RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

BREAKFAST MEETING

Thursday, February 3, 2011

1. Call to order – Tom Maloney, President
2. Self Introductions
3. Headtable Introductions
4. Staff Report – Jason Brune, Executive Director
5. Program and Keynote Speaker:

Production Decline Signals A Need For Change

Marilyn Crockett, Executive Director, Alaska Oil and Gas Association

Next Meeting: February 17: Joe Sprague, Vice President, Marketing, Alaska Airlines

Please add my name to RDC's mailing list:

NAME/TITLE: ______________________________

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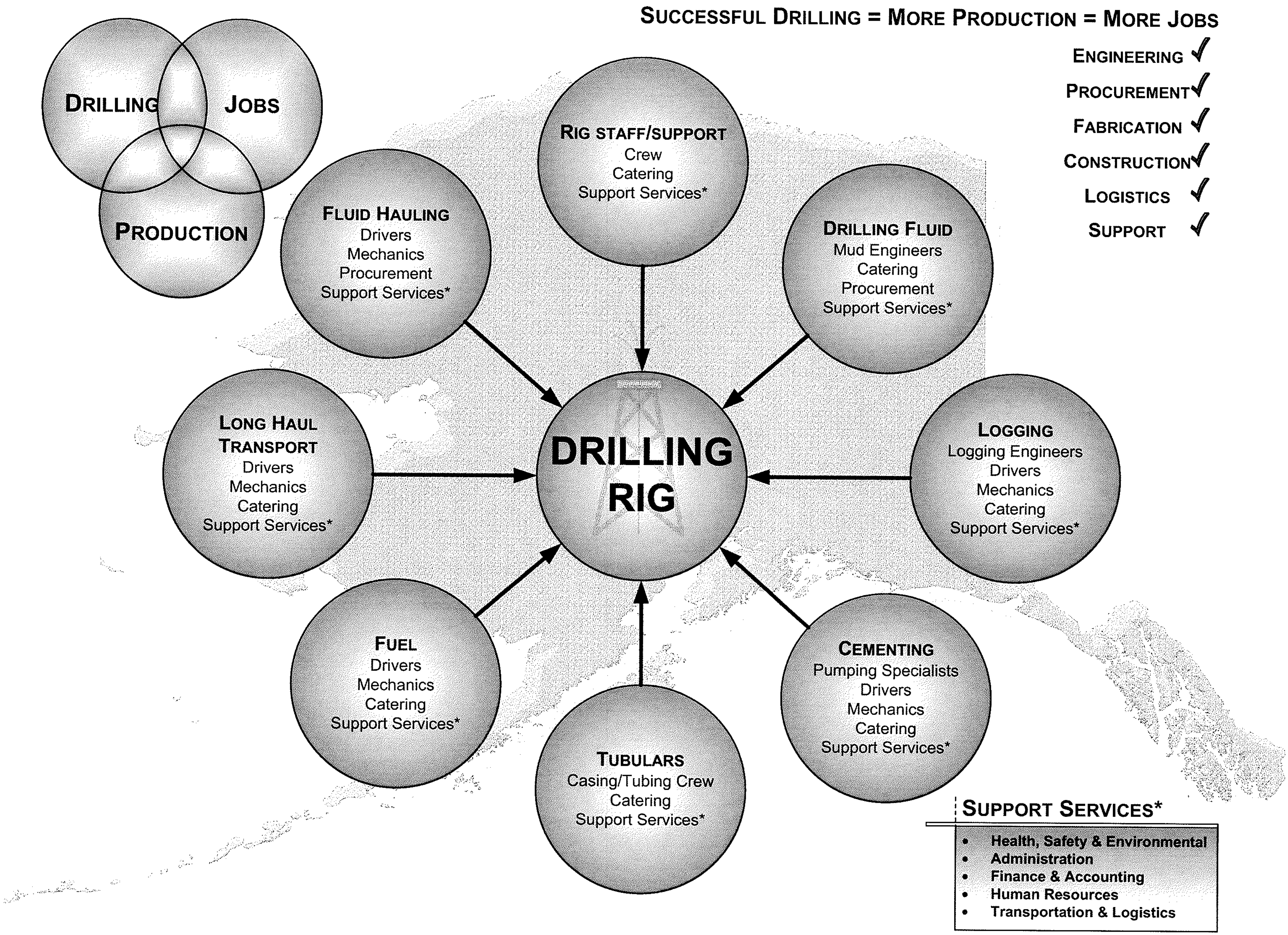
SUCCESSFUL DRILLING = MORE PRODUCTION = MORE JOBS
ENGINEERING ✓
PROCUREMENT ✓
FABRICATION ✓
CONSTRUCTION ✓
LOGISTICS ✓
SUPPORT ✓
DRILLING
JOBS
PRODUCTION
RIG STAFF/SUPPORT
Crew
Catering
Support Services*
FLUID HAULING
Drivers
Mechanics
Procurement
Support Services*
DRILLING FLUID
Mud Engineers
Catering
Procurement
Support Services*
LONG HAUL TRANSPORT
Drivers
Mechanics
Catering
Support Services*
DRILLING RIG
LOGGING
Logging Engineers
Drivers
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Catering
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FUEL
Drivers
Mechanics
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Support Services*
TUBULARS
Casing/Tubing Crew
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Drivers
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Catering
Support Services*
SUPPORT SERVICES*
• Health, Safety & Environmental
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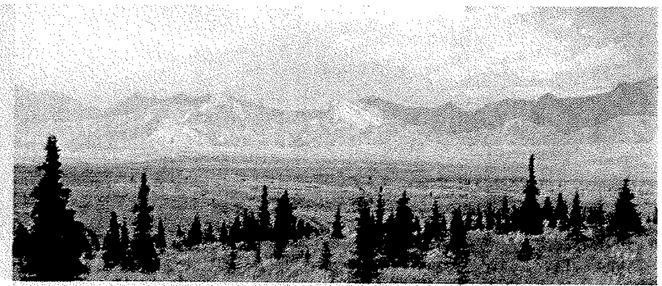
• Transportation & Logistics

straight talk

Alaska Oil and Gas Association

January 2011 – Issue 1



Production Decline Signals a Need for Change

With one-third of all jobs in the state being directly linked to the oil industry, it is no surprise that Alaskans are concerned about the decline in oil production and what it means to Alaska's economy. The pipeline is operating at only one-third of its capacity, and there has been a 39 percent decline in oil production in just the past 10 years.

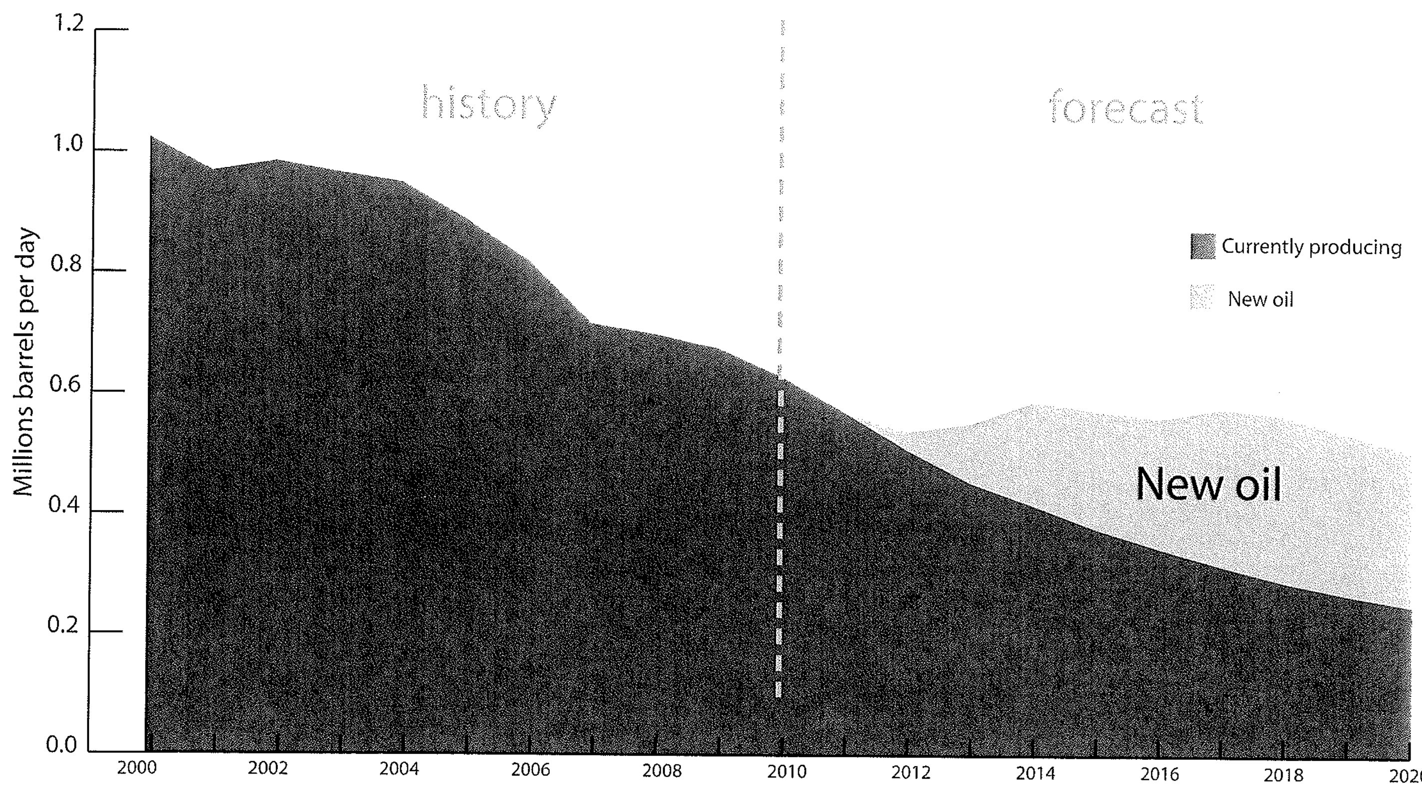
Alaskans want to see more oil produced, but the outlook, as displayed below, is troubling. More than 50 percent of total production will be from new oil by 2020, according to forecasts by the State of Alaska Department of Revenue. New oil means that the oil must come from fields that are currently under development or evaluation, but that will require a significant

continued on page 5

In This Issue:

Alaska North Slope Production

FY 2000-2010 and Forecasted FY 2011-2020



Source: Department of Revenue – Dec. 2010

Legislators Attend AOGA Educational Seminar

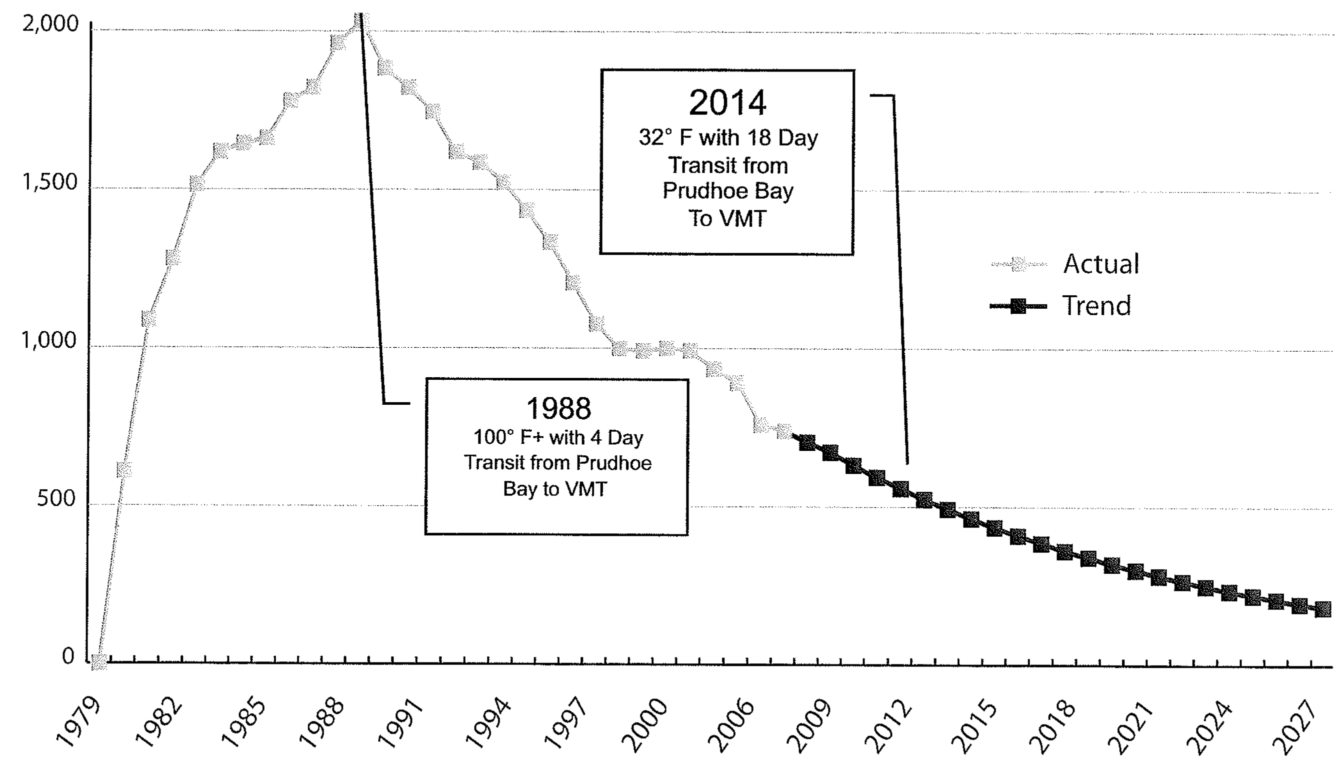
AOGA hosted its second Educational Seminar Jan. 6 for all newly elected legislators, current legislators and legislative staff. Based on feedback from the first seminar, which was a half-day session, this year's session was expanded to a full day, followed by a reception with AOGA's Board of Directors.

Company representatives with expertise in several disciplines shared information about many aspects of Alaska's oil and gas industry. Topics included: geology of Alaska, permitting, heavy and viscous oil, Cook Inlet, offshore, trans-Alaska pipeline and low flow challenges, taxes, refining, leasing, Endangered Species Act, federal challenges and oil spill response.

Pioneer's Ken Sheffield, Chevron's John Zager and BP's Claire Fitzpatrick participated in a panel discussion about how companies make investment decisions in Alaska and beyond. The panel was a highlight of the seminar and AOGA will host a similar panel during its annual legislative luncheon in Juneau.

All of the PowerPoint presentations shared at the seminar can be found on AOGA's website, www.aoga.org.

Declining throughput



Taken from presentation given by Betsy Haines, Alyeska Service Pipeline Company.

continued from page 1

Production Decline Signals a Need for Change

level of investment that is not currently occurring. New oil also means new exploration wells, but only three exploration wells were drilled on the North Slope last year.

Why? Because the industry believes taxes are too high to encourage these investments. Fortunately, the Governor and some members of the Legislature recognize that Alaska's production tax structure (ACES) needs to change to spur development, creating more jobs, improving the investment climate and increasing oil production.

AOGA looks forward to working with the Governor and the Legislature in making meaningful changes to ACES that will result in long-term jobs and investment for the state.

Sean Parnell
Governor
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FOR IMMEDIATE RELEASE **No. 11-012**

Governor Parnell Offers Amendments to Oil and Gas Production Tax

Lowering Marginal Tax Rate Aimed at Job Creation

January 17, 2011, Anchorage, Alaska – In a move to increase Alaska's competitiveness as a petroleum province, thereby adding jobs and stemming recent production declines, Governor Sean Parnell has introduced a bill for new tax incentives and credits for oil and gas exploration and development.

"We remain committed to getting more oil into the pipeline and increasing job opportunities for Alaskans," Governor Parnell said. "As oil production declines and as the federal government moves on several fronts to block responsible projects, we must offer more incentives for development of state lands."

Governor Parnell's bill:

- Establishes a lower base tax rate for areas outside of current fields and units to encourage development of undeveloped leases or properties;
- Caps overall production tax rates to encourage investment at most commodity prices;
- Establishes a bracket system based on existing ACES tax rates;
- Extends tax incentives available in Cook Inlet to the North Slope to encourage in-field drilling in existing units;
- Limits the time for assessment of additional production taxes; and
- Reduces the interest rate on delinquent taxes and refunds.

These changes are aimed at ensuring that the state continues to receive fair compensation for the sale of its resource while establishing a more competitive investment climate for job creation.

Governor Parnell said that Alaskans expect that in exchange for lower taxes, more Alaska jobs will be created.

A copy of the bill is available at:

http://gov.alaska.gov/parnell_media/resources_files/OilGasTaxBill.pdf

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From: Petroleum News <circulation@petroleumnews.com>
Subject: **Petroleum News' News Bulletin Service, January 17, 2011**
Date: January 17, 2011 3:13:10 PM AKST
To: jbrune@akrdc.org
Reply-To: circulation@petroleumnews.com

TO: Jason Brune Resource Development Council -- RDC

Petroleum News' News Bulletin Service - January 17, 2011

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NEWS BULLETIN

January 17, 2011 --- Vol. 17, No. 5 **January 2011**

North Slope independents praise Parnell,s tax changes

Five independent oil and gas companies that hold 1.1 million acres of leases on Alaska,s North Slope have come out in favor of Gov. Sean Parnell,s new bill that amends the state,s oil and gas production tax.

The companies applauding the tax changes announced by the governor this morning are 70 & 148, a subsidiary of Armstrong Oil and Gas; Brooks Range Petroleum Corp., the operating arm of the Kansas-based AVCG; GMT Exploration Co.; Great Bear Petroleum; and Savant Alaska.

In a written statement to Petroleum News, the independents said the governor,s bill „addresses the fundamental concerns of all companies that would like to explore for and develop reserves on the North Slope.‰

„As the North Slope represents over 85 percent of the state,s revenue, it is imperative that the state of Alaska recognize and address the fundamental issues that have created the continuing decline of the North Slope,s production,‰ the independents said.

The governor,s proposal, they said, „will assist all oil companies on the North Slope.‰

More importantly, it will „guide companies to find and produce oil reserves that would not otherwise be developed.‰

The governor,s proposed legislation, which is designed to increase Alaska,s competitiveness as a petroleum province, „demonstrates to the oil industry that Alaska is truly ready to usher in a new wave of exploration and development that will not only address the decline of the TAPS pipeline,‰ but create good jobs for Alaskans.

The five independents said they are looking forward to working with the Parnell administration to „pass this bill and put Alaskans to work.‰

A copy of the bill is available at: http://gov.alaska.gov/parnell_media/resources_files/OilGasTaxBill.pdf www.ktuu.com/news/ktuu-bp-oil-rig-in-beaufort-sea-postponed-again-20110201,0,3719434.story

ktuu.com

BP's Liberty project delayed again

by Rhonda McBride

Channel 2 News

10:50 PM AKST, February 1, 2011

ANCHORAGE, Alaska

Another delay was announced Tuesday for BP's Liberty project in the Beaufort Sea. The project, which employs directional drilling from a man-made island three miles offshore, has been criticized by environmentalists as too risky for the Arctic.

Bloomberg News reports that BP's CEO, Bob Dudley, told investors meeting in London that the project has been pushed back to "beyond 2013."

Dudley also announced the postponement of BP's Na Kika and Galapagos development projects in the Gulf of Mexico, during his discussion of the company's fourth-quarter performance.

This isn't the first time the schedule for the Liberty project has changed. Initially, BP planned to begin drilling last year, with startup set for 2011. After the Deepwater Horizon spill in the Gulf of Mexico, the company pushed the schedule for Liberty back a year, with drilling to begin in 2011 and production in 2012. In November, however, BP stopped construction of the Liberty rig.

The company said it would conduct a design and engineering review to evaluate the billion-dollar project's safety systems.

Steve Rinehart, a spokesperson for BP, says once the review is complete, the company will have a better handle on the timetable for start up. The latest estimate is for production to begin in 2013.

If Liberty goes forward, it will set new records for what's known as extended-reach drilling. Plans call for the Liberty rig to drill down two miles into sandstone, and then go out horizontally between six and eight miles -- a distance about as far as that from the Port of Anchorage to the Carrs Huffman grocery store.

Tim Bradner, a veteran oil and gas reporter for the Alaska Journal of Commerce, says it's not uncommon for projects as big as this one to be delayed.

"Show me a new project on the Slope that's ever come in on time," Bradner said. "There probably have been some. There are always delays, glitches, mechanical issues."

But Bradner says news of another delay at Liberty is unsettling to Alaskans worried about the decline of North Slope production. Currently, about 630,000 barrels of oil a day flows through the trans-Alaska pipeline.

"We're seeing 7 percent declines in the last year, moving oil through the pipeline," Bradner said. "Any delay of getting more oil through the pipeline is becoming of serious concern to people."

Jason Brune, the executive director of the Resource Development Council for Alaska, says fields like Liberty are needed to stop the decline. Although the state would not collect taxes from Liberty, because its leases are federal, Brune says its output would still flow through the pipeline.

The owners of the pipeline say the lower the throughput, the more costly it is to ship the oil and the sooner the day will come when the pipeline will have trouble operating.

BP says Liberty would tap into a reservoir of 100 million barrels of oil and produce about 40,000 barrels a day.

"We're losing that much every year, " said Brune. "We absolutely have to have fields like Liberty."

Brune says this latest news should put even more pressure on the Legislature to lower production taxes to encourage more development on state lands.

"Next week, ENI is going to be bringing on Nikaitchuq, which is a field which will be producing between ten and twenty thousand barrels per day. That's the only one that's in the pipeline for new production," Brune said. "So in the next five to seven years, we don't have any exploration going on that could bring new oil into the pipeline and that's scary."

Contact Rhonda McBride at rmcbride@ktuu.com

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

January 19, 2011

Mr. Russell Kirkham
Department of Natural Resources
550 W 7th Ave Ste 290
Anchorage, AK 99501

Re: Petition to Designate the Chuit River Watershed as Unsuitable for Surface Coal Mining

Dear Mr. Kirkham:

The Resource Development Council for Alaska, Inc., (RDC) urges you to reject the petition filed by Trustees for Alaska on behalf of Chuitna Citizens Coalition and Cook Inletkeeper to designate the Chuit River watershed unsuitable for coal mining.

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

This is the Petitioners' second request to designate the area unsuitable for coal mining. The Petition filed in July 2007 was deemed incomplete and rejected by the Commissioner. Apart from minute details and a narrower scope of the area to be designated, the current petition is nearly identical to and contains the same arguments as the rejected one.

The Chuit River watershed lies in the area now covered by the State Kenai Area Plan. Area planning is a management tool used by the Department of Natural Resources that involves extensive public input. The Kenai Area Plan was developed over an eight-year period and included four rounds of public comment, and public meetings in six communities, including Tyonek and Beluga. The final plan concluded that the highest value use for the Chuit River lands was coal development, and specifically addressed coal development in the petitioned area.

PacRim Coal, LP assumes a responsibility of operating under the Alaska Surface Coal Mining Control and Reclamation Act (ASCMCRA) and employing the most advanced mining practices and environmental standards possible. The Petition alleges that these standards will not be met. If this were true, a permit would not be issued and the mine would not be allowed to operate. PacRim has not only committed to adhering to the highest environmental standards, but has also submitted improvements to current habitat designed in collaboration with area stakeholders.

In its request to intervene in the Petition, Tyonek Native Corporation (TNC) states its support for responsible coal development in the area. TNC has engaged in efforts to increase local employment opportunities for its shareholders, who comprise the majority of the area's population. The corporation states that developing the Chuitna coal resources is critical to economic growth and would attract shareholders living outside the region to return, should jobs be available for them. This local support from Alaska Native people refutes the Petition's claim that development activities will damage cultural values in the region.

In its intervention in the Petition, the Alaska Mental Health Trust Authority Trust Land Office (TLO) asserts its position as lessor of lands in the area subject to the Petition. TLO receives annual lease payments during the exploration stage, and should production occur, an estimated $300 million in royalties could be collected to benefit mental health programs in Alaska. Designating the lands as Unsuitable to Mining would affect land specifically conveyed to the TLO for its potential coal and mineral value.

RDC urges you to reject the Petition to designate the Chuit River watershed as Unsuitable for Coal Mining. PacRim should be allowed the opportunity to navigate the State's thorough permitting process, and at the time a mine plan is submitted, the Petitioners will be given ample opportunity to provide input.

Thank you for the opportunity to provide comments on this important issue.

Sincerely,

Deantha Crockett
Projects Coordinator

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

January 24, 2011

SWCA
317 Forest Park Drive
Ketchikan, AK 99901

Attn: Wrangell Island Project EIS

To Whom It May Concern:

The Resource Development Council (RDC) is writing to offer its perspective on the Wrangell Island Project Environmental Impact Statement, which is being prepared for the proposed multi-year stewardship project involving a variety of timber harvest, road construction, and forest restoration and enhancement activities. Frankly, the proposed action is terribly inadequate and falls far short of what is truly needed to restore the health of the Southeast Alaska timber industry and rural economies.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The Forest Service's preliminary analysis of the Wrangell Island project shows that up to an estimated 91 million board feet (MMBF) of timber could be made available to industry for harvest over a period of years. However, the proposed action does not even remotely resemble the original intent of the project. Initially, four 10-year timber sales, each with an average volume of 15-20 MMBF per year, were to be offered as part of an effort to support the forest products industry and the region's struggling economy. These sales would have resulted in a significant volume of timber over an extended period of time – critical elements in attracting the necessary investment in infrastructure to prevent demise of the timber industry. Such investment is needed to expand or originate timber operations in the Wrangell area.

The approach envisioned under the proposed action will not provide the incentives for new investment in timber operations and the many jobs that would come from such investment. The current scope of the project is insufficient and will do little to restore the industry, meet the need for economic timber, and make a meaningful contribution to the economy.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2035
Phone: 907-276-0700 Fax: 907-276-3887 Email: resources@akrdc.org Website: www.akrdc.org

The project must be designed as a ten-year timber sale with an economic harvest volume of 150 MMBF to 200 MMBF. The Wrangell Island logging system transportation plan has over 10,000 acres of forested land with the potential to contribute more then 200 MMBF of economic timber. Prescriptions in the Tongass Land Management Plan (TLMP) can be modified to make the project economic. Modifications, however, may not be necessary, if the Forest Service would honor the Roadless Rule exemption for the Tongass by including some roadless harvest in the project. Other activities included in the project should occur and be sited as to not interfere with the economics of the timber sale.

In regard to roadless areas, approximately 90 percent of the Tongass is off-limits to timber harvesting, including wilderness areas, refuges, wild and scenic river corridors, and inventoried roadless areas. Of the remaining land opened to resource management activities, six percent is comprised of previously roaded areas that are not scheduled for harvest under the current TLMP. Another two percent consists of previously roaded areas that are scheduled for harvest over the next 100 years, but half of this acreage is young forest that will not reach maturity for another 50 years. The remaining two percent is in roadless areas that are scheduled for harvest over the same period. It is essential that timber from this small portion of the roadless forest be made available for harvest, as originally intended.

It should be recognized in the EIS what is necessary to truly restore the economic health of local communities in Southeast Alaska and reverse the decline in rural employment and population in the region. While the intention and goals of the Wrangell Island project are worthy, restoration projects, trail construction, and other activities envisioned for the project will not replace year-round, well-paying timber jobs, and rejuvenate the economy.

Since 1997, the Southeast Alaska population has steadily declined and this downward trend is forecasted to continue in coming years. While Alaska's population has grown, Southeast Alaska has lost nearly 4,500 people since 1997. A new TLMP was issued in 1997, and it sharply reduced allowable harvest levels. Today, logging and wood products employment remains a mere shadow of its recent past, falling from 4,600 jobs in the early 1990s to approximately several hundred in 2009. A new Wrangell Island project designed to conform with the original intent of the ten-year timber sales with volumes of 150 MMBF to 200 MMBF would be a significant step in the right direction in reversing the region's population and economic decline. Moreover, such harvest levels over a ten-year period would help sustain the remaining industry infrastructure in the region that will eventually be needed to process second-growth timber.

While the Wrangell Island project is intended to facilitate the transition to a sustainable forest products industry based on second-growth timber harvests, the length of the transition period needs to be acknowledged, and recognized through better second-growth inventories so that stakeholders can recognize and reach agreement on the transition period. Meanwhile, economically viable harvests of existing mature timber stands should continue in both roaded and roadless areas, accompanied by appropriate harvest prescriptions that encourage second-growth propagation. While second-growth timber will be the future foundation of the timber industry, the transition will take decades. In the meantime, it is imperative significant volumes of economic timber in roaded and roadless areas be released over a ten-year period to sustain the forest products industry and rural economies.

In summary, the Forest Service can revitalize the forest products industry and the Southeast Alaska economy by packaging the Wrangell Island project as a single sale releasing an economic timber volume of 150 MMBF to 200 MMBF over a ten-year duration. Breaking the project into a variety of activities is the wrong approach and will fall far short of the original intent of the project. Thank you for the opportunity to provide scoping comments on the Wrangell Island project.

Sincerely,

Carl Portman
Deputy Director

Please use in place of 11-022 sent yesterday

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FOR IMMEDIATE RELEASE **No. 11-022b**

Governor Denounces Decision on Alaska 'Wild Lands'

January 27, 2011, Juneau, Alaska - Governor Sean Parnell expressed grave concerns about a recent decision by U.S. Interior Secretary Ken Salazar to evaluate 87 million acres of federal land in Alaska as potential "wild lands." That designation would effectively allow the federal government to create more wilderness in Alaska without congressional oversight.

In comments submitted to the Department of the Interior, Governor Parnell said Interior's wild lands designation will diminish access to federal lands and cost jobs.

"Putting such a sweeping initiative in place overnight, with no congressional direction and no advance consultation with affected states or the public, is unfathomable," Governor Parnell said. He noted that Alaska lands have been repeatedly studied, with large areas placed off-limits to resource development.

"Congress passed the Alaska National Interest Lands Conservation Act (ANILCA) of 1980, which studied public lands in Alaska and set aside 57 million acres as wilderness. Nearly every Interior secretary since ANILCA was passed has chosen not to conduct further discretionary wilderness inventories in Alaska, and has recognized the importance of a public process and discussion with state leaders. I will not allow such disregard for Alaska and its citizens to stand unchallenged."

In addition to the flawed process, the governor noted specific concerns:

- "By designating 'Wild Lands,' Order 3310 usurps congressional authority where Interior improperly acted as an administrative surrogate for congressional designations of wilderness;

- "In Alaska, where most of BLM's 86 million acres retain their wilderness values, the heavily weighted default protection of wilderness characteristics could easily render most BLM lands de facto wilderness areas, absent BLM's multiple-use direction. This would have a devastating effect on Alaska's people, economy, and land use and access. Thus, the order directly conflicts with the "no more" clauses in ANILCA and the Federal Land Policy and Management Act (FLPMA);

- "The order is, for all practical purposes, an end-run around ANILCA, which I predict will lead to egregious social and economic consequences for Alaskans. Without the explicit provisions of ANILCA that apply to conservation system units, BLM Wild Lands will likely be managed *more restrictively* in Alaska than ANILCA-designated wilderness managed by the National Park Service, Fish and Wildlife Service, or Forest Service;

- "The order purports to seek 'balance' between responsible resource development and protection of wilderness characteristics; yet there is a strong presumption in favor of wilderness-style protection. For that reason, this order will have a severe chilling effect on future proposals designed to create jobs in resource development once an area is designated Wild Lands. This approach also contradicts BLM's multiple-use mandate under FLPMA;

- "BLM managers' discretion to determine where and when 'impairment' of wilderness characteristics is 'appropriate' is subject to undue scrutiny and approval in Washington D.C., where decisions tend to be political and knowledge of local conditions, issues, and needs is diluted, at best; and

- "BLM has no authority whatsoever to apply this policy to the National Petroleum Reserve-Alaska because it is not subject to FLPMA."

A copy of the governor's letter and comments are available at:
http://gov.alaska.gov/parnell_media/resources_files/012611_ltrtosalazar.pdf

###

donyoung.house.gov

Young
Contact:

Rep. Young To EPA: "Enough is Enough"

Washington D.C., Jan 27 -

Alaskan Congressman Don Young introduced H.R. 517 last night which will amend the Clean Water Act to remove the Environmental Protection Agency's (EPA) ability to veto an Army Corps of Engineers decision regarding 404 permits. This legislation was introduced in the 111th Congress as H.R. 5992.

"I am reintroducing this legislation because it is important that we streamline the permitting process," said **Rep. Young**. "The EPA has no real interest in resource or infrastructure development, as shown most recently by revoking Mingo Logan Spruce No. 1 Mine's 404 permit. This permit, issued under the Clean Water Act by the Corps of Engineers, was awarded in 2007 following an extensive ten year review, before being removed in an unprecedented act by the EPA three years later.

"Projects in Alaska and across the country have been shut down or delayed time and time again by the EPA, which serves only as an extension of the Administration's anti-resource development stance. The Corps of Engineers is more than capable of making decisions regarding permitting without being second guessed. The EPA's involvement in such permitting is unnecessary, and must be removed."

To view the letter Congressman Young sent to Chairman Mica asking him to make oversight of the EPA a top priority, click **here.**

Currently, under Section 404 of the Clean Water Act, the Corps of Engineers issues permits for placing dredged material and/or fill material into an area defined as a disposal site. The Administrator of the EPA can veto a Corps' decision to issue a permit if it believes there is an unacceptable adverse impact to shellfish beds and fishery areas, municipal water supplies, recreational areas, or wildlife. However, there is no clear criterion as to what constitutes an unacceptable adverse impact.

####

DON YOUNG
CONGRESSMAN FOR ALL ALASKA
WASHINGTON OFFICE
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TELEPHONE 202-225-5765

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON RESOURCES

COMMITTEE ON TRANSPORTATION

REPUBLICAN POLICY COMMITTEE

January 18, 2011

Chairman John Mica
Transportation and Infrastructure Committee
2165 Rayburn HOB
Washington, DC
20515

Dear Mr. Chairman

As we begin the 112th Congress and you develop priorities for the committee, I ask that you make oversight of the Environmental Protection Agency (EPA), a top priority.

As you may know, the EPA took the unprecedented step of revoking a 404 permit that was issued by the Corps of Engineers for Mingo Logan's Spruce No. 1 surface mine. Although the mine was issued the permit three years ago, the EPA mistakenly believes that it has the authority from section 404(c) of the Federal Water Pollution Control Act to revoke it. Never before has the EPA ever made such a determination. If the EPA successfully usurps this unprecedented authority, projects around the country will be in danger and the Corps of Engineers will have a diminished role in issuing these dredge and fill permits.

I introduced a bill, H.R. 5992, in the last Congress that I plan to re-introduce again that eliminates EPA's veto authority over the Corps of Engineers. The bill has the support of the National Mining Association. I ask for your support in moving this legislation forward and would appreciate an oversight hearing concerning EPA's recent actions. I have attached a letter on this issue from the Waters Advocacy Coalition for your reference and thank you for your attention to this matter.

Sincerely,

Don Young

DON YOUNG
Congressman for all Alaska

DY/jp
Enc.

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MARK BEGICH
ALASKA

COMMITTEE ON VETERANS' AFFAIRS

COMMITTEE ON THE BUDGET

United States Senate

WASHINGTON, DC 20510

February 1, 2011

Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington D.C. 20510

Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate
Washington D.C. 20510

Dear Chairman Levin and Ranking Member McCain:

I appreciate your response to my letter of December 6, 2010, requesting a hearing on Department of Defense energy plans. The current instability in Egypt brings a sense of considerable urgency to my previous request. I therefore request the Senate Armed Services hold a hearing in the immediate future to examine regional implications of instability in Egypt, potential impact to our allies and Department of Defense operations in the Middle East if there are disruptions in oil and other energy exports, and finally, to examine the national security impact of continued reliance on foreign countries for oil.

As you know, Egypt is a supplier of natural gas to one of our strongest allies in the region, Israel. Our European allies rely on a large portion of fuel transported through Egypt and a significant 4-5 percent of oil for global consumption moves through the Suez Canal daily. The United States imports approximately 1.7 million barrels of oil a day from the Persian Gulf. Speculation on the impact of the protests and governance of Egypt has already produced a dramatic jump in oil prices.

As a senator from one of America's leading energy-producing states, I believe the instability in Egypt underscores our need to expand our domestic energy production. Today federal roadblocks are preventing the development of billions of barrels of oil and trillions of cubic feet of natural gas in Alaska which would create jobs for Americans and enhance our nation's energy security with reliable energy.

The situation in Egypt is a strong reminder of America's vulnerability to our energy and national security by continued reliance on foreign sources for oil.

Thank you for your consideration of this request. Please do not hesitate to contact Lindsay Kavanaugh of my staff at (202) 224-3004.

Sincerely,

Mark Begich
United States Senator

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print

A wild surprise from Salazar: Secretary failed to consult with states

by Stan Leaphart
01.30.11 - 12:36 am
Community Perspective

"My administration is committed to creating an unprecedented level of openness in government. We will work together to ensure the public trust and establish a system of transparency, public participation, and collaboration."

This is the opening paragraph of a memorandum signed Jan. 21, 2009, by President Barack Obama, one day after his inauguration.

The memorandum goes on to state: "Executive departments and agencies should offer Americans increased opportunities to participate in policymaking and to provide their government with the benefits of their collective expertise and information." Many Americans applauded this as proof that "hope and change" wasn't just a beguiling campaign slogan.

Some 23 months later, on Dec. 23, 2010, Secretary of the Interior Ken Salazar unveiled a secretarial order establishing a new policy for lands managed by the Bureau of Land Management. This policy directs the BLM to inventory all lands it manages for their wilderness characteristics and creates a new classification of lands known as "Wild Lands."

Salazar's announcement was the first anyone outside the Department of the Interior knew about the Wild Lands policy, even though it was nearly two years in the making.

Governor Parnell's office was informed of the program only hours before it was announced. Utah Gov. Gary Herbert, whose state in 2003 reached a settlement with Interior on new wilderness study areas, was afforded a similar courtesy.

In a letter to Salazar, Governor C.L. "Butch" Otter of Idaho declared: "Without any state or public input, the Interior Department has circumvented the sovereignty of the states and the will of the public by shifting from the normal planning process of the Federal Lands Policy and Management Act (FLPMA) to one that places significant authority in the hands of unelected federal bureaucrats."

Secretary Salazar's decision to unilaterally create and implement this policy contradicts both the President's memorandum and the Department of the Interior's own "Open Government Plan." That June 2010 plan is chock full of terms such as "citizen engagement," "collaboration," "cooperation" and "stakeholder involvement." Detailed flow charts sprinkled throughout show how the principles in the president's memorandum flow into the core mission objective of the department.

Salazar's failure to allow the American public and the governments of the 43 states in which the BLM manages lands to participate in developing this policy or provide "their collective expertise and information" calls into question the department's commitment to an open and transparent government.

One doubts Salazar would have ignored such a snub during his tenure as a U.S. senator or, prior to that, as Colorado's attorney general.

The BLM manages 253 million surface acres in the United States. In Alaska, once all land conveyances are completed, the agency will manage some 75 million acres.

Under the new policy, BLM lands in Alaska will be inventoried for wilderness characteristics, even though they were withdrawn, inventoried, studied and classified during the years between the passage of the Alaska Native Claims Settlement Act in 1971 and enactment of the Alaska National Interest Lands Conservation Act in 1980.

While BLM manages none, there are 57 million acres of congressionally designated wilderness in Alaska.

The BLM Wild Lands Policy has drawn strong reactions from all quarters. Several governors and members of Congress have questioned whether the secretary has the authority to implement the policy with its new land classification. Committee hearings are being planned. Many have proposed withholding funding for implementing the policy.

Ranchers, the oil and gas industry, the mineral industry, local governments and motorized recreational users have voiced strong objections. While many organizations applaud the policy, others feel it doesn't go far enough to protect BLM lands. Certainly, it raises an abundance of questions about the future of BLM-managed lands in Alaska.

It might be naïve, but it is not unreasonable, to believe that every substantive policy or program adopted by a federal department or agency should be subjected to some level of public review and input during its development, not afterward. What constitutes substantive is open for debate.

What is not debatable, however, is that the manner in which the BLM Wild Lands policy was conceived and put into place with no input from the affected states or the American public is insulting and unacceptable.

If President Obama's directive calling for an open and transparent government is to be anything more than empty words, Salazar's order must be rescinded.

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4:30 - 5:30 pm	Governor's Reception

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7:30 - 8:30 am	Breakfast Program Sponsored by
8:30 - 9:00 am	Legislative Priorities Briefing
9:00 - 11:30 am	Visit Legislators on Hill
11:30 - 1:00 pm	Lunch: Al Anderson, Senior Policy Advisor, North Dakota Petroleum Council Sponsored by ConocoPhillips & Tesoro
1:00 - 1:30 pm	Break Sponsored by ACVB
1:30 - 3:30 pm	Legislators Address Chamber
3:30 - 4:00 pm	Break Sponsored by Hecla Mining
4:00 - 5:15 pm	What next: Closing Remarks
5:30 - 7:30 pm	Legislative Reception Sponsored by Capital Office Systems & BP
6:45 pm	Shuttle to Airport

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