initiated the scoping period and is asking the public to help identify the key issues for the project. Comments received during the scoping process will help determine what issues and alternatives will be examined in the EIS. After scoping, BLM will analyze the comments and publish a draft EIS this fall for public review. A final EIS will be released in spring 2004.

At a public hearing in early March, RDC supported a development plan advanced by ConocoPhillips. The plan includes five prospective satellite oil fields, including the first potential commercial oil production from the NPR-A. ConocoPhillips could begin production from the Alpine

Satellites in the summer of 2006, but the company will not make a definite decision to go ahead with the project until the EIS has been completed and permits are in hand.

Each development on Alaska's North Slope is required by law to meet rigorous environmental standards set by multiple state and federal agencies. The industry has proven by working with regulators it can operate safely in sensitive habitat areas in a manner that protects the environment.

The ConocoPhillips project would provide new revenues for the state, local and federal governments and additional jobs for Alaskans. Revenues derived from oil production are critical in sustaining local services and infrastructure ranging from water and sewer systems to schools and health care facilities.

Development of these resources would help offset the decline in North Slope oil production and allow Alaska to continue to play a key role in providing energy resources for the nation.

ALASKA EXPORTS GROW FOUR PERCENT IN 2002 TO \$2.5 BILLION

BY GREG WOLF
EXECUTIVE DIRECTOR, WORLD TRADE CENTER ALASKA



“This ability to grow exports during less than ideal times bodes well for how the state’s exporters will perform once major economies return to growth trajectories and the shadow of war is behind us.”

In spite of weak global economic conditions, war in Afghanistan, concerns about terrorism, and the prospect of military action to force a regime change in Iraq, Alaska’s export industries turned in a solid year of growth in 2002.

For the full-year ending in December, Alaska’s overall worldwide exports grew a respectable four percent over the previous year to reach \$2.5 billion. This ability to grow exports during less than ideal times bodes well for how the state’s exporters will perform once major economies return to growth trajectories and the shadow of war is behind us.

At \$1.1 billion, Japan was the state’s largest export market in 2002 accounting for 43% of Alaska’s total exports. The State’s long standing second and third largest markets, Korea and Canada, maintained their positions during the year as well. Exports to Korea totaled \$416 million and shipments to Canada reached \$154 million. China ranked fourth at \$147 million, representing an impressive 44% increase over the previous year.

Seafood was the state’s top export commodity, accounting for 53% of total exports. Minerals, consisting mainly of zinc and lead, ranked second followed by petroleum products (non-crude), fertilizers and wood products. Seafood exports grew 12% over the previous year to total \$1.3 billion while miner-

als sales rose more than 15% to \$380 million, marking the second consecutive year of growth.

Japan, Korea and Canada have been mainstay markets for Alaska’s exports for as long as most can remember. In recent years, China and Germany have moved up to find their place among our top five export destinations. What may come as a surprise to many, however, is the list of other countries that round out the State’s “top ten” export markets.

In 2002, the Netherlands was the state’s sixth largest overseas market. Exports, consisting mainly of seafood

were Belgium and Switzerland. Belgium has for many years been an important buyer of zinc and lead exports from Alaska. Of the \$50 million total exports to Belgium last year, zinc and lead accounted for \$41 million. In the case of Switzerland, shipments of precious metals, gold and platinum, enabled this small country to rank tenth among the state’s export markets.

It is noteworthy that five European countries now rank in the top ten. While



Atlantic ground fish harvests. This had led to greatly increased purchases of Alaska pollock and cod.

Diversification is important for Alaska’s export industries. A more geographically diversified customer base will help to cushion companies from a decline in business due to economic problems that may beset a particular region, such as the 1997-98 Asian economic crisis.

At World Trade Center Alaska, we help Alaska firms to identify and pursue international trade and investment opportunities. One key area of focus is finding new markets for Alaska’s export of commodities, products and services. Taking a top down approach, we identify the market, the industry and then the specific business opportunity.

