RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

BREAKFAST MEETING

Thursday, March 17, 2011

1. Call to order – Phil Cochrane, Sr. Vice President
2. Self Introductions
3. Headtable Introductions
4. Staff Report – Jason Brune, Executive Director
5. Choose Respect Initiative – Arni Thomson, United Fishermen of Alaska
6. Program and Keynote Speaker:

Linc Energy: Our Plans for Alaska
Paul Ludwig, Stakeholder Relations Manager,
Linc Energy Operations Inc.

Upcoming Meetings: Wednesday, March 30, Special luncheon: Seeking Champions for Alaska's Economic Future, featuring Governor Sean Parnell, Dena'ina Convention Center
Thursday Breakfast, April 7: Chris Aadnesen, President, Alaska Railroad Corporation

Please add my name to RDC's mailing list:

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2011 Resource Development Council Policy Positions

Top Legislative Priorities

- Advocate for tax policy and incentives that enhance the State of Alaska's competitiveness for all industries.
- Support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.
- Oppose changes to the Alaska Coastal Management Program (ACMP) that shift decision making authority from the State Department of Natural Resources to other entities, add process, duplicate state or federal requirements, or impede or delay progress on resource development.
- Support legislation to encourage new exploration and development of Alaska's oil and gas deposits, as well as enhanced production from existing fields.
- Advocate for implementation of a comprehensive, responsible, and long-range state fiscal plan.

General Issues

Fiscal Policy & Planning

- Advocate for tax policy and incentives that enhance the State of Alaska's competitiveness for all industries.
- Advocate for implementation of a comprehensive, responsible, and long-range state fiscal plan.
- Support efforts to hold the FY12 operating budget to FY10 levels of $3.21 billion.
- Support some use of the Permanent Fund earnings as part of a fiscal plan.
- Support development of a state strategic economic development plan through the Alaska Forward Initiative.
- Oppose efforts to enshrine the Permanent Fund Dividend in the Alaska Constitution.

Access

- Advocate increased access to and across public lands for resource and community development.
- Advocate multiple-use of public lands.
- Continue to assert the state's rights on navigable waters and submerged lands.

Regulation/Permitting

- Support efforts to bring more accountability to the appeals and litigation processes for community and resource development projects.
- Oppose changes to the Alaska Coastal Management Program (ACMP) that shift decision making authority from the State Department of Natural Resources to other entities, add process, duplicate state or federal requirements, or impede or delay progress on resource development.
- Encourage the state to promote and defend the integrity of Alaska's permitting process.
- Encourage the state to use all available avenues to ensure reasonable and predictable decision making under the CWA Section 404 permit program.
- Advocate clear, timely, and streamlined state and federal permitting systems based on sound science, economic feasibility, and protection of property ownership rights.
- Provide adequate resources to permitting agencies for personnel, research, and science.
- Support the State of Alaska's efforts to challenge unwarranted Endangered Species Act listings and proposed critical habitat designations.
- Support reasonable mixing zones for resource and community development.
- Support efforts to reduce federal interference and devolve more authority to the states.

Infrastructure

- Support transportation projects that enhance resource and community development activities while providing a return on investment to the state.

Education

- Support programs, including the Alaska Resource Education program, to educate students and the general public on responsible resource development activities in Alaska.
- Support growing the state's emphasis on workforce development.

Industry Specific Issues

Oil & Gas

- Support legislation to encourage new exploration and development of Alaska's oil and gas deposits, as well as enhanced production from existing fields.
- Encourage incentives and tax policy that increase the number of infield and exploratory wells drilled on state land.
- Encourage public policy and fiscal decisions to improve the commercial viability of developing Alaska's North Slope and Interior natural gas resources.
- Support efforts to increase Cook Inlet oil and gas exploration, development and deliverability to meet local demand and export markets.
- Educate and advocate for opening the coastal plain of the ANWR, NPR-A, and the Alaskan OCS to oil and gas development.
- Support offshore oil and gas development and work to maximize benefits to Alaska through advocacy for federal revenue sharing and/or community impact assistance.

Energy

- Support simplified leasing and permitting of non-conventional fuel resources to encourage development of the state's resources and provide energy to local areas.
- Encourage development of new electrical generating and transmission systems to provide stable sources of electricity for economic development and existing electricity consumers.
- Support utilization of Alaska's coal resources for value-added industries and power generation in addition to export to international markets.
- Support efforts to diversify Alaska's energy sources, including known renewable energy options and research and development of non-conventional sources.

