

Shipping to Alaska?

**We're the one.**

Only Alaska Hydro-Train has the equipment and the people to handle your cargo.

**We're the one with flexibility.**

Our superbarges can easily accommodate:

- Railcars—all types
- Highway Trailers—any size
- Oversized Equipment
- Containers—any size
- Breakbulk
- Intermodal traffic from anywhere.

With weekly sailings—52 weeks a year.

**We're the one with professional support.**

For a quarter of a century—longer than anyone else—our shipping staff has provided personal, experienced attention to every item, in every shipment—combining an old-fashioned commitment with ultra-modern, computerized tracking systems to maintain our leadership in the common carrier industry.

Call us today. 800-248-8632  
 Anchorage (907) 762-3352  
 Fairbanks (907) 456-7171  
 Seattle (206) 443-8100  
 Or contact any of the over 50 Crowley offices and agents worldwide.



AHT is a Crowley Maritime company. Established in 1892, Crowley is America's most diversified maritime company, providing high quality transportation services to the Alaskan, Hawaiian and Caribbean trade.

This edition **Alaska Railroad Corporation**  
 Sponsored by: **Alaska Hydro-Train**

Bulk Rate  
 U.S. Postage  
**PAID**  
 Anchorage, AK  
 Permit No. 377

ADDRESS CHANGE  
 REQUESTED  
 Return Postage Guaranteed

# Resource Review

Resource Development Council for Alaska, Inc. Box 100516, Anchorage, AK 99510

December 1986

## Experts urge ANWR oil Development

"The question of how important the Arctic National Wildlife Refuge (ANWR) Coastal Plain is to Alaska's economy is like the question, 'How important is the fuel supply to your airplane when you are flying at 35,000 feet?' " said Alaska economist Bob Richards at a special RDC lunch forum last month in Anchorage.

"Although there are many critical parts to the aircraft, it can be asserted that the fuel supply plays a chief role in getting you to 35,000 feet, and without it your trip is over, and furthermore, your trip is over in a rather unpleasant fashion," Richards said.

The analogy is a perfect one for ANWR, the subject of the luncheon, which also featured Charles DiBona, President of the American Petroleum Institute and Oliver Leavitt, Vice President of Arctic Slope Regional Corporation.

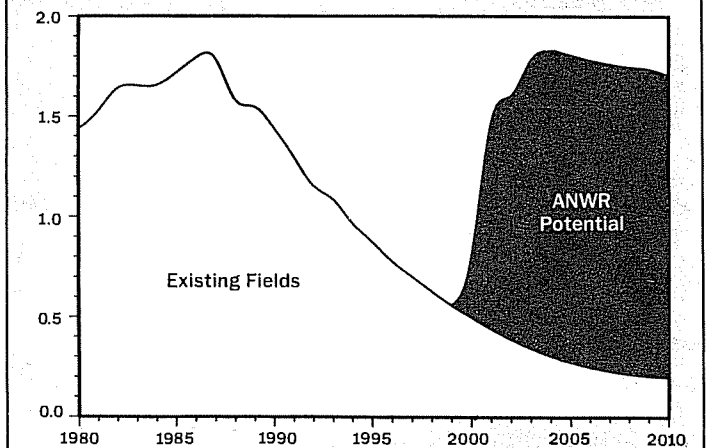
**See related stories on page 4**

With lead times of 10 to 15 years required to explore and develop a North Slope oil field into production, the U. S. should not delay in launching environmentally-responsible exploration activities in the Arctic National Wildlife Refuge, said DiBona.

If a Congressional decision were made today to open the Coastal Plain of the refuge to oil and gas leasing, the earliest ANWR could be producing oil would be 1998, DiBona said. That is when Prudhoe Bay will be producing about one-third of what it does today.

DiBona stressed that the best chance to find a new gigantic domestic supply of oil is in the Coastal Plain of ANWR. He explained that ANWR

**FUTURE NORTH SLOPE PRODUCTION**  
 Million Barrels Per Day



Source: Alaska Oil & Gas Assn.

is an essential element of America's long-term energy equation, offering the best hope for reversing the nation's increasing dependency on unstable foreign supplies of oil.

Although oil is plentiful in world markets today, DiBona warned that domestic production is steadily falling, setting the stage for another energy crisis in the next decade when U.S. oil imports are predicted to rise to 60 percent of domestic consumption. As imports continue to increase, DiBona said America's vulnerability to oil price shocks and oil shortages will rise to excessively dangerous levels.

"The purchase of Alaska was no folly, but turning our backs on its natural resources would be," said the API President.

Praising the oil industry's record on North Slope development, Arctic Slope Regional Corporation's Oliver Leavitt stated that "energy production facilities can be developed and operated compatibly with the very important fish, waterfowl and wildlife species of the Coastal Plain."

Leavitt reminded those attending the RDC meeting that the Eskimo people have more at stake in decisions about North Slope development than any other group of people in the nation.

Leavitt said residents of the North Slope "favor development if it can be done in a manner that is compatible with our long-term interests in protecting the environment and the fish and wildlife values of the North Slope."

"For my people, our lands in and near the Coastal Plain represent our best chance to participate directly, as owners, in the economic benefits that North Slope oil development has brought to our state and to the nation."

(Continued on page 5)

**— INSIDE —**

• Economic development movement .....	2
• Coal reclamation... ..	4
• Seventh Annual Resource Conference .....	3
• ANWR report .....	4
• Hatcher Pass mineral closures .....	5
• Togiak Management Plan .....	6
• Harvest Supper .....	6



## Message from our executive director



by Paula P. Easley

# Economic development movement needed to meet challenge of Alaska's economy

When John Anderson, Washington State's Economic Development Director, spoke at the Resource Development Council's (RDC) conference last February, his important message went unheralded by the media. I confessed wonderment at how little excitement was generated about his state's aggressive economic development program, called "Team Washington," and how it had brought local and state governments together with private-sector leaders to pursue economic goals.

Two other speakers addressed subjects pertinent to Alaska's current situation: one dealt with the costs and benefits of incentives and the other with organizing state economic development programs. The speakers were Walter O' Connor and Scott Fosler, and their recommendations were published in the Conference Proceedings.

These and other speakers provided sound direction to local and state leaders for mobilizing the forces to improve Alaska's economy. Bob Richards and John Sandor, who prepared papers for the Proceedings, offered additional guidance.

I mention this now because it points up an often-substantiated fact about economic development activity: No city or state has ever gotten serious about economic development until there was a crisis. And last February, the general population had apparently not accepted the reality of Alaska's economic state of affairs. It's safe to say that the message has now sunk in — there is widespread agreement that we must do something. But what?

Here the agreement ends, because no one person, agency or institution knows all the answers as to what that "something" is. One thing for certain, the old rules of the game no longer apply. Playing "economic development" in the eighties is an entirely new ball game, and Alaskans have a lot to learn from the pros who've been at it for well over a decade.

During that same period, Alaskans were too complacent to address the concerns of their primary industries. With billions of dollars in revenues from petroleum, who needed mining, timber, agriculture, fisheries, tourism or power development? We did, that's who. But it was impossible to generate widespread support for creating the right climate for these industries to "make it" in Alaska while we were awash in petrodollars.

How many times have you heard that no other industry could begin to bring in the kind of revenues government gets from oil? True, but

an important point is missed here. All these other industries generate high levels of employment in the private sector, and when we talk about diversifying the economy, we mean creating jobs primarily for people in private industry.

What can we do to begin diversifying Alaska's economy? We've already taken the first step — admitting that we have a problem, or challenge, as we might prefer to call it.

The second step involves commitment — commitment to make economic development a major priority at local and state levels. Recently more than 30 governors have made economic development their top priority and have put the full weight and force of the governor's office behind their programs. How did they do it? By studying what worked and what didn't work in other states, by borrowing the good ideas and discarding the ones that proved too costly or ineffective. That's the third step.

When it comes to economic development strategies, we do care how they do it. Outside Alaska cannot afford to waste precious time reinventing the wheel or spending scarce resources on economic development experiments. That's precisely why RDC's members have paid us to examine a variety of state programs to see which processes or strategies might fit Alaska's needs.

One obvious conclusion of our research is that virtually every successful program involves a marriage of business, government, labor and universities.

Because the timing is now right for Alaska to aggressively protect and enhance its own economic interest, a major conference has been scheduled to consider exciting options.