This process leads us to discover niche markets that hold attractive potential for Alaska companies. Recently, for example, we uncovered an exciting opportunity to sell Alaska seafood products to the high-end hotel and restaurant sector in Singapore. Other non-traditional markets are currently being researched and we expect to identify some interesting niche opportunities in the months ahead.



(frozen filets of Alaska pollock and cod) and minerals, totaled \$83 million. Spain ranked seventh last year with minerals and seafood (pollock and cod) making up the bulk of their purchases. Mexico imported significant quantities of fertilizers from the Agrium plant in Nikiski, as well as minerals, to rank eighth.

Rounding out the top ten

Asian nations account for close to 70% of the State’s total exports, there is growing interest by Alaska exporters in diversifying their customer base. Part of this interest stems from the decade long recession in Japan that has forced some companies to seek growth in other markets. Also, the rise of European business can be attributed to the decline of

FOREST SERVICE MAKES RIGHT CALL ON TONGASS

Citing facts and figures that show the Tongass National Forest is one of the most protected forests in America and that all but a small fraction is closed to logging, the Forest Service last month recommended against expanding Wilderness designations in the Southeast Alaska forest.

Even without the new designations, the Forest Service emphasized that the wild character of Tongass will remain intact with more federal Wilderness than any other national forest — nearly six million acres. While the decision was unpopular with environmentalists, Regional Forester Denny Bschor said it keeps more than 90 percent of the 17-million acre forest, an area twice the size of Maryland, in a wildland status.

“Since private land is very scarce in Southeast Alaska, communities need the opportunity to use national forest lands to develop basic public infrastructure such as power lines, water supplies and transportation systems,” said Bschor. “The Record of Decision provides that opportunity.”

New Wilderness designations would have further stressed the region’s declining economy and hindered access to the forest for future generations, potentially blocking construction of proposed power grids, roads and other infrastructure linking Southeast Alaska communities and supporting tourism and recreation.

“The Forest Service decision is good news for the

Southeast Alaska economy and those who desire reasonable access opportunities to the forest,” said Tadd Owens, RDC Executive Director.

The forest products industry has warned that expansion of Wilderness areas would lead to the elimination of timber harvest units, spelling the end to an industry that only twelve years ago accounted for one-third of Southeast Alaska’s economy.

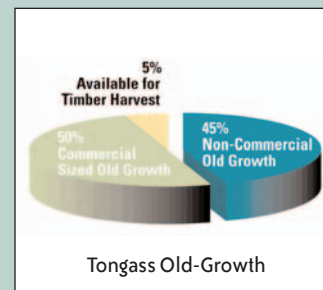
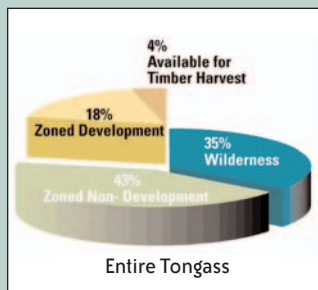
“The Forest Service decision represents a welcomed change in the direction of federal land policy,” said Owens.

“Increasingly-restrictive land management regimes have steadily eroded the land base available for timber harvesting and other multiple use activities, undercutting economic stability in Southeast Alaska.”

RDC has encouraged the Forest Service to move forward in restoring a balance between multiple use activities and non-development preservation in the Tongass. It should immediately announce its plans for 2003 and 2004 timber sales. These sales are already on the ledger and they will occur in the small fraction of the forest reserved for logging. Industry needs time to plan and budget for this work. The Forest Service should also release the scientific work and studies the agency has conducted in accordance with the 1997 Tongass Plan.

“Those who demand more Wilderness designations apparently are not satisfied with the fact that Alaska’s 58 million acres of federal