Mining

- Encourage the expansion and increased production from existing deposits as well as new exploration and development of Alaska's mineral resources.
- Advocate continuation and expansion of the airborne geophysical mapping program and the on-the-ground follow up work required to realize the full benefits of the program.
- Oppose EPA efforts to require bonding under CERCLA without recognizing the state programs currently in place.

Fisheries

- Support policies that ensure healthy, sustainable fishery resources; access, markets and revenues for Alaska fishermen and coastal communities; and a healthy, competitive environment for the Alaska seafood processing industry, including a reasonable and stable regulatory environment.
- Support fuller utilization of Alaska fishery resources, including reduction of waste and development of co-products and new product forms to increase value from Alaska fisheries.
- Support funding of fisheries and marine mammal research.

Forestry

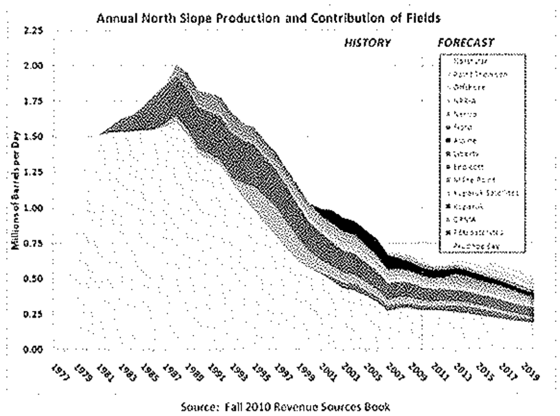
- Advocate for a reliable and economical long-term state and federal timber supply.
- Support adequate funding and enforcement of the Alaska Forest Practices Act.
- Encourage funding of forest management initiatives that address long-term forest health and reforestation.

Tourism

- Advocate for a positive business environment to restore the cruise and tourism industries in Alaska.
- Advocate for equitable environmental laws for cruise ships.
- Advocate additional aircraft landing sites and reduced restrictions on over-flights.
- Support South Denali infrastructure development to provide for a variety of visitor experiences and help accommodate future visitor needs in the region.

We're Being Trumped By ACES

Production is Declining



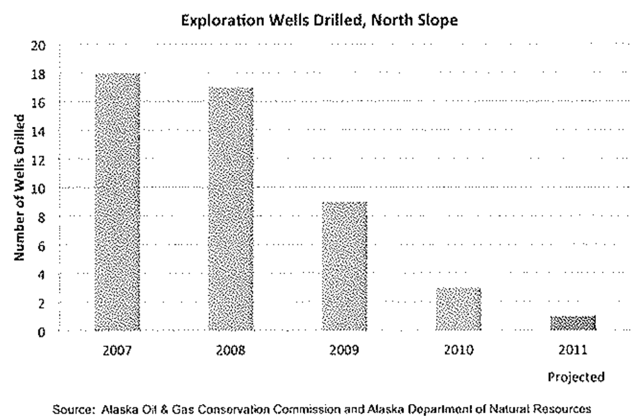
• Alaskans are very concerned about the decline in oil production and investors see taxes as way too high to encourage new exploration or development in existing core fields. We must take a leap of faith by lowering taxes now to make Alaska a compelling place for industry to invest.

• The North Slope production decline has accelerated since the enactment of ACES in November 2007. In 2010 production declined 48,000 barrels, a 7% drop from the previous year.

• Exploration activity on the North Slope has fallen sharply from 18 wells in 2007 to only one well outside existing discoveries in 2010.

• Only 110 development wells were drilled on the North Slope in 2010, compared to 142 in 2005. Development drilling is critical to sustaining production from existing fields.

Exploration is Declining



• The average monthly employment in the oil and gas industry fell to 11,800 jobs in 2010, a loss of 1,000 over the 2009 monthly average, according to the January 2011 edition of *Alaska Economic Trends*. This represented a 7.8% decline, the largest drop of any sector.

• *Alaska Economic Trends* stated: "The outlook for the oil patch in 2011 is uncertain, though it appears maintenance such as replacing pipe and old infrastructure will dominate."

• Alaska is now the highest taxed oil region in North America. When combined with other factors, Alaska is among the highest cost regions in the world.

