



RDC's ANNUAL CONFERENCE:

IS ALASKA A GOOD PLACE TO INVEST?



Alaska needs to attract a massive infusion of industry investment over the next ten years to prevent a sharp drop in North Slope oil production. Above is the Central Processing Facility at Kuparuk, the nation's second largest oil field. (ConocoPhillips Photo)

Alaska needs to attract a massive infusion of industry investments over the next ten years to prevent a sharp drop in North Slope oil production, warned the President of the Alaska Oil and Gas Association (AOGA).

Chuck Pierce, who also heads Unocal's operations in Alaska, said Alaska needs a stable fiscal policy, additional regulatory reform and other incentives to encourage oil companies to invest in a state that is "not well positioned" to compete globally for capital investment.

Speaking before several hundred business and industry leaders at RDC's recent 25th annual conference in Anchorage, Pierce noted Alaska ranks near the bottom

of oil-producing provinces worldwide in terms of profitability, making it a tough sell in board rooms from Houston to London for new investment.

AOGA estimates up to \$30 billion will be needed to sustain current operations on the North Slope. However, oil production from those operations are declining. AOGA says another \$30 billion may be required in new exploration to keep North Slope production between 850,000 and 1 million barrels per day.

Without the new investment, the Alaska Department of Revenue estimates North Slope production could drop from its current level of nearly 1 million barrels per day to less than 200,000 barrels by 2015.

To get to the high level of

spending necessary to sustain production at current levels for the next ten years, the industry will need to double its current rate of investment every year until 2008, Pierce said.

The State agrees major new investments will be needed to sustain current production, but believes the figure is lower than what industry has projected. AOGA contends its forecast is closer to the mark in the real world of Alaska's North Slope, but noted it is only a forecast.

Alaska production has dropped by more than half in the last 20 years, but many infrastructure costs are fixed and remain high.

"We're not going to cut our way to the goal line

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here," Pierce emphasized. "The fixed costs are too high...we need more new discoveries - three or four more Alpines to keep us in the game. That's why it's so important we focus on new investment now. We need to get that ball rolling and keep it rolling."

The AOGA President noted the elephant-sized Prudhoe Bay and Kuparuk oil fields will play a smaller role in future North Slope production, putting more reliance on new smaller fields which carry higher investment risks.

Not increasing the tax burden on the oil industry in Alaska is also a key element in attracting investment, Pierce said. The industry already accounts for 83 percent of the state's general fund revenues.

According to a 2002 study by Wood MacKenzie, an international petroleum consult-

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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.



ALASKA'S OIL PATCH IN 2005

Higher than expected oil prices have the State of Alaska looking at a budget surplus for the next fiscal year, but companies in Alaska's oil patch continue to face high costs, the threat of new taxes and global competition for capital dollars.

Industry leaders have repeatedly called on policy makers, regulators and other partners to focus on lowering the costs of production in Alaska.

Without progress on costs, Alaska may lose investment dollars to other less expensive regions around the world. The threat of decreased investment comes at a time when both the industry and the state have projected that billions of dollars in new investments will be needed over the next 10 years simply to keep North Slope production flat.

Nevertheless, activity in both Cook Inlet and the North Slope is expected to be strong in 2005. UNOCAL, Marathon, XTO Energy and Forest Oil all continue to invest in production activities throughout the Cook Inlet basin. New pipeline infrastructure is also being developed in the region.

Independent companies including Pelican Hill and Aurora Power Resources are actively looking for Cook Inlet exploration opportunities. ConocoPhillips announced plans to shoot 3-D seismic at the Cosmopolitan unit in 2005. Firms active in the region also continue to discuss the possibility of bringing a jack-up rig to Cook Inlet for exploratory drilling.

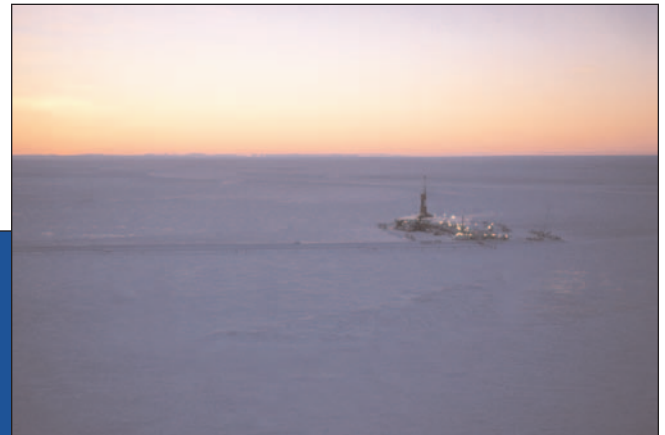
On the North Slope BP, ConocoPhillips and ExxonMobil plan to spend well over a billion dollars on their current operations in 2005. The three major producers have committed to developing their heavy oil assets, with impressive technological advances, such as multi-lateral directional drilling, beginning to show very positive results.

Meanwhile, ConocoPhillips, Pioneer Natural Resources, KerrMcGee and Armstrong all plan to drill exploration wells this season. Recent studies, conducted by the Alaska Department of Natural Resources and the U.S. Department of Energy, indicate the tundra travel season can be extended by several weeks – effectively expanding the exploration season – without an increased impact to the environment.

The three major producers are working with the State of Alaska to commercialize the North Slope's vast reserves of

natural gas. The state is also actively negotiating with pipeline company TransCanada. Enbridge, another pipeline company, has filed an application with the state under the Stranded Gas Act, and the Alaska Natural Gas Development Authority remains active in analyzing the prospects of an all-Alaska liquefied natural gas project.

Negotiations between the state and the producer group, TransCanada or another entity may lead to a contract under



“While there are significant challenges on the horizon, 2005 promises to be a big year for the oil and gas industry in Alaska — spending on both exploration and development projects will be strong and significant progress on both North Slope gas and ANWR is a real possibility. However, Alaskan businesses and policy makers must remain focused on encouraging new investment — how successful we are in the global competition for capital dollars will define the future of Alaska's oil patch.”

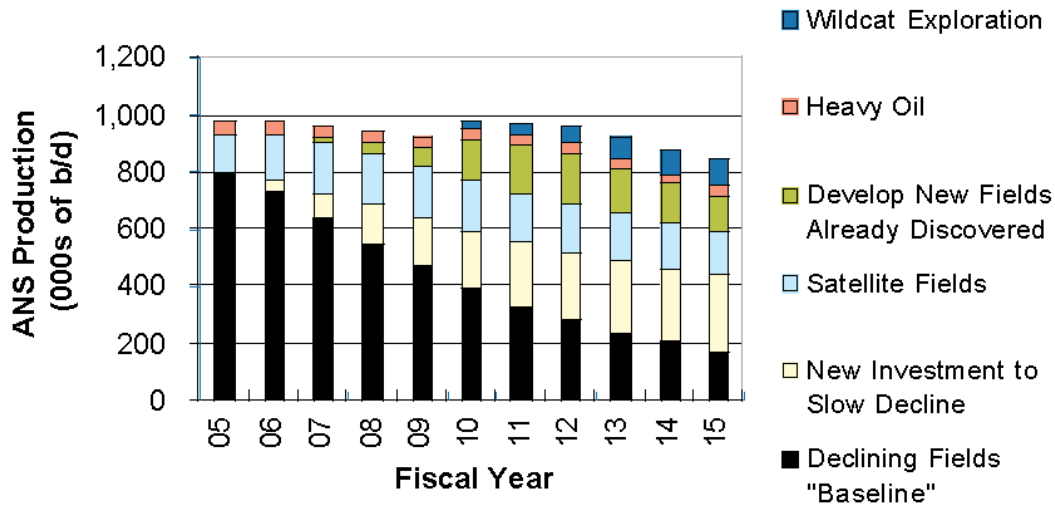
the Stranded Gas Act being sent to the Legislature for approval this coming session. Estimated dates for first commercial gas production range from 2012 to 2015.

Finally, the Bush administration and Alaska's congressional delegation plan to make another run at opening the 1002 area of the Arctic National Wildlife Refuge to oil and gas exploration. Results from the last election may have created a promising opportunity for ANWR in the next Congress, but it is by no means a foregone conclusion. Arctic Power and its allies are preparing for another tough battle on Capitol Hill.

While there are significant challenges on the horizon, 2005 promises to be a big year for the oil and gas industry in Alaska — spending on both exploration and development projects will be strong and significant progress

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CONTRIBUTIONS OF DIFFERENT KINDS OF INVESTMENTS IN OIL AND GAS DEVELOPMENT



Source: DOR Spring 2004 Revenue Sources Book, page A5

Wildcat Exploration: NPRA production

Heavy Oil: Milne Point production

Develop New Fields Already Discovered: "Flood" + "Liberty" + "Nanak" + "Known Onshore" + "Known Offshore" production

Satellite Fields: "PBU-Satellite" + KRU-Satellite" production

New Investment to Slow Decline: Difference between Prudhoe/Kuparuk/Endicott/GPMA "baseline" above and DOR's forecasted production from them

Declining Fields "Baseline": "Kuparuk," "Endicott," "GPMA" production declining at 15%/yr starting in mid-2006, plus "Alpine" and "Northstar" production without adjustment from DOR's forecast

Chart: Alaska Oil and Gas Association

BILLIONS OF DOLLARS IN NEW INVESTMENT NEEDED TO KEEP NORTH SLOPE PRODUCTION FROM FALLING SHARPLY

(Continued from page 1)

ing firm, state, federal and municipal taxes take about 64 percent of the revenues derived from each barrel when oil prices are at \$17.77 per barrel – the average ANS price over the past 15 years. At \$40, the total government take in Alaska is 53 percent.

Yet the State and Alaskans benefit from high oil prices. At a million barrels of oil per day, the State's income increases by about \$70 million per year for every \$1 increase in the price of oil. Ten million dollars of that \$70 million goes directly into the Permanent Fund.

Pierce pointed out high oil

prices aren't the answer to attracting the huge capital outlay Alaska needs to sustain oil production since all regions across the globe benefit when prices are high.

To compete for new investment that could go to less risky and more profitable prospects abroad, "we have to stay vigilant on costs; we've got to stay vigilant on taxes and on regulatory reform," warned Pierce. "High oil prices do not let us off the hook."

If industry can sustain current production levels up to 2015 when a gas pipeline may go into operation, the economics of North Slope oil production will improve.

According to industry officials, gas production, which will come from Prudhoe Bay and other existing fields, will help pay expenses of maintaining the fields and the network of shared infrastructure, which will lower costs for oil production.

Angus Walker, BP Exploration Alaska Inc.'s commercial vice president, told RDC conference delegates the combination of gas and oil "could extend the industry into the latter part of this century." He added, "the long-term health of our industry depends on North Slope gas. Similarly, gas production depends on oil."

BP plans to invest \$10

billion in its Alaska operations over the next decade, with \$6 billion earmarked for the company's possible share of financing the gas pipeline.

Walker noted BP's capital budget for 2005 is \$700 million. In addition, the company will spend \$800 million in 2005 to operate and maintain its Alaska properties.

Walker said BP plans to focus its energy on known oil and gas reserves near existing infrastructure. The capital budget will be applied to getting more oil from declining fields, increasing production from "heavy oil" deposits, reducing costs and commercializing North Slope gas.

ConocoPhillips also plans

to invest in heavy oil development, perhaps as much as \$500 million with its partners. The company also intends to continue exploring for new reserves in frontier areas such as the National Petroleum Reserve.

Making his first public presentation in Alaska, new ConocoPhillips Alaska President Jim Bowles said his company would be very active this winter, noting ConocoPhillips would likely drill six exploration wells by December 31, 2004. The company will continue developing smaller satellite fields adjacent to existing fields.

Bowles, Walker and other industry speakers at RDC's conference expressed guarded optimism about the prospects for getting a gas pipeline project underway.

ConocoPhillips' Graham



North Slope oil production has dropped by half in the past 15 years, but many infrastructure costs are fixed and remain high. To compete for new investment that could go to less risky and more profitable prospects abroad, "we have to stay vigilant on costs; we've got to stay vigilant on taxes and on regulatory reform," warned Chuck Pierce, President of the Alaska Oil and Gas Association.

Vanhegan said North Slope producers are working toward having a contract proposal ready for state lawmakers to consider in the

upcoming session.

TransCanada's Tony Palmer noted that if commercial terms are reached with the State this legislative ses-

sion, a pipeline built by his company, utilizing existing regulatory approvals in Canada, could be carrying gas to market by 2012.

STATE PLANS AGGRESSIVE ENERGY AGENDA FOR 2005

Governor Frank Murkowski will ask the Alaska Legislature to approve a 2005 energy agenda that promotes oil and gas exploration around the state and funds efforts to secure a natural gas pipeline agreement.

Included in the request is a \$20 million state roads package that will fund transportation projects which spur oil and gas development, including funding to continue analysis of a road from Prudhoe Bay to Point Thompson.

"As a resource state, it is absolutely imperative that we invest in the infrastructure that will allow us to expand our economic base," Murkowski said. "North Slope oil and gas production pays for virtually everything we do, so much of what we are proposing today is in support of oil and gas activities, whether it is directly on the Slope or not."

The governor said his 2005 energy agenda will build upon progress his administration had made toward opening the Coastal Plain of the Arctic National Wildlife Refuge to development, building a gas pipeline and increasing oil and gas exploration.

The administration will seek legislative approval to extend a 2003 exploration credit proposal to include upcoming oil and gas leases in Bristol Bay. The previous legislation opened an exploration incentive window for four years for oil and gas development that companies could use to reduce their state severance taxes.

The Bristol Bay areawide lease sale is expected for spring 2006, which would not give companies adequate time to take advantage of the incentive program. So the governor will ask the Legislature to open that window of eligibility until 2010 for the Alaska Peninsula lease area.

"The people of Bristol Bay now want oil and gas development in their region, and so do we. This bill will give them an even chance to enjoy the economic benefits that such an incentive program will bring," the governor said. "If we can bring the companies to their region, the jobs will follow."

Governor Murkowski also said he anticipates natural resource companies will see a greater window of arctic exploration following the conclusions of a new study on tundra travel by the U.S. Department of Energy and the Alaska Department of Natural Resources.

The transportation bills include projects that aid construction of a natural gas pipeline to the Lower 48 and increased natural gas development around the state. This request was made to the Legislature in mid-December when the 2005 budget was unveiled. It will be part of a larger and more regionally balanced roads package.

"We want to build roads that lead to jobs, whether the jobs are on the North Slope or downtown Anchorage," Murkowski said.

FROM ANCHORAGE TO THE NORTH SLOPE OIL FIELDS IN TEN SECONDS

By Paul Laird
For BP External Affairs Department

What if you could take an elevator from the middle of Anchorage to the oil fields on Alaska's North Slope ... in less than 10 seconds?

If you operated some of the fields, it could mean reduced operating costs and increased productivity from your workforce.

If you work in the industry providing support functions for oil field operations, it could mean less time commuting back and forth between town and the Slope, less time away from family and constant access to the resources and expertise you need to excel at your job.

And if you're the State of Alaska, it could translate into long-term revenues and increased investments resulting from a lower-cost, more competitive oil and gas business.

Those are some of the ideas behind BP's new Alaska Operations Support Center (OSC) located on the third floor of the company's Midtown Anchorage office building. Leveraging state-of-the-art communications technology, the new OSC provides a real-time link between town-based operations and maintenance professionals and North Slope activities.

The OSC, which opened in September, is BP's Anchorage hub for supporting North Slope operations. It strengthens ties between town and the Slope, and it helps to focus all of BP's efforts in Alaska on supporting and improving North Slope performance.

"The OSC is another milestone in our ongoing efforts to overcome the challenges of declining North Slope production and some of the highest operating costs in the world," said Steve Marshall, president of BP Exploration Alaska Inc.



Designed to resemble a North Slope control room, the Production Optimization Display enables BP engineers to view and analyze real-time production data and process information from BP-operated facilities across the Alaska's North Slope.

"It enables us to provide key North Slope support functions more efficiently, effectively and safely from town."

A "Production Optimization Display (POD)" resembling a North Slope control room with view-only capability enables engineers to view and analyze real-time production data and process information from fields across the Slope.

Other features of the \$2.6 million facility include "Smartboard" technology that transforms a computer, projector and interactive screen into a tool for teaching, collaboration and presentation; videoconferencing using plasma screens; "document cams" that transmit images to other videoconferencing locations, and an assortment of meeting and collaboration rooms equipped with high-tech computer and communications equipment.

A number of videoconference systems with Smartboard capability also have been installed in all major BP-operated production facilities across the North Slope.

By early this year, the center is expected to be fully populated with about 70 operations and maintenance professionals, town-based field management and their administrative support. Relocations from the North Slope comprise about half of the total.

Cost and safety benefits of having fewer workers on the Slope are among the key advantages of the OSC. It means less commuting – not only between town and the Slope, but also on the Slope among facilities – and it reduces the overhead of feeding and housing workers on the Slope.

But it also means enhanced assurance, quality control and productivity. Now, operations and maintenance experts can



Smartboard and videoconferencing technology improve business performance by enhancing communications between North Slope- and town-based personnel.

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LOOKING BACKWARD FOR A PROSPEROUS FUTURE

By Lee Stoops, Economic Development Director, Northwest Arctic Borough and RDC Board Member

Below, Vika Owens, art program manager, and Lee Stoops, Economic Development Director.



“With the Borough Assembly mission statement always in mind – ‘to promote economic development that is consistent, whenever possible, with traditional culture and values,’ we have recognized that the region’s foremost resource is the unique heritage of the Inupiat people and the highly favorable way in which it is viewed by the outside world.”

To most urban Alaskans, resource development is synonymous with oil, gas and mineral exploration, extraction and transportation, timber, commercial fishing or tourism. In the Northwest Arctic Borough and other rural parts of the state occupied predominantly by Alaska Natives, resources are viewed very differently.

Our borough, which is the size of the state of Indiana, is populated by a half million caribou and 7,200 people who live primarily in the eleven villages of the region. Eighty-six percent of the resident population is Inupiat.

The transition from a largely subsistence lifestyle to a cash economy has been taking place only during the last half a century, or barely a single generation. The transition has been anything but smooth, particularly in the villages outside of Kotzebue, where the total number of jobs equals less than 25% of the working age population.

Young people who go off to college normally leave village life far behind them and move to Fairbanks, Anchorage or outside of Alaska. Trained laborers who want to put their skills to work on a regular basis also relocate to areas of employment opportunity.

The Red Dog mine employs about 300 NANA Regional Corporation shareholders or spouses among its labor force of over 500. Barely a third of that 300 actually reside within the Northwest Arctic Borough. For most, substantial wages from the mine have financed a life in Anchorage or elsewhere.

The remaining village population is young (Northwest Arctic Borough residents have an average age of about 22, which is nine years younger than the Alaska statewide average) and highly dependent upon welfare in the forms of temporary assistance, food stamps, heating fuel assistance, and subsidized housing. Permanent Fund dividends finance luxuries such as paying the annual water and sewer bill.

The overall impact of changes that have been introduced from outside is that a people

who were highly productive in a world of subsistence life just decades ago, are now victims of non-productivity. Predictably, alcohol and drug abuse are rampant to the extent that they involve the majority of adults and teens, and families suffer accordingly.

With the Borough Assembly mission statement always in mind – “to promote economic development that is consistent, whenever possible, with traditional culture and values,” we have recognized that the region’s foremost resource is the unique heritage of the Inupiat people and the highly favorable way in which it is viewed by the outside world. Therefore, in addition to promoting the local salmon fishery, small business development and vocational education, we have emphasized arts and crafts made from traditional local resources such as caribou and moose antlers, whalebone, baleen, walrus and woolly mammoth ivory, and the furs from the many species of animals.

The primary barriers to a successful craft industry in villages are a lack of market access, scarcity of efficient tools and equipment, and the absence of a developmental program for youth and interested adults. The Northwest Arctic Borough has been striving to overcome them all.

We began our program three years ago by creating an art purchase and marketing program that allows us to purchase quality crafts directly from the artists throughout the year. We, in turn, sell the artwork directly or through retailers in order to recover the cost. A \$100,000 revolving account has allowed us to purchase and sell about \$600,000 in crafts to date. Art is promoted on our Borough website (www.nwabor.org) and sold directly from our economic development office. We have made purchases from over 140 different artists.

While we make basic equipment such as rotary tools and sewing machines readily available to our residents through our small business grant and loan programs, our goal is to establish work centers in each of our villages. These will be fully equipped shops where many residents, including youth, can take art classes and work on a regular basis. They will have the benefit of dust collection

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Alaska Resources 2005

COMPETING GLOBALLY FOR INDUSTRY INVESTMENT

RDC Conference Presentations Available At:

www.akrdc.org/membership/events/conference/2004/presentations/



What is needed to encourage new investment in the timber industry? Jim Calvin of the McDowell Group said industry needs a steady and adequate wood supply, new standards and guidelines, movement toward an integrated industry, support for small-scale operators and research and development. The major challenge facing the industry is an uncertain and inadequate supply of wood. Harvests are currently at record lows on the Tongass.



Ron Bureson outlined how British Columbia has set out to make the province "the most competitive jurisdiction in North America for oil and gas investment and development." Bureson noted "the 'golden goose' is very price sensitive, will invest if the habitat is right, needs to keep its share of the eggs and can fly."

Stan Dempsey of Royal Gold addressed the competitive position of Alaska's mining industry in attracting new investment for major development projects. Dempsey said Alaska is characterized by its world-class deposits, significant mines and relatively unexplored basins. He noted an improving regulatory climate will encourage new investment.



Dr. Rob Rennie noted that Agrium's Kenai nitrogen operations are exceptional for their combination of high pay levels, local expenditures and the degree of value-added manufacturing that occurs in Alaska prior to export. The result is a high multiplier impact. Agrium's products are used in Alaska, as well as exported to South America, Australia, New Zealand and Asia.



Senate President Ben Stevens highlighted new value-added initiatives in Alaska's seafood industry. See his and other presentations at RDC's web site, www.akrdc.org.



Alaska AFL-CIO President Jim Sampson (pictured above) and Richard Cattanaich of Associated General Contractors addressed Alaska construction and labor issues.



Bob Wysocki gave an overview of the Icy Strait Point tourism project near the Southeast Alaska village of Hoonah. The village's Native corporation developed the project to counter the decline of the fishing and timber industries in the area. Thirty-two cruise ships visited the attraction this year. Joining Wysocki during a panel on tourism, Ron Peck of the Alaska Travel Industry Association reported 1.5 million visitors came to Alaska in 2004. Jim Stratton of the National Parks Conservation Association noted Denali National Park was the top visitor destination.

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THE STEALTH ECONOMY

Before I went to work for the cruise industry, I had not paid much attention to what was happening with tourism in the state. Like most of us, I knew there were more tourists coming to visit us, but I did not realize how many Alaskan-based businesses had either sprung up around tourism, or had experienced exponential growth because of it.

I like to refer to tourism as “the stealth industry,” because its growth has snuck up on us. It also deserves that title because it is difficult to track some of the aspects of its growth. While the state has closely tracked the jobs directly attributed to industries such as mining, oil, fishing, and construction, jobs in the tourism industry have tended to be camouflaged in categories such as hotels, retail trade, eating and drinking, services and transportation. I was pleased to note a little more than a year ago the Alaska Department of Labor tried to remedy this situation by creating a new category in its monthly economic report entitled “Leisure and Hospitality,” a sign, perhaps, the tourism industry has come of age. But even that broad category does not capture it all.

Tourism has many aspects. It is the obvious – hotels, restaurants, buses, trains, rental cars, RVs, RV parks, fishing charters, t-shirt shops, tour boats, and, of course, cruise ships. It is also river rafting, kayaking, gold panning, horseback riding, salmon bakes, gazing at the northern lights, dog sled rides, art galleries, helicopter and fixed wing flight seeing, scuba diving and more.

Those of you who attended the panel on tourism at the RDC conference received an excellent overview of what is going on in the industry. The three members on the panel, Ron Peck of the Alaska Travel Industry Association (ATIA), Jim Stratton of the National Parks Conservation Association and Bob Wysocki of Huna Totem Corporation each brought an interesting perspective about the industry. Many of the statistics that follow come from Ron’s presentation.

In 2001 the total number of visitors to the state was 1,202,800. Then the tourism industry suffered some setbacks due to both a floundering national economy and the reaction to the attack on the World Trade Towers.

ATIA estimates that 1,450,000 people will visit Alaska in 2004. Cruise ship traffic for the

large ships went from 776,000 in 2003 to about 804,000 in 2004. If the smaller cruise ships are added in, the total for 2004 is 876,000. The number of cruise ship passengers visiting Alaska has doubled in the last decade.

Another measure of the industry is summer airport traffic. Last summer the total traffic for Fairbanks, Juneau, Ketchikan, and Anchorage was 3,509,568 passengers compared with 3,331,513 in 2001. However, not all indicators are up. Border crossings between Alaska and the Yukon continue to lag – no surprise given the cost of gasoline.

Taxes are another positive impact of the visitor industry. One only need look at the difference between summer and winter sales tax receipts in communities with active tourism markets to see that impact. Bed taxes are another source of revenue. Anchorage should collect over \$11,500,000 in bed taxes in 2004. In addition, many communities are benefiting from increased property taxes as new and expanded hotels add to the property tax roles.

It is difficult to get a handle on jobs that can be directly attributed to this industry. The Department of Labor attributed 28,623 jobs to the leisure and hospitality industry in a report it released in January 2004. This figure includes camps services (the North Slope, Red Dog, etc.), which are not tourism related, but it does not include many other sectors of the tourist industry. The McDowell Group recently completed a study for the cruise ship industry that indicated that over 12,000 jobs are attributed to this sector of the industry.

While it is true many of these jobs are seasonal, the boost to local businesses should not be underestimated. For instance, Chris Anderson, owner of Orso’s and the Glacier Brewhouse, has been very public about the fact the these fine restaurants would not be around to serve Alaskans in the winter if it were not for the lucrative summer tourism market.

Perhaps the best part of the growth of the tourism industry is Alaskans have the opportunity to partake of the many activities and venues available to our visitors. A couple of years ago my wife and I decided we would vacation in Alaska and the family had a great time. I suggest you might consider doing the same.

I wish all of you a great 2005.



“Perhaps the best part of the growth of the tourism industry is Alaskans have the opportunity to partake of the many activities and venues available to our visitors. A couple of years ago my wife and I decided we would vacation in Alaska and the family had a great time. I suggest you might consider doing the same.”



“The OSC is another milestone in our ongoing efforts to overcome the challenges of declining North Slope production and some of the highest operating costs in the world.”

Steve Marshall
President of BP Exploration Alaska Inc.

BP'S NEW OPERATIONS SUPPORT CENTER PROVIDES DIRECT LINK TO NORTH SLOPE

(Continued from Page 6)

collaborate easily and efficiently with counterparts 800 miles away ... without spending half the day flying to a meeting.

“We don't know exactly how much we'll save over the long term, but we're confident the OSC will play an important role in getting us to a better place,” said Maureen Johnson, vice president in charge of BP's Greater Prudhoe Bay unit. “It's an investment in the future.”

The investment already is beginning to pay dividends.

For example, petroleum engineers have leveraged the Production Optimization Display and the multi-point video-conferencing capabilities to integrate functional experts from across the Slope on a real-time basis into bringing new wells and pumps on line. This has shaved hours – even days – from the start-up process and saved literally hundreds of man-hours of work.

The OSC is a cornerstone of BP's North Slope “transformation” efforts designed to make Alaska more competitive for investments by reducing operating costs.

The initiative also involves focusing North Slope activities on day-to-day activities and planned maintenance, moving support functions off the Slope to lower-cost locations, increasing the proportion of planned and scheduled activities, streamlining and standardizing processes and procedures, consolidating warehousing facilities and working with contractors to increase the efficiency of third-party spend.



The OSC's Team Room, similar to a “break room,” encourages collaboration and networking in a relaxed setting.



The regional art center in Kotzebue will be completed this summer. Named Sulainich, the center is a joint effort of the Northwest Arctic Borough, the University of Alaska's Chukchi Campus and NANA Corporation.

ART CENTERS IN NORTHWEST ARCTIC BOROUGH TAP LOCAL RESOURCES

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systems and all the tools needed to produce high quality products. Art centers have already been completed in Noorvik, Selawik and Buckland and a fourth is underway at Kiana. In each case, donated buildings have been upgraded at low cost.

A regional art center in Kotzebue will be completed this summer. Named Sulainich (Inupiaq for “things people make”), it was a joint effort of the Borough, the University of Alaska's Chukchi Campus, and NANA Corporation. Much of the operational cost will come from the vocational rehabilitation program operated by Maniilaq Association. Sulainich will feature art instruction by not only local artists, but guest artists from Chukotka and other parts of Alaska as well.

ON THE WEB

WWW.AKRDC.ORG

- RDC Conference Presentations
www.akrdc.org/membership/events/conference/2004/
- RDC Breakfast Meeting Schedule & Links To Presentations
www.akrdc.org/membership/events/breakfast/
- Past Issues of Resource Review
www.akrdc.org/newsletters/

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