Tongass Almanac



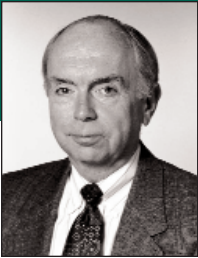
- 16.8 million acres: The size of the Tongass
- 9.5 million acres: The forested area of the Tongass
- 5 million acres: Old growth, commercial-sized trees
- 4.5 million acres: Old-growth forest closed to logging
- 93%: Forested lands closed to logging under current plan
- 5.8 million acres: Existing designated Wilderness
- 400,000 acres: Portion of the forest logged up to now
- 676,000 acres: Area set aside for logging in current plan
- 267 million board feet: Annual harvest ceiling under current forest plan. Actual harvest has averaged 150 million board feet per year. Annual harvest level originally set by ANILCA was 450 million board feet.
- 3%: The portion of the Tongass roadless areas open to timber harvesting over the next 200 years
- 4,600: Jobs lost in Southeast Alaska in the 1990s following closure of timber industry facilities
- \$100 million: Annual payroll lost in the forest products sector of Southeast Alaska since 1990
- 33%: The portion of Southeast Alaska’s economy historically related to the forest products industry
- The Tongass is larger than 10 states. It is about the same size as West Virginia and nearly as large as Maine and South Carolina

Wilderness accounts for 56 percent of the nation’s total,” said Owens. “To put Alaska’s federal Wilderness areas into perspective, together they are larger than the combined size of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware and Maryland.”

While rejecting additional Wilderness designations for the Tongass, Regional Forester Bschor announced that his agency would submit to Congress a Wilderness recommendation for the Nellie Juan/College Fjord area of the Chugach National Forest. The 1.4 million acre

designation will be the first Wilderness recommendation sent to Congress by any administration since 1984.

Environmentalists, however, were unhappy with that proposal, too, demanding a much larger area fall under Wilderness designation, even though most of the forest will continue to be managed by prescriptions that maintain the wild character of the land and prohibit development. Moreover, the new plan for the Chugach, unlike the Tongass, does not include an Allowable Sale Quantity (ASQ) for timber, meaning that no commercial timber harvests will be scheduled.



**“SAVING”
THE
TONGASS:
STEVENS
SETS THE
RECORD
STRAIGHT**

After ten years of planning and \$1.3 million in taxpayer revenues, the Tongass Land Management Plan was completed. Senator Ted Stevens vigorously opposed the plan when it was released because it contained further reductions in the timber harvest. Yet today Senator Stevens finds himself defending that plan, which environmentalists supported. He supports the plan today because those same environmentalists and their friends in the previous administration have done extensive damage to Alaska’s timber industry since 1997. As a result, the six-year old plan today looks good compared to the additional restrictions that have since driven most loggers out of the forest.

The 1997 Tongass plan reduced the allowable sale quantity (ASQ) for the forest to 267 million board feet, down from an annual 1.38 billion board feet between 1947 and 1979 and 450 million board feet under levels approved by ANILCA in 1980. The 1997 plan provides access to only 676,000 acres of the 17 million acre forest. Furthermore, it set 100 to 120 year harvest rotations cycles in the forest.

The Tongass is the only national forest in Alaska in which commercial timber harvesting is allowed. The 5.5 million acre Chugach National Forest is now under a forest management plan which has reduced the annual harvest level to zero.

Yet many national environmental groups and the media still frame the Tongass debate in the context of “saving” the forest. The terms of the 1997 plan run in direct conflict with such an argument, the plan set aside 93 percent of all

forested areas from development and logging. This fact played a big role in the Forest Service’s recent decision not to designate new Wilderness areas in the Tongass. Yet the federal agency was highly criticized by non-development interests for not moving forward with additional land withdrawals in what is one of America’s most protected forests.

The forest products industry in the Tongass once supported 4,000 jobs, but today nearly two-thirds of those jobs have disappeared. Decreased timber supply, through ever-changing land management regimes and frivolous lawsuits, has led to the closure of all of our pulp mills, as well as several important saw mills. With the closure of these facilities went

some of the best, year-round, high-paying jobs in Southeast Alaska.

In recent testimony on the Senate floor, Senator Stevens pointed out that the changing federal policies applied to the Tongass not only resulted in the loss of thousands of jobs, they also cost the government tax revenues and pending settlement penalties. The government may soon have to pay the Alaska Pulp Corporation (APC) \$750 million for the Clinton administration’s illegal cancellation of the timber contracts in the Tongass. Cancellation of the contracts played a big role in the demise of APC’s Sitka mill. Stevens was right to point out that this money should have been paid to Alaska workers and local communities had the mill stayed open in a more hospitable political environment.