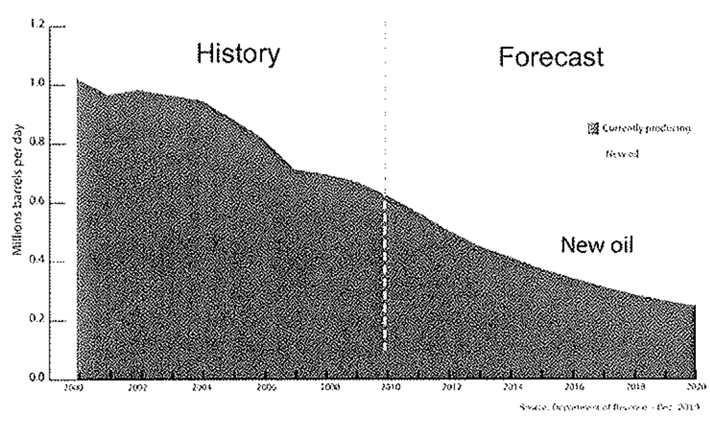
We need to drill to pay the bill

Without New Investment, Oil Production Falls More than 50% by 2020

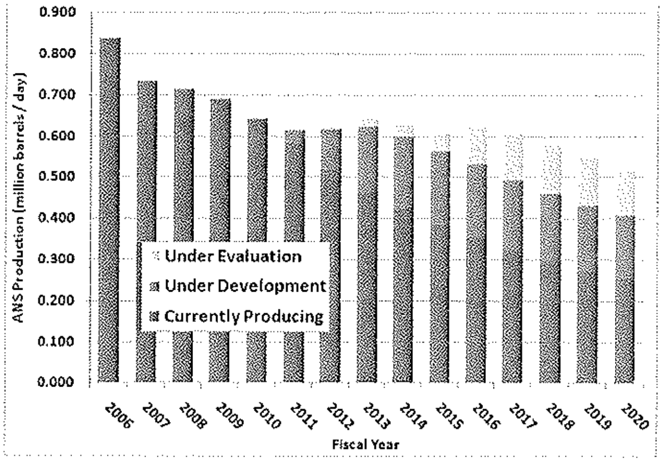
• Alaska cannot tax its way into prosperity. To sustain its economy, Alaska needs to encourage new investment to get more oil in the pipeline.

• The current production tax is a disincentive to invest here, especially when oil prices are high, given the progressive surcharge which captures most of the upside for the state and not the investor who incurred the risk. As a result, Alaska becomes less competitive at high oil prices, and investors have turned indifferent to investing here whether oil is $70 or $120 a barrel.

• Lower taxes will lead to increased investment in exploration, which will ultimately result in higher revenues to the state over the long term. Conversely, the more Alaska taxes companies to produce a commodity, the less it will produce here, and the more it will produce elsewhere.



Investment Needed In New & Old Fields Alike



Source: Fall 2010 Revenue Sources Book

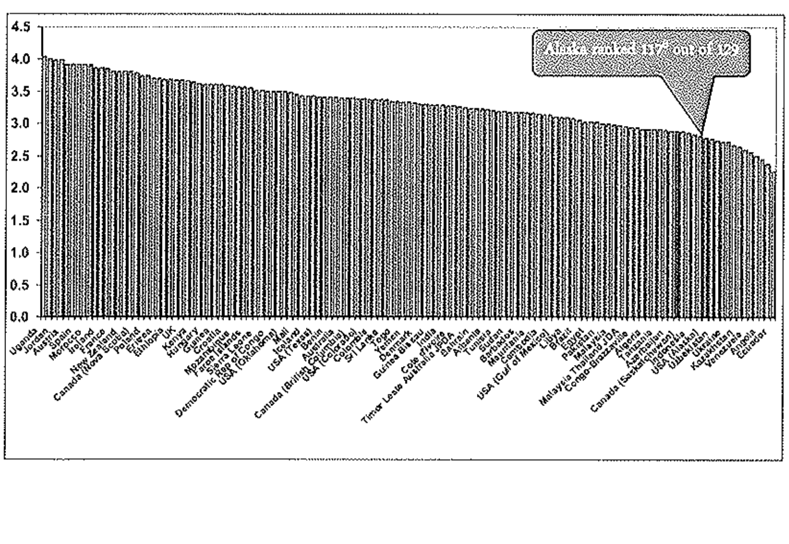
• An accelerated TAPS throughput decline could lead to the premature shut down of the pipeline, stranding billions of dollars in state royalty payments, which exceeded $2 billion in 2010 alone.

• With an annual production decline of 7%, which the state incurred last year, TAPS could be non-functional within 5 to 10 years. How would the state pay for essential public services and meet long-term obligations if this were to happen?