Called "The Alaska Great Opportunities Conference," it will describe successful programs of cities and states across the nation, and even the country of Ireland. Believe me, many of these programs and processes can and should work to our benefit in Alaska. Between now and April 2, when the conference convenes, we encourage Alaskans from all walks of life to gather their thoughts and ideas for future direction and share them with us for publication.

By using our talents and applying the best human resources to meeting the challenge of Alaska's economy, we can indeed create an economic development movement, and that's what we need.

### Resource Development Council, Inc.

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

RDC invites members and the general public to its weekly breakfast meeting featuring local and nationally-known speakers on economic and resource development issues. The meetings are held on Thursday at 7:30 a.m. in the Northern Lights Inn. Reservations are requested by calling 276-0700.

### Executive Committee Officers

President ..... Boyd Brownfield  
 Vice President ..... John Forcskie  
 Vice President ..... Joseph Henri  
 Vice President ..... Shelby Stasny  
 Secretary ..... O.K. "Easy" Gilbreth  
 Treasurer ..... Larry Laughman  
 Past President ..... Charles Webber

### Staff

Executive Director ..... Paula P. Easley  
 Deputy Director ..... Becky L. Gay  
 Public Relations Director ..... Carl Portman  
 Projects Coordinator ..... Mike Abbott  
 Membership Relations Director ..... Lynn Gabriel  
 Staff Assistant ..... Dottie Morrison  
 The RDC business is located at 807 G Street, Suite 200, Anchorage.

**Resource Review** is the official monthly publication of the Resource Development Council, Box 100516, Anchorage, Alaska 99510 — (907) 276-0700.

Material in the publication may be reprinted without permission provided appropriate credit is given.

Carl Portman  
 Editor & Advertising Manager

**Resource Review** encourages its readers to submit articles, announcements and letters to the editor for publication. Send all correspondence to Resource Development Council, Resource Review, Box 100516, Anchorage, Alaska 99510.



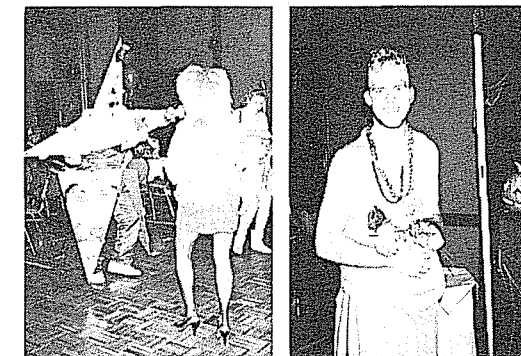
## Masquerades highlight RDC ball

The Resource Development Council's first annual Halloween Masquerade Ball last month attracted creatures from the darkest corners of the "other" world. Writting music, exotically-carved pumpkins and a long buffet centered with huge, deathly-white jack-o'-lanterns at the base of a lighted fountain greeted those attending the freaky festivities at the Anchorage Hilton.

George and Martha Washington (Pete and Lin Sloane) arranged a table of "famous couples" to win the prize for best table theme. Dave and Shirley Heatwole depicted the '49er and his darling Clementine while Marco and Mary Pignalberi, who came as a rock star and Tina Turner, won the best couple award.

The most original went to Janell Medina as a Zulu maiden while her date, RDC intern Chris Meade, was a Hari Krishna. Winning the most hilarious was Andy Anderson of Seward, who came as a banana with his wife, RDC Executive Committee member Sharon, as Chiquita.

The masquerade ball was a grand success thanks to a dedicated committee comprised of Lin Sloane, Kris Goodrich, Juanita Lang and Judy Berger.



Merrymakers included Dave and Shirley Heatwole, Pete and Lin Sloane, Al and Pat Fleetwood and Jerry and Judy Booth. At far left, Marco Pignalberi, disguised as a "rock star" and Mary Pignalberi, appearing as Tina Turner, won the best couple contest. RDC intern Chris Meade was among the most admired. (Photos by Dick Sutliff)



**ALASKA RAILROAD**

C O R P O R A T I O N



**YOUR TRANSPORTATION PARTNER IN ALASKA**

Spanning 470 miles of Alaska wilderness the Alaska Railroad links the port cities of Anchorage and Seward with Fairbanks. The railroad serves as a vital link in the transportation network that moves freight across the contiguous United States and Canada to Alaska. In fact, Anchorage, the state's business and transportation hub, got its start as a railroad town.

**Freight Service:** For freight sales information call 279-4471 in Alaska or call toll free from anywhere in the U.S. by dialing 800-The-ARRC (800-843-2772) or 800-544-0556.

Box 7-2111  
 421 W. 1st Avenue  
 Anchorage, AK 99510

# State proposes major unified effort in planning economic development strategies

The success of any strategy for economic development in Alaska, either from the public or private sector, will depend largely upon a partnership forged between the two sectors, according to Tom Lawson, Project Coordinator of the Alaska Economic Development Strategy for the Alaska Department of Commerce and Economic Development.

Lawson, told an RDC breakfast forum that active participation and support of the governor and business leaders are also essential for a successful strategy.

"As an ownership state, we have to take a very active role in economic development," Lawson said. "The successful implementation of a strategy and organizational structure will help us meet the future challenges, outline opportunities that exist and ultimately promote future economic growth and diversification."

## Farmers give thanks at Harvest Supper

More than 200 people celebrated a progressive Alaska agriculture industry by feasting on a wide assortment of Alaska grown products at the Second Annual Harvest Supper, sponsored by the Alaska Farmers and Stockgrowers Association and the Resource Development Council.

The mid-November Palmer event represented a chance to acknowledge the contributions of state legislators and to make a positive impression on the new administration, according to Pat Mulligan, Matanuska Valley farmer and member of RDC.

All of the food for the celebration was donated by local farmers. The evening began with hors d'oeuvres — deviled eggs, carrot sticks and Alaska meat products. Dinner consisted of baron of beef, roast pork, mashed potatoes and gravy and cooked carrots. For desert, there was carrot cake and ice cream made from local milk.

"You don't hear about the good stories as much as the bad," said Mulligan. "Progress comes from experience. We've got a ways to go, but we're on the trail to getting there."

Sig Restad of the University of Alaska Agriculture and Forestry Experiment Station in Palmer surprised RDC's executive director Paula Easley with a plaque for distinguished services. The award recognized Easley for "outstanding support of rural development and the agriculture industry in Alaska."

Page 6 / RESOURCE REVIEW / December 1986

Through a grant from the U.S. Department of Commerce, the state's Office of Enterprise is moving forward to design, develop and implement an ongoing statewide economic development program that will create employment opportunities, foster economic diversification and stability and improve the quality of life.

Lawson praised the Resource Development Council's New Strategies for Advancing Alaska's Economy 1986-1990 as a document that will be of great assistance in developing the state's economic development strategy.

"I believe what is most important at this point is development of the institutional structure, originating in the executive branch, to provide the means to unify our effort," Lawson said.

A first step in preparing a state economic development plan has been the gathering and analyzing of economic information and is-

## Council responds to Togiak management plan

Future management regimes for the Togiak National Wildlife Refuge may be unduly restricted by unnecessary Wilderness recommendations, according to the Resource Development Council.

In comments to Robert Gilmore, Regional Director of the U.S. Fish and Wildlife Service, RDC executive director Paula Easley said the preferred alternative in the comprehensive management plan for the refuge is not necessary to carry out the Congressionally-established purposes of the refuge.

Easley said, "the Togiak National Wildlife Refuge can support multiplicity of existing and potential uses not presently stressed in the final comprehensive management plan's preferred alternative."

## "Buzzfacts"

The 220 million acres of federal lands within Alaska would comprise the **second** largest state in the U.S. This 220 million acres is roughly the size of 15 East Coast states, including the combination of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, New York, Pennsylvania, Ohio, Maryland, Virginia, North Carolina, South Carolina, Delaware, New Jersey and Rhode Island.

sues. Lawson's office recently completed a statewide survey that revealed "adverse regulatory burden on potential investors" as the number one priority issue with the solution being, "start now to develop a realistic and practical regulatory climate..."

Those returning the survey identified the "lack of a statewide surface transportation system for products and supplies" as another major impediment with the solution being to "promote and finance construction, regain rights-of-way for prime transportation corridors."

Lawson pointed out that over the past ten years, a variety of economic development programs and projects has been initiated by the state government. While some of these state programs are worthy, "all were the victims of the fickle winds of Alaskan politics and changing administration agendas," Lawson said.

RDC also indicated that low-impact oil and gas studies should be accommodated. The Council said it would be more comfortable with the oil and gas management regimes of Alternative E or D from the draft. These schemes, the Council contends make clear the Service's intent to promote better understanding of Togiak's subsurface resources and could support environmentally-sound exploratory activity in the future.

Easley said the federal agency is to be commended for dealing with the many Togiak issues with diligence and creativity.

"We feel that the Service's intention to further study the user conflicts there will provide for a equitable management scheme in the future," concluded Easley.

## Notable Quote

"Most simply, in our experience, myopic environmental extremists prey upon the ecological sensitivities of citizens to preclude benign and potentially beneficial energy developments."

John Baden,  
McGuire Oil and Gas Institute,  
Dallas, Texas

## Thoughts from the president

by Boyd Brownfield



## ANWR opening will require monumental effort

Whether you live in Seattle or Anchorage, you have a vital interest in the Coastal Plain of the Arctic National Wildlife Refuge and a very important role to play concerning its opening to oil and gas leasing.

Energy development in the ANWR Coastal Plain is not solely an oil industry issue. It is an issue impacting nearly every state in the nation and touches almost every business in one way or another.

Contrary to what some people have heard, oil development in ANWR is not an issue of energy development versus environmental values. In Alaska, the petroleum industry has consistently demonstrated it has the ability to operate in conditions similar to those found on the Coastal Plain in a safe, responsible manner with little adverse environmental impact.

Based on the national need for domestic sources of oil and gas and on the ability of industry to minimize damage as learned from oil and gas activities elsewhere in the Alaskan Arctic, it was no surprise, and indeed very encouraging, that the U.S. Fish and Wildlife Service came to the conclusion in its draft 1002(h) report that oil and gas leasing in the refuge is definitely in the nation's best interest.

However, environmentalists are working hard to convince Congress to add the entire Coastal Plain to Alaska's designated Wilderness system, already larger than the state of Washington. We believe the Coastal Plain should be maintained as a refuge and explored for possible petroleum development under responsible measures to protect the environment.

The battle will be fought in the halls of Congress. Unfortunately, some Congressmen know little to nothing of the grave consequences that delay and closure to exploration will bring.

Make no mistake about it. This is a national issue. The ANWR field just happens to be located in Alaska.

A monumental effort is necessary in a time frame of less than a year to convince Congress that the Coastal Plain should be opened to petroleum development. We cannot afford



## Major RDC conference set for April 1987

The Resource Development Council, Inc., has moved its Seventh Annual International Conference from mid-February to April, according to RDC President Boyd Brownfield.

"We decided to combine the two-day conference and Expo, a Community Development Workshop and our Annual Meeting to accommodate the many Alaskans outside the Anchorage area wishing to attend each event but having fewer travel funds," Brownfield said.

The 1987 event is billed "Alaska's Great Opportunities Conference," and is scheduled for April 2 and 3 at the Sheraton Anchorage Hotel. An exposition is held in conjunction with the conference during which communities promote their activities and business venture opportunities, and companies and organizations publicize their services.

The Community Development Workshop takes place Saturday, April 4 and will be led by conference speakers who will address specific local community needs.

Brownfield described the three days of activities as "a dynamic policy forum for shaping processes and institutions to advance economic diversification and mobilize Alaska's creative energy." Negotiations have begun to bring economic development professionals from fourteen states to share their knowledge and experience with Alaskans concerned about improving the state's economy.

Some 500 Alaskans participate in the annual event. Persons wishing to take advantage of a reduced registration fee, good through the month of December, should contact the Resource Development Council at 276-0700 or 807 G Street, Suite 200, Anchorage, Alaska 99501.

## RDC defends coal project

Allegations of environmental degradation voiced at a November public hearing on the Diamond Alaska Coal Company project in the Chuitna mining area were made without demonstrated foundation of fact, according to the Resource Development Council. In comments to the Alaska Department of Natural Resources, the Council pointed out that Diamond Alaska Coal Company has already provided extremely complete information throughout the permitting process. The Council urged DNR to adhere to the permitting schedule after reviewing reasonable public input.

RDC believes that challenges of procedure and introduction of issues not directly related to the permit in question complicates the process. A delay would have serious consequences for the project sponsor and Alaska's economy.

The Diamond Chuitna project would provide hundreds of jobs to offset an unemployment rate of 17 percent in the Kenai Peninsula Borough, where a majority of residents support the project.

for the ANWR issue to become another cheap environmental vote by Congressmen far removed from both Alaska and the energy needs of the U.S. and our allies.

gress is a must if the best interests of our nation are to be served.

To learn how you can help, contact RDC at 276-0700.

Remember, an informed public and Con-



# U.S. Economy has big stake in ANWR

A delegation of Alaska business leaders met with business and government officials in Seattle late last month to educate citizens on the national implications of opening the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration and development.

The Alaska Coalition for American Energy Security addressed all aspects of the ANWR issue in a presentation, November 24, before a special meeting of the Seattle and Tacoma Chambers of Commerce.

The Washington meetings represented the beginning of a national effort for both the Coalition and RDC to alert Americans that an extraordinary amount of oil may exist in a very small portion of the refuge and that environmentally-sound development of potentially giant oil reserves is vital to the nation's economic well being and national security.

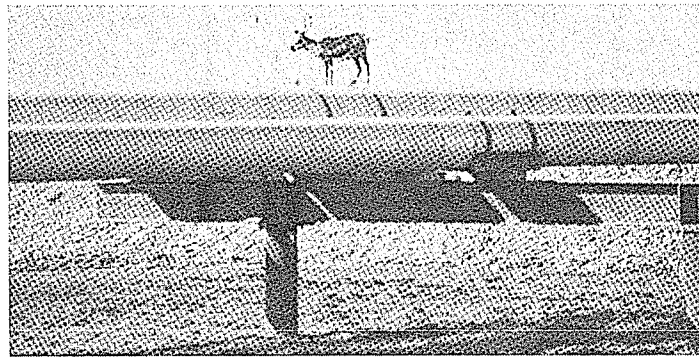
Congress will decide whether to allow oil and gas development on the Coastal Plain of ANWR. The 1.5 million-acre Coastal Plain, the area that holds the greatest potential for significant new oil discoveries, comprises about 8 percent of the Arctic refuge, located in a remote corner of Northeast Alaska.

Environmentalists want Congress to designate the entire Coastal Plain Wilderness, despite the fact that 92 percent of the refuge is already off-limits to oil and gas development. Others believe it should be maintained as a refuge and explored for possible petroleum development under responsible measures to protect the environment.

Boyd Brownfield, President of the Resource Development Council, told the Seattle audience that the upcoming congressional action on ANWR will have a significant impact on not only Alaska, but the entire nation.

Brownfield pointed out that in just the past five years, some \$10 billion have been spent nationwide in the manufacturing, construction, transportation and service sectors to support Prudhoe Bay development. He said that if a major oil field is discovered in ANWR, 290,000 jobs could be created throughout the nation with many of those jobs being generated throughout the Pacific Northwest.

"Should the remaining 8 percent of the refuge--the Coastal Plain--be closed to oil and gas development, America would drastically limit its



*Many preservationists claim caribou and pipelines do not mix. However, a multi-year record of North Slope oil development and production shows caribou coexisting with carefully planned industry development. (Photo by: Roger Mechon)*

long-term energy and economic options," Brownfield said.

The RDC President pointed out that Alaska already has a gigantic amount of land under Wilderness designation.

Alaska's wilderness system, where all development activities are banned, equates to the combined land mass of Pennsylvania, New Jersey, West Virginia and Maryland. In addition, Alaska has nearly twice that amount of land protected under the separate classifications of national parks, monuments and forests.

Joining Brownfield in addressing the Seattle audience were Roger Herrera of Standard Alaska Petroleum Company and Lt. Governor Steven McAlpine.

Accompanying the speakers were Robert Anderson, the Alaska Oil and Gas Association; Charlie Johnson, Denali Investments; O.K. "Easy" Gilbreth, Alaska Oil and Gas Association; Mayor John Devens, Valdez; L.F. MacDonald, Valdez Chamber of Commerce; Al Fleetwood, Alaska State Chamber of Commerce; George Krusz, Alaska State Chamber of Commerce; Jim Rynearson, Alaska Pulp Corporation and Glenn Chambers, Yukon Equipment Company.

## RDC task force studies ANWR report

The Resource Development Council has assembled a team of experts representing a wide spectrum of fields to closely examine a Department of Interior report that recommends oil and gas leasing in the Coastal Plain of the Arctic National Wildlife Refuge.

The Council's team will submit detailed comments to the U.S. Fish and Wildlife Service in addition to preparing oral testimony for public hearings in January.

In its draft 1002(h) report released last month, USF & WS recommended that the entire 1.5 million-acre Coastal Plain of the refuge be opened to new oil and gas leasing, but that 242,000 acres identified as the core calving area for the Porcupine Caribou Herd be the last tracts offered for lease. Any development that would take place in the core calving area would be subject to specific guidelines and would be based on an assessment of development activities in neighboring tracts, the report said.

"The Interior Department's report reflects the value of the Coastal Plain's energy resources to America's national security needs," said Ric Davidge, chairman of the RDC Task Force on ANWR. "By proposing oil and gas leasing in the Coastal Plain, the U.S. Fish and Wildlife Service has confirmed that with protective measures, oil and gas de-

velopment is compatible with the purposes of the refuge."

William Horn, Assistant Secretary for Fish and Wildlife and Parks, said "there is a history that shows caribou can adapt to oil industry development. It's a win-win situation."

While proposed oil and gas drilling on the Coastal Plain may have set the stage for a battle with preservationists, Horn said the issue is not an either/or confrontation.

The Interior study said the worst effects on wildlife can be minimized or eliminated by applying lessons learned from 18 years of exploration and development at Prudhoe Bay. Since development began at Prudhoe Bay, the Central Arctic Caribou herd, which calves and grazes in the area, has more than tripled in population.

Public comments are now being sought by the Interior Department. Hearings are scheduled next month in Kaktovik, Anchorage and Washington D.C.. The Resource Development Council has requested an additional hearing be held in Fairbanks to accommodate northern residents most impacted by the decision.

Following the 60-day public comment period, Interior Secretary Donald Hodel will make a final recommendation to Congress, which will make the final decision.

## ANWR... (Continued from page 1)

Richards underscored Leavitt's comments by reminding the 250 people in attendance at the Anchorage Hilton Hotel that it was the oil at Prudhoe Bay that fueled the take-off and soaring of Alaska's economy. However, Richards warned that "the inventory in the Prudhoe Bay fuel tanks on our aircraft is depleting and will be depleting at an increasingly rapid rate. We better have an additional set of tanks to which we can switch or the trip is over."

The former Alaska Pacific Bank president stressed that oil and gas development in ANWR takes on double importance because "we're not talking about getting the plane off the ground; we're augmenting the discovery and development of oil to maintain the North Slope as the fuel supply for the Alaska economy." In the absence of such activity, Richards said "the economy will eventually come down and the landing will be a bit uncomfortable."

Richards estimated that 10,000 jobs will be created if a major discovery of oil is made on the small Coastal Plain, which represents only 8 percent of the Northeast Alaska refuge. In addition, he believes Alaska will reap, conservatively speaking, \$1 billion annually in royalties and tax revenues, creating 8,000 more jobs in government and support industry positions.

The Alaska economist pointed out that these new jobs would result in new prosperity because higher incomes would be associated with them. In addition, most of these jobs would be virtually non-seasonal.

"This is a very important factor in helping to offset the extreme seasonality of Alaska's other basic industries: tourism, fishing, forest products and construction," Richards said.

Richards also emphasized that the State of Alaska has an important role far beyond that of an employer, regulator and provider of social services. By being one of the three major landowners in the state, the state is a major player in terms of general investment in resource development, Richards said.

"The oil revenues from the State of Alaska give the state the direct wherewithal and the credit standing to possess the capacity to invest in major infrastructure projects that encourage expansion of the private sector in Alaska," Richards said. "What would our tourism industry be if the State weren't spending millions of dollars promoting it? What would our fishing industry be if the state weren't spending millions of dollars managing the fisheries?"

Richards stressed that Alaska must focus on diversifying its economy, but warned that the very financial resources required to fund diversification depend upon a healthy, abundant flow of revenues from the petroleum industry.

# Council strongly objects to proposed Hatcher Pass mineral closures

The Resource Development Council has strongly objected to the proposed mineral closures in the Hatcher Pass and Matanuska Valley Moose Range areas, insisting that the state's actions are not justified or that the Department of Natural Resources did not utilize a range of less drastic alternatives.

In the closing days of the Sheffield administration, the Department of Natural Resources concluded that the highest and best uses for these areas are tourism and recreation. RDC does not necessarily reject that conclusion, but rejects the determination that mineral closures are necessary to achieve those goals.

In correspondence directed to Bob Arnold, Acting Commissioner of Natural Resources, RDC executive director Paula Easley said the state must identify demonstrated incompatibility before issuing a Mineral Closing Order. "If mineral activity is in fact incompatible with scenic opportunities, then why is the Independence Mine such a tourist attraction?" Easley asked. "It is somewhat hypocritical to celebrate the history of mining while prohibiting similar activity in the present."

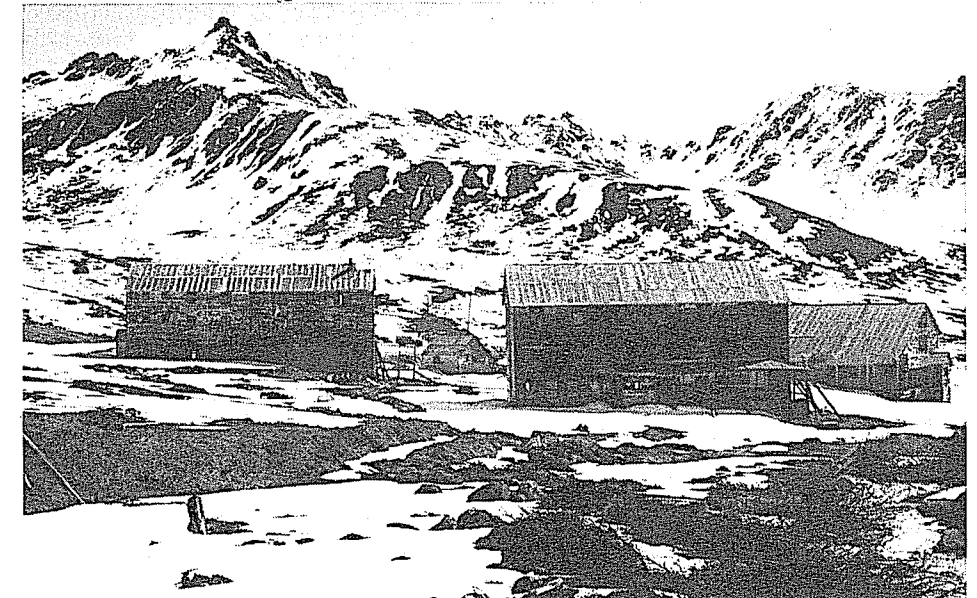
Paul Glavinovich, Director of the Council's Minerals Division, noted that alpine ski development, which may some day occur in the Hatcher Pass area, can easily coexist with mining activity. Alyeska Ski Resort and the historically active Crow Creek mining area are excellent examples of harmonious co-existence, Glavinovich said. He pointed out that many similar examples of non-conflict between winter recreation and mining occur throughout the western United States.

The Council challenged the impression in the Mineral Closing Order notices that public opinion unanimously supports the mineral closures. The Council said DNR received many comments from individuals, companies, trade associations and others urging support of mineral activity in these areas and opposing plans to unduly restrict reasonable mining.

"A more reasonable approach to sub-surface resource management in this area would have utilized mineral leasing processes to limit surface disturbances," Easley wrote Arnold.

According to many experts mining in the Hatcher Pass area may well be conducted underground and may be able to utilize existing facilities without significantly impacting the surface. At Hatcher Pass and the Moose Range, existing mineral leasing procedures grant the state the capability to ensure compliance with the management goals of each area.

"Once again the state land management seems to be locked into an either/or situation," Easley said. "It seems that we cannot have mining in an area with recreation or tourism opportunities. The impact of these Mineral Closing Orders will be a precedent which states that 'vehicle pullouts' have priority over, and cannot co-exist with, mining activity."



*Historical Independence Mine at Hatcher Pass is a big tourist attraction in Southcentral Alaska. (Photo: Steve Connolly)*