To give his fellow Senators some perspective, Stevens noted that the harvest level in the Tongass was only 48 million board feet in 2001. That harvest level comes from a 17 million acre national forest that supports 850 timber jobs. In comparison, Arkansas has 19 million acres of forest land, eight percent of which is national forest, and 43,000 timber jobs. Pennsylvania has 17 million acres of forest, two percent of which is in a national forest, and 82,000 timber jobs. New York has 19 million acres of forest land, 0.4 percent of which is in national forest, and 51,000 timber jobs.

Last year New York harvested nearly 900 million board feet of its timber. In the same year, Alaska, with its 22 million acres of national forests, harvested 34 million board feet. These facts clearly show the disparity between how forested lands are administered in other states and in Alaska.

Alaska has protected more land than the other 49 states combined. ANILCA struck a balance between protecting and preserving Alaska’s wild places and providing economic opportunities to the state and its people. Yet federal actions over the past 20 years have steadily withdrawn more land across the state from multiple use opportunities — the Tongass being a prime example.

Alaska has always depended on its natural resources to sustain its economy. With less than one percent of the state in conventional private ownership, it is imperative that Washington allow Alaskans to develop some of its resources beneath the 235 million acres of federal lands in

(Continued to Page 11)

“The health of our economy depends on responsible development. It’s disappointing that Senator Stevens’ peers from New York and other states are so hesitant to grant Alaskans the same development opportunities they have secured for their states and local economies.”

Donlin Creek Prospect

Mining giant Placer Dome has exercised an option to acquire a 70 percent stake in the Donlin Creek gold prospect from NovaGold, a junior mining company. Placer Dome currently has a 30 percent stake in Donlin Creek with NovaGold having the rest.

Under a new agreement, Placer Dome will invest \$30 million into the project to conduct a feasibility study and commit to transforming the gold prospect into a producing mine by 2007. The massive deposit contains at least 28 million ounces of gold. A minimum of 600,000 ounces each year will likely be produced with potential annual production peaking at more than 1 million ounces.

Federal and state permitting, as well as power generation at the isolated site are major obstacles for developers to overcome.

Calista Corporation and the Kuskokwin Corporation own the mineral rights and land at Donlin Creek.

New Wilderness Opposed

RDC, Governor Frank Murkowski and Alaska's Congressional delegation believe there's enough federal Wilderness in Alaska and all have urged the U.S. Interior Department to prohibit new Wilderness reviews in the 49th state.

RDC NEWS DIGEST



Marie Greene, President of NANA Regional Corporation, addresses the Arctic Economic Development Summit in Kotzebue. The summit addressed critical economic and social issues facing the Northwest Arctic and North Slope boroughs.

"The governor is concerned about the idea that the Department of Interior would create more Wilderness up here," said spokesman John Manley. "Congress set aside all this Wilderness, all these national parks and preserves, and we think that we ought to just stop there."

About 58 million acres of Alaska — an area larger than Minnesota — is designated Wilderness under the Alaska National Interest Lands Conservation Act (ANILCA). The "no more" provisions of ANILCA section 1326 prohibit studies and actions by federal agencies that lead to new Wilderness units in Alaska. Through Section 1326, Congress asserted in the law that it had established a balance between conservation and development on federal lands in Alaska.

Murkowski, the Congressional delegation and RDC have asked Interior Secretary Gale Norton to consider reimplementing the long-standing policy of her department to follow the letter and spirit of ANILCA's no more Wilderness review provisions. This policy was in effect from the time ANILCA passed in 1980 until it was rescinded by a last minute action of former Interior Secretary Bruce Babbitt at the end of the Clinton administration.

Red Dog Appeal

The U.S. Supreme Court has agreed to review a dispute between the Alaska Department of Environmental Conservation (ADEC) and the U.S. Environmental Protection Agency (EPA) over issuance of an air quality

permit for Red Dog Mine.

Ten other states have supported Alaska's petition to the Supreme Court. At issue are a state's rights to manage its air quality program and EPA's overruling authority.

The dispute arose three years ago when EPA disagreed with a permit proposed by ADEC specifying pollution control technology for the Red Dog Mine. After prolonged negotiations, EPA and ADEC reached an impasse, and EPA ordered ADEC not to issue the proposed permit. Believing that EPA had exceeded its authority in vetoing the state permit, ADEC elevated the dispute to the federal courts.

Last summer the Ninth Circuit Court of Appeals upheld EPA's actions. The state disagreed with the Court's analysis and conclusions, and requested the U.S. Supreme Court review the case.

Pogo EIS Available

The EPA has released a Draft Environmental Impact Statement (DEIS) for the Teck-Pogo proposed Pogo Gold Mine project near Delta Junction. The public will have until May 13 to comment on the project.

Send comments to: Hanh Gold, EPA, 1200 Sixth Avenue, OW-130, Seattle, WA 98101. Fax: 206-553-0165. The DEIS is available on the web at: www.pogomineis.com. Email is also an option at: gold.handh@epa.gov.

President's Message... (Continued from Page 10)

the 49th state.

In the Tongass and ANWR, Alaskans are working hard to convince federal land managers to allow for the responsible development of valuable resources — in only a small portion of both conservation units. The health of our economy depends on such development. However, it's disappointing that

Senator Stevens' peers from New York and other states are so hesitant to grant Alaskans the same development opportunities they have secured for their states and local economies. The facts show that Alaska has conserved its public lands and resources better than any other state, yet we remain the poster child of anti-development campaigns.

Thank you Senator Stevens for setting the record straight and standing up for Alaska.

There's **strength** in numbers

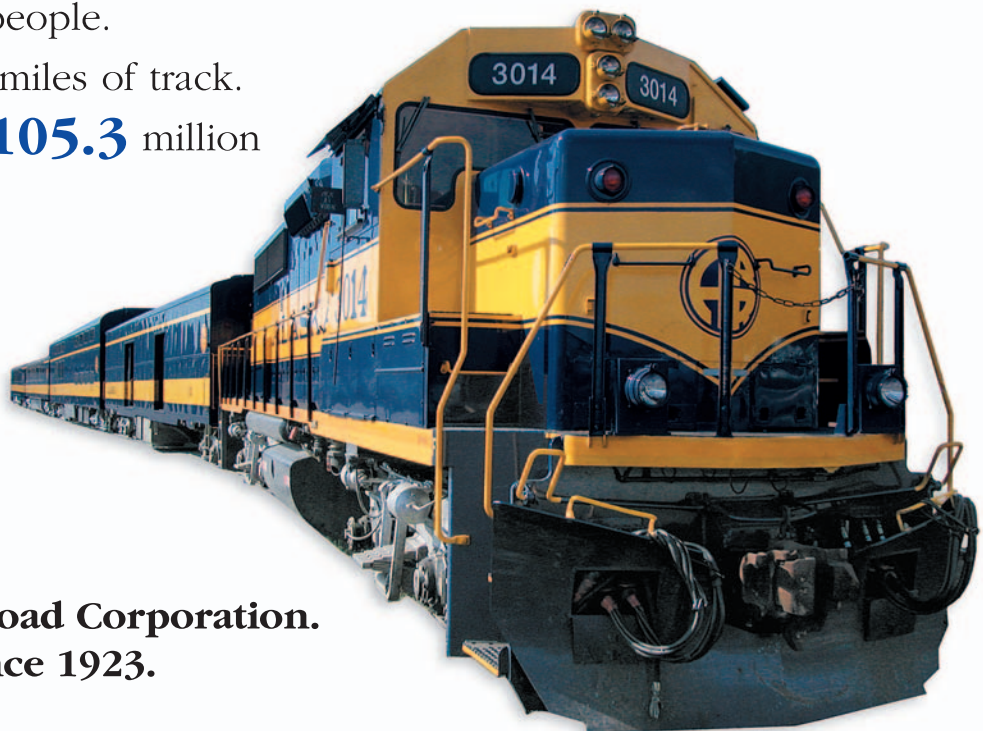
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