• There is no denying that lower tax rates could reduce revenue flowing into state coffers in the short term, but it is clear Alaska is competing in a global market and in the long term this reduction will make the state a more desirable place to invest, which ultimately will lead to higher revenues.

• Alaska's current oil production tax will result in less revenue to the state in the long term as critical investment dollars needed to slow the decline in North Slope production are directed to other projects outside Alaska with better rates of return.

Wood MacKenzie: Alaska's Fiscal Terms Rank 117 of 129



History has shown higher taxes lead to less production

• More than 50% of total North Slope production in 2020 is forecasted to come from new oil, but most of that production will require huge investment from industry that is currently not occurring, despite high oil prices.

• The state is forecasting oil production could fall to 386,000 barrels per day in 2015 and 255,000 bpd in 2020. Significant investment is needed to stem the current and forecasted decline.

• We need to do more than just grow the state's savings accounts because a strong private sector will do more over the long term to sustain Alaska's economy. The state cannot save or tax its way to prosperity, nor can a savings account replace the oil industry.

• Billions of barrels of oil remain on the North Slope and offshore in the Arctic, but the resources are challenging and expensive to develop. Since 2003, the decline in production in Texas has been virtually arrested, demonstrating that mature energy regions with the right fiscal terms can mitigate decline.

• Alaska needs 2 to 3 fields like Eni's Nikaitchuq each year to help stem the decline. Decreasing taxes will help encourage more exploration so more projects like Nikaitchuq are in Alaska's future.

• Critics of lowering taxes claim capital expenditures have gone up since 2007. Investments primarily went up because of needed maintenance and repairs, as well as TAPS reconfiguration, activity in federal waters, Point Thomson, and pre-ACES sanctioned exploration and development.

• It is imperative our lawmakers act now to improve Alaska's business climate. Cutting taxes will move the needle and draw major investment back to Alaska.

• In the area of fiscal terms, a key element the state can control, the Fraser Institute ranked Alaska 34th of 38 in North America, and in a Wood MacKenzie study, Alaska's fiscal terms ranked 117th of 129 globally.

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Anchorage Daily News

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Oil tax burden creates a ripple effect

COMPASS: ***Other points of view***

By DAVE CRUZ

(03/07/11 19:30:25)

Our family came to Alaska in 1931. I grew up here and went straight from high school to work on the trans-Alaska pipeline. I built my career and my company on Alaska oil. My roots are in Alaska, my family is in Alaska, my business is based in Alaska ... I'm not going anywhere.

But what about my kids? They could witness the end of the industry that launched Alaska into statehood and has fueled our economy for the past five decades if we stay on our current course.

What then?

The pipeline is two-thirds empty and headed toward potentially insurmountable technical challenges in the next several years as oil throughput drops -- 6 percent a year, on average. With exploration and development activity at a near standstill, prospects for reversing the decline are bleak. State government's spending spigot really could run dry.

Nearly 2,000 in the oil industry supporting thousands more in the rest of our economy have lost work already. Thousands more are at risk. Companies providing goods and services to the industry are closing, consolidating or looking outside Alaska in order to survive.

My own company is a microcosm of what's happening throughout Alaska's oil industry now and what will happen throughout Alaska's economy soon if we continue to drive away investments with unfriendly taxes and regulations.

Three years ago, we were flying high. Our business supported North Slope oil exploration, and we'd invested heavily in equipment to build ice roads and move rigs. The risk was paying off.

We had 200 employees -- from all over the state -- working through the entire winter exploration season. We had four camps, providing catering and housekeeping jobs for dozens more employed by Doyon Universal Services.

Then came the ACES oil tax, and it was like someone turned off the faucet. Last year a single exploratory oil well was drilled on the entire North Slope. Only one is planned for 2011.

This year we have about a dozen employees working on the Slope, and instead of exploration, they're now working on maintenance projects. The majors aren't looking for new oil, and neither are the independents.

Like many companies, we looked outside for sustenance. We started working in North Dakota several months ago, and already have 40 full-time employees with all the work they can handle.

North Dakota is booming because of its user-friendly investment climate. When someone wants to drill, the attitude among state agencies is, "What can we do to make this work?" not, "How can we make this as expensive and time-consuming as possible, then confiscate all of the profits if you find something?"

North Dakota's oil production will double in the next few years. In less than a decade, it could be the No. 2 oil-producing state. It has more than 160 active drilling rigs and the demand for rigs exceeds the supply.

Compare that to the North Slope, where the number of active rigs has dwindled to 12, and more rigs are stacked than working. Once the No. 1 oil-producing state, Alaska's now a distant second to Texas and will be fourth behind California and North Dakota in less than a decade.

So what are North Dakota legislators talking about doing? Lowering oil taxes even further.

Alaska is losing investments to places like North Dakota, where they understand that lower taxes and a business-friendly environment mean more jobs, more business, more prosperity and a brighter future. Without the investments, we're losing our future.

Tough decisions our legislators make in the coming days about reforming ACES - and ones they avoid -- will determine whether we see the resurgence or the demise of the industry that holds the key to our future ... and whether my kids will have the opportunity to stay here to witness it.

Dave Cruz is president of Cruz Construction, a Palmer-based company that provides exploration support and tundra transportation to the oil, gas and mining industries and heavy civil construction. He also is a past president of Associated General Contractors of Alaska.

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Oil wealth has created entitlement mentality

COMPASS: ***Other points of view***

By FRANK BAKER

(03/06/11 16:22:32)

The current restructuring of oil industry taxes is one of the most significant events in Alaska's history -- so important, in fact, that it's imperative we get it right. If we do get it right, we'll rejuvenate our leading industry and create thousands of jobs to make Alaska the envy of every state in the nation.

I don't like to think about what happens if we get it wrong. The trans-Alaska pipeline is running at about one-third the design rate. Alyeska suggests the pipeline's years may be numbered in the single digits if we don't start getting more oil into the line.

In this current debate on taxes, we should recognize that there are some opinions that might never change because of a deep-seated Alaskan attitude I call the "entitlement mentality."

From the time Alaska was a territory, it relied upon the infusion of federal dollars to drive its economy, primarily through establishment and operation of military bases. And later, because of the federal government's large land ownership position in Alaska, a relatively big federal bureaucracy evolved to oversee those lands.

When Alaska began receiving big revenues from North Slope oil in the late 1970s, we adopted a second entitlement benefactor -- the state. Multi-billion dollar revenues from the oil industry were funneled into Alaska's far-flung communities through revenue sharing and other programs. The state personal income tax was abolished, and as the Permanent Fund grew, we began receiving annual dividends. Many of us stopped holding our legislators accountable for spending because without any taxation at the state level, we felt detached from the political process that created those increasingly bloated budgets.

Finally, a third entitlement benefactor came on the scene: our late Senator Ted Stevens. Some have noted that the venerable senator became one of Alaska's leading industries.

There are many, especially those who have sampled life in the Lower 48, who would say, "What's wrong with having entitlements, a Permanent Fund dividend? After all, the state's resources do belong to the people of Alaska."

Indeed, we are all fortunate to live in a state with natural resources that have generated such tremendous wealth. But there is a subtle downside. Reliance on one industry, oil, has surreptitiously lulled us into a dreaded form of economic malaise, a mental laziness. We don't see enough young entrepreneurs in Alaska who not only look outside of the box, but who have the gravitas to create new boxes.

The current oil production tax system enacted in 2007 -- called Alaska's Clear and Equitable Share, or ACES -- created the highest tax rate in the U.S. and dampened the kind of investment, such as exploration and drilling, that leads to new oil production. Much of the oil industry's investments since ACES have been for maintenance and renewal of existing oil field infrastructure.

Gov. Sean Parnell's tax legislation, HB 110, would reduce the existing progressivity rates and use tax brackets, much like the federal income tax system. This would reduce the overall government take, and it would restore the private earnings opportunity at higher oil prices -- the source of investment capital.

North Slope producers must aggressively compete for investment capital among a slate of projects across the world. By virtue of its remote location and the extreme climate of the Arctic, Alaska is disadvantaged. But nothing can be done about geography. However, something can be done about the state's fiscal climate. By encouraging investment, the oil production pie will get larger, and as a result, all stakeholders will get a larger slice.

Breaking Alaska's entitlement mentality is certainly not an original thought, nor do I expect it to happen any time soon.

The truth is oil has been and will continue to be our principal industry for many years to come. Until we can find ways to truly diversify our economy, we must nurture our main industry any way we can. We need to rebuild the strong partnership we once had. The governor's legislation is a start.

Frank E. Baker is a lifelong Alaskan and freelance writer who works part-time on a contract basis for BP Alaska. He lives in Eagle River.

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Dear fellow Alaska business leader:

As a lifelong Alaskan and third generation Alaska business owner, one that survived the economic crash in the late 80s, and the more recent national recession, I've seen our share of Alaska booms and busts. