

RESOURCE *review*

akrdc.org

A periodic publication of the Resource Development Council for Alaska, Inc.

September 2009



Global energy frontiers *The Arctic*

The following is a condensed version of the keynote presentation by David Lawrence at the RDC Annual Meeting Luncheon held on June 30. Mr. Lawrence is Executive Vice President, Exploration, Royal Dutch Shell. A video of the entire speech,

as well as opening remarks by Senator Mark Begich, are available at akrdc.org.

What brings us here today is part fascination and part transformation. I think we all share a fascination with the secrets this planet hides below the surface, and it seems Alaska has more wonderful secrets than most.

I mention transformation because it accurately acknowledges the ways in which society has changed as a result of fossil fuels, the new ways in which we find and extract them, and the ways society must now change to compensate for their use.

Not only do we need to find more sources of energy to satisfy our growing thirst, it's imperative that we acknowledge and mitigate any associated future environmental impact – all at a time when the world faces a recession.

But the transformation will have to be

(Continued to page 6)

Comments due on new offshore energy plan

The Obama administration intends to develop a new offshore energy plan and is seeking public comment on where and how traditional and renewable energy resources of the Outer Continental Shelf should be developed. The comment period was extended from this past spring to September 21.

Some groups have launched an effort to convince Interior Secretary Ken Salazar that no OCS development should occur off Alaska's coast. How RDC members respond to this challenge could determine Alaska's economic course for decades to come. Please see RDC's Action Alert at: www.akrdc.org.

In This Issue

Global energy frontiers	1, 6
Executive Director on 8(a)	3
Kensington permit update	4
Governor on Arctic policy	5
Alaska tourism summit	7
RDC elects new officers	8
Annual Meeting sponsors	9
Oceans policy hearing	10
RDC News Digest	11

This edition sponsored by: **Alaska Frontier Constructors and Wells Fargo**

When it comes to financial solutions for your business you have options



We specialize in developing business banking strategies for businesses of all sizes. And, to help manage your business finances, we offer a full range of options from treasury management to checking accounts to credit solutions.

Contact me today to discuss the right financing for you.

Visit a Wells Fargo store or contact a business banker today.

wellsfargo.com

Financing decisions based on credit qualification.
© 2009 Wells Fargo Bank, N.A. All rights reserved. Member FDIC. (124010_13693)

Together we'll go far



Resource Development Council

121 W. Fireweed, Suite 250
Anchorage, AK 99503
(907) 276-0700
e-mail: resources@akrdc.org
www.akrdc.org

Material in this publication may be reprinted without permission provided appropriate credit is given. For additional information, contact newsletter writer and editor Carl Portman at cportman@akrdc.org.

Executive Committee Officers

President	Wendy Lindskoog
Sr. Vice President	Phil Cochrane
Secretary	Stephanie Madsen
Treasurer	Tom Maloney
Past President	Rick Rogers

Staff

Executive Director	Jason Brune
Deputy Director	Carl Portman
Membership Director/ Projects Coordinator	Deantha Crockett
Projects Coordinator	Marleanna Soto

The 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.

Past issues of the Resource Review (1978-2009) are available at akrdc.org.



Native 8(a) program should be improved, not eliminated

Recently I sent a letter to Senator Claire McCaskill (D-MO) strongly encouraging her to understand the impacts any proposed changes to the 8(a) program could have on Alaska Natives and the original intent of the Alaska Native Claims Settlement Act (ANCSA). I also wrote the senator to thank her for her willingness to consider and incorporate information on the Alaska Native 8(a) businesses and subsequently modify her position on proposed reforms to the 8(a) program. I encouraged her to listen to the bi-partisan Alaska congressional delegation on this issue.

RDC supports the mission and directives of Alaska Native 8(a) businesses and although there has been significant progress since Congress established the 8(a) program, the original reasons for its creation still exist.

Many RDC members do business in the Lower 48, including McCaskill's home state of Missouri. The success these companies have in Alaska impacts their efforts around the rest of the United States, and vice versa. Missouri has been able to develop its resources and create a healthy, diverse economy. Among that diverse economy are automobile assembly plants and a large agricultural base, both of which have shown significant reliance on government assistance. Alaska, not having a climate or geography for farming and being disadvantaged by distance to market for manufacturing, constantly strives to diversify its economy in other arenas. The 8(a) program helps Alaska do this.

Due to the potentially serious impact proposed changes to the program could have, this issue is of great importance to RDC. The concern of the membership includes both those who participate in the 8(a) program and those who do not, evidence that the program is working to help align Alaska's diverse interests on the economy.

When enacting ANCSA, Congress saw a way to end the poverty that gripped many Alaska Native communities. As the Senate Committee on Interior and Insular Affairs reported while deliberating the Act, "[Alaska Natives] are among the most

“The 8(a) program is critical to the future economic viability of Alaska Native Corporations and in turn, their Alaska Native shareholders. This tool should be improved and used as a model to further the economic status of Native Americans, not eliminated.”

disadvantaged citizens of the United States in terms of income, employment, educational attainment, life expectancy, health, nutrition, housing, and every important indicator of social welfare.”

Today, many rural Alaskans still have difficulty making ends meet. Alaska Natives comprise 82% of the population in rural parts of the state. Poverty and unemployment rates among rural Alaskans still far outpace those of their urban counterparts. Per-capita income is about half that of non-Natives. The precipitously high cost of living in rural Alaska exacerbates the economic hardships. Alaskans living in rural villages pay extraordinarily high prices for food, energy, and transportation due to their communities' isolation far from the road system and power grid, their villages' low populations, not to mention Alaska's extreme climate.

Indeed, Congress enacted ANCSA in order to provide a means by which Alaska Natives could derive economic benefit from the resources around them, oftentimes in rural Alaska. Native corporations are the largest private landowners in Alaska and responsible resource development offers these corporations the opportunity to generate jobs and economic benefits for their Alaska Native shareholders. Resource development on ANCSA lands partially offsets the economic challenges by stimulating the job market and providing greater financial self-sufficiency for a growing number of Alaska Natives. These opportunities support the implicit promise Congress made to Alaska Natives when it offered them resource-rich lands in exchange for extinguishment of their aboriginal claims.

The 44 million acres of fee-simple land that were allocated to Alaska Native corporations through ANCSA were meant

to help bring Alaska Natives to the path of economic self-sustainability. Alaska Native people sacrificed millions of acres of land in exchange for meaningful economic development opportunities. Much of this remaining acreage now exists as national parks and wildlife refuges, unavailable for economic opportunities. Through 7(i) and 7(j) revenue sharing, profits from resource development on their lands are shared with other Native corporations statewide.

But, despite Congress' best intentions, resource development and land title alone have proven insufficient to materially overcome the economic and social challenges Alaska Natives face. The 8(a) program has been an effective tool the federal government has used to help meet the goals of ANCSA.

With success in the 8(a) program, Alaska Native corporations build capacity, develop a trained workforce in diverse sectors, and ultimately provide opportunities for shareholders to advance other causes, such as responsibly developing the natural resources on their land here in Alaska. However, without the economic diversification earned from 8(a) revenues, these companies would oftentimes be unable to bring such responsible Alaskan projects to fruition, ultimately risking jobs, educational opportunities, and further revenue outside of the 8(a) program, potentially increasing reliance on other government programs. Ultimately, for programs like 8(a) to succeed, sufficient time must be given to realize their positive impacts.

The 8(a) program is critical to the future economic viability of Alaska Native Corporations and in turn, their Alaska Native shareholders. This tool should be improved and used as a model to further the economic status of Native Americans, not eliminated.

U.S. Corps of Engineers to complete permit for Kensington gold mine

The U.S. Army Corps of Engineers in August granted a modified permit for Coeur Alaska's Kensington gold mine project in Southeast Alaska, allowing the project to move forward immediately after being stalled by years of litigation.

The U.S. Supreme Court ruled in June that Coeur Alaska had a valid 404 fill permit from the Corps to dispose of tailings from the mine in Lower Slate Lake. The Corps then called for public comment on minor modifications to the permit. However, the Environmental Protection Agency (EPA) in July asked for a substantial delay in the issuance of the 404 permit to re-evaluate the tailings disposal plan and consider another option.

The EPA action raised concerns as to whether the Supreme Court's decision upholding the permit would be the final word in the long-standing dispute and whether the agency would veto the Corps' recent decision to re-issue the permit. The state, however, has been informed by the agency that it will not veto the permit.

Alaska's state and congressional leadership welcomed the Corps' decision to move forward with the modified permit.

"The Corps made the right call," Governor Sean Parnell said. "They recognized this project has been approved through the right processes, and there's no reason for delay."

Senator Mark Begich said, "I am pleased to hear that, after reviewing the facts and more than 8,500 public comments, the Army Corps of Engineers made the right decision." Begich added, "the amended permit confirms my belief that the disposal of tailings in Slate Lake is the environmentally-preferable option, and when the project is complete will actually leave the lake with improved fish habitat."

Senator Lisa Murkowski pointed out that "Kensington will provide hundreds of badly needed jobs and tax revenues while having a minimal effect on the environment."

In July, Alaska's two U.S. senators, the state, RDC and others urged the Corps to follow the Supreme Court's ruling and make



Kensington is expected to provide 300 jobs during construction and millions of dollars in taxes and other revenues to the Juneau area. Gold production could begin in late 2010.

the necessary modifications to the permit so the project could proceed.

Murkowski and Begich sent a lengthy letter to the Corps detailing the senators' concerns with possible EPA intervention in the permitting of the mine, despite the Supreme Court ruling. The letter included detailed legal analysis refuting the EPA's arguments and pointed out factual errors in the agency's case, including the opinion of the senators and others that no substantially new or significant information on the mine has surfaced to prompt additional review.

"Because we care about the environment and also the people of Alaska, we found it profoundly distressing to have the EPA suggest yet another tailings disposal option..., especially in the wake of the U.S. Supreme Court decision which specifically recognized the thorough review of alternatives undertaken in the permitting process leading to the Lower Slate Lake Corps 404 tailings permit," Murkowski and Begich said.

After mine closure and reclamation, Lower Slate Lake will boast substantially better fish habitat and aquatic life than what currently exists. Under the Lower Slate Lake option, only 0.4 acres of wetlands will

be lost over the long term, compared to a loss of 102 acres of wetlands and a permanent eight-story high tailings pile under the Paste Tailings Facility (PTF) option the EPA wanted the Corps to consider, following the Supreme Court decision. PTF is merely a variant of a fully-analyzed and already rejected dry stack option.

A second letter, signed by Murkowski and Begich along with 10 Senate colleagues, similarly called on the Corps to reject any further delay and raised concerns about the potential precedent of allowing EPA to challenge Corps-issued permits.

"We have signed this letter because of the far-reaching implications that decisions related to Kensington Mine could have – not just in Alaska, but throughout the United States. At the heart of the debate is whether a project that has complied with all environmental laws, that has gone out of its way to institute training and local hire of Native Americans, and has withstood years of legal challenge and won in the Supreme Court, can now be killed through additional bureaucratic delays," the 12 senators wrote.

RDC, which filed an Amicus Brief before the Supreme Court in support of Coeur Alaska's efforts to develop Kensington, wrote the Corps last month, warning that a new EPA review would result in yet another substantial delay, another winter without jobs for many Alaskans and potentially jeopardize the project since the permit would be vulnerable to appeals and more litigation.

In a letter to the EPA, William Martin, President of the Central Council Tlingit and Haida Indian Tribes of Alaska, insisted tribal citizens are not trading jobs for pollution. "We are confident that all of our cultural, environmental and subsistence concerns have been adequately addressed," Martin pointed out. "If we thought this mine would harm our traditional way of life or harm our ancestral lands and resources, we would be its most vigorous opponents. But we are not. We agree with and support the permit previously issued."



Strategic importance of the Arctic in U.S. policy

Recently, Senator Lisa Murkowski held a field hearing in Anchorage for the United States Senate Subcommittee on Homeland Security Appropriations on the strategic importance of the Arctic.

I was among those who testified on the challenge of developing that policy necessitated by the Arctic's rapidly changing shape and the need for understanding, protection and responsible development. In this article, I'd like to share some of my thoughts.

Alaska is America's Arctic. The Arctic's abundant resources: human and natural, and our strategic location, demand our attention. The people of Alaska understand and eagerly accept our role in the examination and development of national Arctic policy.

I present Alaska's view of U.S. Arctic policies in five areas: resources, national security, homeland security, science, and foreign policy. In the Arctic, these policies are inextricably linked and must be acted upon jointly, and discussed in the context of climate change.

Our first focus is on Alaska's resources – most of all, our human resources, Alaska's people. Changes in the Arctic affect us directly, every day. No one is more vested in Arctic policy than the people who subsist from the land: hunting, fishing and gathering, not just for food, but for the survival of their culture. Collaboration with our Arctic residents is a must.

Any conversation about the Arctic must also include Alaska's natural resources: gold, zinc, coal, natural gas and oil, among them. These resources make the Arctic vital to American energy security. Alaska is America's Arctic energy breadbasket. We have traditional and renewable sources of energy in staggering volumes here. Alaska can play an even greater role in reducing the amount of oil and gas we import from abroad. And we can be America's test-bed for renewable and alternative energy sources.

Offshore Alaska, the Beaufort and Chukchi Seas can be explored safely in the near-term, producing oil and gas for decades. Without these known, traditional sources of energy, we risk higher cost energy, higher taxes, and greater dependence on foreign oil.

The onshore Arctic areas, such as the NPR-A and the coastal plain of ANWR, also hold great promise. Alaska is home to the Trans-Alaska Pipeline System, which carries 685,000 barrels of oil a day to the lower 48 states. This major supply of oil is key to our national energy security.

Turning to cleaner fuels, the State of Alaska is also pursuing the construction of a pipeline to bring the North Slope's abundant, clean natural gas to American markets. If we can turn on the supply of clean, American natural gas – from Alaska – we will reduce our dependence on imports and bring less expensive energy to homes across America.

Alaska also remains fully committed to alternative and renewable energy. This is the place to field test every alternative. From wind turbines, to hydro-electric, to chip-fired systems that burn wood for fuel – Alaska is America's alternative energy center.

I am confident that together we can bring traditional, renewable and alternative energy to market and increase Alaska's contribution toward our nation's energy independence for years to come.



“Alaska is America's Arctic energy breadbasket. We have traditional and renewable sources of energy in staggering volumes here. Alaska can play an even greater role in reducing the amount of oil and gas we import from abroad.”

Alaska is America's Arctic guardian. Our strategic location, resources and people compel strong funding for homeland security purposes. Melting sea ice and increased military and commercial activity require a greater Coast Guard presence. We need to fund a new Coast Guard duty station on Alaska's western or northern coast. They need to move north and improve their capability. To provide homeland security, the Coast Guard must have new Arctic-class ice breakers.

In addition, the Department of Homeland Security and the Federal Emergency Management Agency must have authority to prevent long-term disasters we can predict - before they occur. Erosion threatens the sustainability of some communities. The federal law was not written with such hazards in mind and does not provide the large-scale response these small communities need.

As the summer ice retreats, opportunities for commerce, tourism and transportation advance. As we have seen throughout the world's oceans, increased maritime traffic elevates both risks and threats. We can no longer assume that the Arctic is an impenetrable barrier. Instead, we must take steps to protect our nation's people, our economy, and our energy infrastructure.

Alaska's strategic position as the northern crossroads also places us squarely between potential adversaries and the rest of the United States. I urge the Congress to support the ground-based missile defense system in Alaska and reconsider the proposal to scale back the placement of interceptors at Fort Greely.

Despite centuries of exploration and study, much about the Arctic remains a mystery. Standard weather and climate models are not sufficient for understanding and predicting trends and patterns. New models require fresh data and up-to-date research.

The State of Alaska strongly supports the National Oceanic and Atmospheric Administration and its initiatives to improve its observations and research across the Arctic and to develop innovative models for forecasting weather.

And the Arctic, literally, needs to be put on the map. Scientific research and economic exploration are set back by low-quality, decades-old mapping data. We need high-quality maps of the Arctic, both land and sea.

For much of its history, the Arctic has been both ungoverned and ungovernable. Those days are over. Arctic nations have stepped up economic and military activity in the region.

(Continued to page 10)

Making the case for OCS development in the Arctic

(Continued from page 1)

a gradual one – a balance: between energy security, economic development, societal needs and the environment.

At Shell, we have made the assumptions that wind, solar and biofuels will all grow much faster than traditional energy sources like oil and gas. But even then, it will take decades to get to materiality. Optimistically, we believe renewables could provide around 30% of the world's energy by the middle of this century, up from 3% today.

Reaching 30% would mean unprecedented growth, but it also means it would take 40 years to get there and that fossil fuels and nuclear will supply the remaining 70%.

But where will the other 70% come from? Places like Alaska, we hope. Why? Because the resource base is huge – another potential Gulf of Mexico scale resource – and in U.S. waters.

Unfortunately, Alaska, particularly the offshore, is ground-zero in the misguided effort to put us in an “either or” world – where fossil fuels play no role in the bridge to an energy future. For economic progress, revenue generation, jobs, energy security AND protecting our environment, it all needs to come together – oil and gas, renewables, biofuels, CO2 management – a world of AND.

No less than five of the largest environmental groups in the world have become rooted in Alaska and some will spare no expense or effort to ensure development of any kind does not take place in the offshore – not news to most of you.

Their strategy is simple: form local partnerships where possible to lend a “face” to the fight against energy development. Pure numbers are not important here but names are and that was never more evident than in April when the Washington D.C. Circuit Court ordered the Department of Interior to vacate its *approved* 5-year OCS leasing plan.

I won't dissect the merits of this case but the resulting opinion could significantly impact offshore development in Alaska. The plaintiffs in that case include at least three international environmental groups and one local indigenous group. That local group might be hard-pressed to fill a table at this luncheon. But for arguments sake, let's say



“Our agenda is clear: Make an oil and gas case for Alaska and develop the resources in a safe and environmentally responsible way that benefits our shareholders and the communities in which we work. If that sounds like a company line, that's because *it is* the company line – and we live by it.”

they do fill a table.

As it stands, the table over there could strongly influence for Alaskans how the State will be prosperous when the Trans-Alaska Pipeline is shut down because no offshore oil is flowing through it. *That* table could influence an outcome for a country that already imports 60% of its oil – how quickly that number will grow to 80%. And *that* table in the back could drive the US Federal Treasury, (which could use some cash right now), to refund over \$10 billion in lease bonuses because of a 5-year OCS leasing plan that was, in layman's terms, voided on a technicality.

Now, let me be clear – one can argue the environmental groups represent thousands of people and they can't be overlooked by the Court. And certainly that group at the table has others supporting them – maybe every table in this room. Yes, I could and would argue that.

But I would also point out that in many cases there is some missing logic in the piece. Some NGOs often employ a tactic of litigating development projects at every stage and use a “face” of a local community to provide weight behind their tactics. But the interests of many groups and international NGOs could not be more disparate.

If you don't think so, ask individual members of many International environmental groups how they feel about harvesting whales - under any circumstances. If they are honest in their response, you will be even more intrigued at the partnerships they have formed in Alaska.

At Shell, our agenda is clear: make a case for oil and gas and develop the resources in a safe and environmentally responsible way that benefits our shareholders and the communities in which we work. If that

sounds like a company line, that's because *it is* the company line – and we live by it.

There is no better example of that than here in Alaska. I trust most of you know our story in Alaska by now. Shell has spent \$3 billion in Alaska and to date we have no monetary return to show for it. We believe there's oil here. We believe we are the company best suited to find and recover it, but I think it's safe to say there has been nothing “easy” about it.

When we look at dilemmas like offshore oil and gas development in the Chukchi and Beaufort we look at constructive partnerships. How can we balance our energy needs with economic progress and sustainable development, community concerns and the environment? And the kind of constructive partnerships I am talking about are NOT those in which one party just simply has a strategy of “No, that's impossible” and turns to the courts.

In the world of the three hard truths – increased demand, harder to find and produce energy, climate change and CO2 – this is simply opting out of the challenge. We need people, communities, government, regulators, and organizations to opt in. Let's not talk about the 50 ways that something might not be able to work – let's focus on the way that it can. Let's show we can do it and do it right.

We believe there is possibly more oil and gas in offshore Arctic Alaska than there is remaining to be found in the Gulf of Mexico. It would be our privilege to find and produce it safely, with no harm to the environment, and in a way that meets the needs of the communities in which we work.

Alaska really is an enviable place to be. And hopefully, for a long time to come.

Tourism summits focus on struggling industry



RDC Executive Committee member Bob Berto of Cruise Lines Agencies of Alaska speaks at the Juneau summit. (©Flavinphotography.com)



By Deantha Crockett

Tourism in Alaska has recently been described as “bruised,” “threatened,” and even “bleak.” Indeed, with far fewer visitors this summer arriving on flights and cruise ships, riding the Alaska Railroad, browsing shops on downtown streets and panning for gold, industry leaders statewide have begun to meet and discuss how to survive these tough times.

The Alaska Tourism Summit, which began as the Southeast Summit in Juneau on July 21 and continued with the Southcentral Summit in Anchorage on August 20, was organized by representatives from the travel industry to brainstorm solutions in reaction to a reduced number of visitors this summer and an expected harder hit next summer.

Already this year, an estimated 200,000 fewer visitors arrived in Alaska. With the reassignment of three cruise ships to other routes for the 2010 season, Alaska can expect to have at least 140,000 fewer visitors than this year. This will mean far less stays at hotels and bed and breakfasts. It means fewer car and RV rentals in the state, declined souvenir shop patronage, decreased charter and day cruise operations, and less restaurant occupancy. Such a significant drop in visitor numbers affects Alaskans in all walks of life, a somber fact that was recognized by the over 400 participants in the tourism summits.

A major topic of discussion at both summits was determining the cause of such a sharp decline in visitors. Many recognize the global recession as a major factor, causing people to curtail spending and stay closer to home. Alaska is typically seen as an “exotic” or “long haul” location, far from many of the potential visitors’ hometowns and requiring expensive and lengthy flights to reach. But another major factor identified was the passage of a ballot measure three years ago, placing taxes and unnecessary additional environmental restrictions on the cruise industry. An excessive head tax and unattainable wastewater discharge requirement written into the ballot measure has led to financial losses for the cruise industry, leading some companies to send fewer ships to Alaska in 2010.

Fewer ships arriving in Alaskan ports will have far-reaching effects. Whittier is poised to lose 40 percent of its visitors next year as a result of less cruise ships in the port, and visitors to Seward will drop 17 percent. Many cruise passengers travel inland to Anchorage

and Fairbanks, and as a result airline flights will be reduced in and out of these cities. Of course, fewer cruise passengers will mean a huge financial hit for lodging, recreation, tour, and retail businesses. Thousands of tourism industry jobs will be lost as businesses struggle to cut expenses and bookings are much lower, requiring less staff at many businesses. Moreover, local government will see a large decrease in bed tax revenues as fewer tourists will need lodging.

What can be done to offset the tourism downturn in Alaska? Some say repealing or decreasing the tax on cruise passengers and increasing tourism marketing will go a long way in helping to draw visitors back to Alaska. Removal of the tax, \$50 per cruise passenger, would allow the industry to fill its ships without having to heavily discount the selling price.

“The adverse consequences of the ballot measure have come back to haunt Alaska’s tourism industry, especially during a weak economy,” said RDC Executive Director Jason Brune. “Alaska is now much less competitive with other visitor destinations and this fact has become painfully obvious across our visitor industry with the cruise lines deploying ships and passengers to more fiscally-attractive locations. We will not reverse this trend until we reduce the cost of business in Alaska for the cruise lines.”

Additionally, the Alaska Travel Industry Association (ATIA) supports increasing tourism marketing dollars through HB 167 and SB 138 to lure visitors back to Alaska. Both bills, which have substantial bipartisan support in both houses, would give a corporate income tax credit to cruise lines that donate money to an ATIA marketing fund. ATIA supports increasing the marketing budget dramatically, from \$12 million to \$20 million, to help make Alaska competitive in the choice visitors make for vacation destinations.

An upcoming Interior Alaska Tourism Summit is set for October 5 in Fairbanks, coinciding with ATIA’s Annual Convention. The Railbelt and especially Interior Alaska is expected to be most affected by the tourism decline, a fact that will certainly be discussed at this summit. Additional discussion will identify the next steps to revive Alaska’s tourism industry statewide. RDC will remain engaged in this effort, as it believes a healthy tourism industry is good for all Alaskans.

RDC elects board, Wendy Lindskoog is new President

Wendy Lindskoog has ascended to President of the Resource Development Council, filling a vacancy left by the resignation of Rick Rogers.

Rogers was recently re-elected President of RDC at the organization's 34th Annual Meeting in Anchorage June 30th, but stepped down in July when he was named the Alaska Statewide Forest Resource Manager for the Alaska Division of Forestry in the Department of Natural Resources. Rogers worked for Chugach Alaska Corporation for 12 years as Vice President, Land and Resources. He was first elected President of RDC in 2008 and had served as Senior Vice President for several years prior.

Phil Cochrane, Vice President, External Affairs, at BP Exploration (Alaska) Inc., will serve as RDC's Senior Vice President. Stephanie Madsen, Executive Director of the At-Sea Processors Association was re-elected as Secretary and Tom Maloney, Vice President, Business Development at CH2M HILL, was re-elected as Treasurer.

Lindskoog has served on the RDC Executive Committee for eight years and most recently was Senior Vice President.



Wendy Lindskoog ascended to President of RDC after Rick Rogers was named the Alaska Statewide Forest Resource Program Manager.

Outside RDC, she is Assistant Vice President, Corporate Affairs, for the Alaska Railroad Corporation. Prior to joining the Alaska Railroad, Lindskoog was communications director for the Alaska State Senate, a partner in a regional publication, and marketing and sales manager for a California ski resort.

She has served as Chair of the Alaska State

Chamber of Commerce and Alaska 20/20. She and her spouse, Jim Cardwell, reside in Anchorage with their daughter Tindra.

Newly-elected to the RDC Executive Committee were Bob Berto, Cruise Line Agencies of Alaska, Ketchikan; Dale Pittman, ExxonMobil, Anchorage; Ralph Samuels, Holland America Line, Anchorage; Lorna Shaw, Fairbanks Gold Mining and Council of Alaska Producers, Fairbanks, and Tiel Smith, Bristol Bay Native Corporation, Anchorage.

Newly elected to the statewide Board were David Benton, Marine Conservation Alliance, Juneau; Dan Britton, Fairbanks Natural Gas LLC, Fairbanks; Mayor David Carey, Kenai; David Chaput, Alaska Frontier Constructors, Anchorage; Allan Dolynny, WorleyParsons, Anchorage; Dan Graham, PacRim Coal LP, Anchorage; Paul Henry, Anglo American US LLC, Anchorage; Linda Leary, Carlile Transportation, Anchorage; Carri Lockhart, Marathon Oil Company, Anchorage; Mary Nelson, Donlin Creek LLC, Anchorage; Charlie Powers, Koniag Inc., Kodiak, and Mayor Dan Sullivan, Anchorage.



Pictured above are members of the 2009-2010 RDC Statewide Board of Directors who attended the Annual Meeting at the Sheraton Anchorage Hotel on June 30.

Thank you!

The Resource Development Council would like to acknowledge the many fine sponsors of our 34th Annual Meeting Luncheon, "**Global Energy Frontiers: The Arctic.**" Because of their generous support, RDC continues to play a key role in advancing responsible resource development in Alaska and shaping state and federal public policy. Thank you for helping grow Alaska and providing new opportunities for Alaskans.

DENALI SPONSORS

BP Exploration (Alaska), Inc.
ConocoPhillips Alaska, Inc.
ExxonMobil
NANA Development Corporation/
TeckAlaska
Northrim Bank
Shell Exploration & Production

GOLD SPONSORS

AIC LLC
Alaska Airlines
Alaska Frontier Constructors
Alaska Oil and Gas Association
Anadarko Petroleum
Arctic Slope Regional Corporation
AT&T Alascom
Barrick Gold Corporation
Carlisle Transportation Systems
Chevron
Cook Inlet Region, Inc.
Crowley
Cruz Construction
Doyon Family of Companies
Edison Chouest Offshore
Eni Petroleum
ERM
Fairbanks Gold Mining, Inc.
Flint Hills Resources
GCI
Holland America Line
Koniag Inc.
Lynden
MWH
Nabors Alaska Drilling, Inc.
NC Machinery
PacRim Coal, LP
Pebble Partnership
Pioneer Natural Resources Alaska

Sheraton Anchorage Hotel
StatOilHydro
Temsco Helicopters
TransCanada
Udelhoven Oilfield System Services
Usibelli Coal Mine, Inc.
Wells Fargo
Westward Seafoods

SILVER SPONSORS

AERO-METRIC, Inc.
AIDEA
Air Logistics, a Bristow Company
Alaska Railroad Corporation
Alaska USA Federal Credit Union
Alyeska Pipeline Service Company
American Marine Corporation
Anchorage Sand & Gravel
Anglo American (US) LLC
At-Sea Processors Association
Beacon OHSS Inc.
Bering Straits Native Corporation
Brice Companies
Bristol Bay Native Corporation
Calista Corporation
CH2M HILL
Chugach Alaska Corporation
Chugach Electric Association
City of Unalaska
Coeur Alaska – Kensington Mine
Colville, Inc./Brooks Range Supply
Delta Leasing, LLC
Denali: The Alaska Gas Pipeline
Dowland Bach
ENSTAR Natural Gas Company
Era Helicopters LLC / Million Air
Fairweather

FEX
First National Bank Alaska
Fluor
Golder Associates
Granite Construction Inc.
Hartig Rhodes Hoge & Lekisch
Hawk Consultants LLC
Hecla Greens Creek Mine
Judy Patrick Photography/
Salt + Light Creative
Koncor Forest Products
Laborers Local 341
Lisa Parker - Parker Horn Company
Marathon Oil Company
National Cooperative Bank (NCB)
NMS Employee Leasing
Nome Joint Utilities
North Slope Borough
Northwest Arctic Borough
NovaGold Resources
Pacific Seafood Processors Association
Peak Oilfield Service Company
PenAir
Perkins Coie LLP
Petro Marine Services
Petro Star Inc.
Petroleum News
Petrotechnical Resources of Alaska
Port of Anchorage
Price Gregory International
Providence Health Services Alaska
Sealaska Corporation
SRK Consulting
STEELFAB
Tesoro Alaska Company
Totem Ocean Trailer Express
UMIAQ
WorleyParsons



RESOURCE DEVELOPMENT COUNCIL

Alaskans sound off on national ocean policy

By Marleanna Soto

Four members of the White House Council on Environmental Quality, including Chairwoman Nancy Sutley, received testimony in Anchorage on August 21 from Alaskan stakeholders on a proposal to develop national ocean policy.

Anchorage's hearing, the first public hearing for this task force, was highly attended, with about 60 people testifying. Nine expert witnesses provided testimony from oil and gas needs of the nation, to the wellness of Native peoples and economic concerns of coastal communities.

Many who testified expressed the need for increased Coast Guard presence in the Arctic for safety and homeland security, supplemental infrastructure development, as well as enhanced research in our oceans.

Alaska possesses more coastline than all other states in the U.S. combined. The ocean around Alaska, provides over half of the U.S. seafood landings, and is a significant employer in the state.

Impacts resulting from any ocean policy will affect Alaska significantly, and a national ocean policy must be cautiously developed, according to numerous people testifying at the hearing.

Ocean policy should coordinate with existing management programs and stakeholders, which have proven to protect and manage Alaska's fishery, noted RDC in its testimony.

In her expert witness testimony, Chancellor of the University of Alaska Anchorage, Fran Ulmer, requested the task force develop a strategy for gaining research in the oceans, Alaska's Arctic waters in particular.

North Slope Borough Mayor Edward Itta explained that North Slope residents are trying to preserve traditional uses of the ocean, including subsistence activities for food and culture, while working with development projects to control and mitigate risks. Mayor Itta further endorsed the need for research and involvement of local organizations. "It's important to remember that the Inupiat people are part of the Arctic environment," Itta said.

Anchorage resident Dave Harbour said that the direction of national ocean policy "is a concept that must be fully – not partly – investigated to assure the avoidance of very bad, unintended consequences – including those which could unintentionally harm American citizens or the very oceans themselves."

Marine Conservation Alliance Executive Director and RDC board member, David Benton, submitted testimony, urging the task force "to avoid developing a national policy that further complicates an already daunting array of laws, regulations and policies that currently govern ocean uses." RDC also urged the task force to avoid redundancy and carefully consider whether or not another bureaucratic layer in the process is necessary. Read RDC's complete testimony at akrdc.org.

Governor Parnell on Arctic Policy

(Continued from page 5)

I strongly urge the Senate to ratify the United Nations Convention on the Law of the Sea. Once ratified, the treaty will allow us to claim jurisdiction over the offshore continental shelf behind the 200-mile limit. U.S. boundaries could grow into areas that may hold large deposits of oil, natural gas and other resources. Russia, Canada, Denmark, and Norway already have claims to Arctic territory, and we need a seat at the table.

Alaskans know this land. The changes in the Arctic ice - their timing, extent, and nature - give us cause for concern. To define and address these concerns, we have formed the Climate Change Subcabinet to respond to immediate needs in rural villages, and to plan for future needs as well. And the subcabinet has turned recommendation into action. We're now working on coastline stabilization, emergency and evacuation planning, hazard mitigation planning, and training and exercises for the communities that need help most.

Senator Murkowski deserves recognition for bringing the hearing to Alaska, as these policies will have a profound effect on the nation and on our state for generations.

Alaska and the U.S. government share a policy that is balanced and recognizes the diversity the Arctic offers. And it highlights the Arctic's unique characteristics and the consequent need for unique treatment.

I urge the Congress and the federal Administration to continue the good work on Arctic policies. Alaska will participate and Alaska will contribute.

Alaskans rally on energy issues



An Anchorage Energy Citizens Rally was held August 31 to highlight crucial energy issues facing Congress when it returns from its August recess. Hundreds of citizens, including organized labor, met at the Dena'ina Convention Center to hear speakers focus on the need for offshore energy development and what it means to the Alaska economy, as well as the ramifications of emerging climate change legislation on the proposed natural gas pipeline, American industries and household energy costs. A broad cross section of groups across the resource development sector, including RDC, supported the rally. Comments on offshore energy development are due September 21. Please see akrdc.org for details.

News digest

MMS determines Shell's plans to be complete

The U.S. Minerals Management Service has determined that Shell's new Beaufort Sea exploration plan is complete, initiating a 30-day period in which the agency will carry out an environmental assessment of the plan. Following the conclusion of the environmental assessment, the agency will decide whether to approve the plan, require modification or disapprove it.

Shell is proposing exploration activities limited to the far western area of Camden Bay, including the use of one drill ship with one tending ice management vessel drilling two wells over the course of one year. The two leases are about 16 and 23 miles north of Point Thomson.

The two leases were obtained during the Beaufort Sea oil and gas lease sales 195 and 202 in 2005 and 2007. The sales were included in the 2002-2007 five year oil and gas leasing program and are not affected by the recent court decision on the current leasing program, which sent the 2007-2012 program back to MMS for additional environmental review.

Doyon still interested in Yukon Flats

Despite the U.S. Fish and Wildlife Service's rejection of a proposed land exchange at the Yukon Flats National Wildlife Refuge, Doyon Limited may move forward with exploration on land within the refuge that it owns near the villages of Birch Creek and Stevens Village.

Doyon's current land base in the area has potential for significant oil and gas prospects. Moreover, recent U.S. Geological Survey information indicated the land Doyon was about to trade away in the exchange may also hold promising petroleum prospects.

Oil and gas development in the Yukon Flats has the potential to create economic opportunities in the rural region with new jobs for local residents, as well as a reliable fuel source.

Doyon drills gas well near Nenana

Doyon is analyzing the results of a test well drilled this summer in the potentially natural gas-rich Nenana Basin west of Fairbanks.

Doyon is partnering with Usibelli Energy, Arctic Slope Regional Corporation and the developer, Denver-based Rampart Energy. Doyon's Arctic Wolf rig was transported in 50 truck loads from the North Slope to the site, four miles from Nenana.

The Fairbanks-based Native corporation and its three partners spent \$15 million on the exploratory gas well Nunivak No. 1. The basin could hold 1 to 6 trillion cubic feet of natural gas. For comparison, Cook Inlet has produced 7 trillion cubic feet of gas.

Jim Mery, a vice president with the Interior Native regional corporation, said he is "very encouraged" by preliminary results.

Doyon has leased drilling rights to 500,000 acres in the basin. The prospect is ideally situated near critical infrastructure, including the Parks Highway, the Alaska Railroad and the electrical intertie.

If exploration is successful, Doyon will drill additional wells in 2010 to define the prospect. Gas could be piped to Fairbanks and North Pole or used at Nenana to generate electricity for the Railbelt. If the find is large, gas could be piped to Southcentral. Major users initially would be Golden Valley Electric Association and the Flint Hills refinery in North Pole.

To justify a pipeline to Fairbanks, Doyon will need to confirm a 15 to 20-year supply of 10 billion cubic feet per year.

Begich introduces package of Arctic bills

Recognizing that the Arctic will play a major role in the nation's commerce, foreign policy, and energy independence over the next 50 years, U.S. Senator Mark Begich in August introduced a legislative package of seven bills designed to plan and prepare for the changes and challenges in the region. Begich devoted his maiden speech on the Senate floor to the issue because of its importance to Alaska.

Begich's package of bills deal with oil exploration, climate change, shipping, health and diplomacy in America's Arctic. Begich said the Arctic holds enormous natural resource wealth which should be carefully developed to create American jobs and help ensure the nation's energy independence.

"This century, and the next 50 years of Alaska statehood, brings great challenges and great opportunities," Begich said. "To succeed, we must address broader policy implications of an ice-diminishing Arctic on the diplomatic, scientific and national security fronts."

RDC conference approaches, save the date!

RDC's 30th Annual Conference, Alaska Resources 2010, will be held this November 18-19 at the Dena'ina Convention Center in Anchorage. The conference, which focuses on Alaska's oil, gas, mining, fishing, tourism and forestry industries, attracted 800 attendees in 2008. Among this year's slate of speakers is Gaétan Caron, Chairman and CEO of Canada's National Energy Board. For information and sponsorship opportunities, visit akrdc.org.

AMEREF news and upcoming events

Provided by the Alaska Mineral & Energy Resource Education Fund (AMEREF), Rock & Roll Around Alaska is a course designed to educate Alaska's teachers about Alaska's natural resources and to incorporate AMEREF's curriculum into the classroom. It is an interactive course offered through all three University of Alaska locations and allows teachers to receive one continuing education unit (CEU) towards recertification. Guest speakers and industry presentations are welcome. Upcoming course dates and locations are September 10-12 in Fairbanks, October 16-17 in Juneau (Math/Science Conference for educators), November (TBD) in Anchorage, and April 21-23 on Prince of Wales Island.

AMEREF will sponsor two teachers (one each from Fairbanks and Anchorage) to attend the Math & Science Conference in Juneau. AMEREF will also offer the Rock & Roll Around Alaska course in Juneau for teachers to earn one CEU through University of Alaska Southeast. Please consider helping send a teacher to this important conference. For more information, please visit ameref.org.

AMEREF will also be hosting a fourth grade Anchorage class for one day at the Alaska Miners Association (AMA) Convention and Trade Show on November 5th. This is an excellent way to demonstrate to young Alaskan minds the opportunities mineral development in Alaska has to offer. Please consider partnering with AMEREF to help make it a success.

Finally, AMEREF will once again benefit from the George Schmidt Raffle and Silent Auction at the annual AMA banquet on November 6, 2009. Raffle and auction prizes and packages may be donated any time before the banquet, and sponsors will be recognized through program flyers and more. Your donation may be tax deductible. For additional information, and to learn about the AMEREF program and current events, please visit ameref.org.



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

121 W. Fireweed, Suite 250, Anchorage, AK 99503

ADDRESS SERVICE REQUESTED

PRSR STD
U.S. Postage
PAID
Anchorage, AK
Permit No. 377



Alaska looks back on five successful decades as a major supplier of America's energy, and looks ahead to an exciting future.

Alaska Frontier Constructors is proud to have supported that record of exploration and production, and stands as a ready partner as Alaska pursues a new era of excellence in developing our vast natural resources.



Ready for tomorrow today.

6751 S. Airpark Place Anchorage, Alaska 99502 | (907) 562-5303 | akfrontier.com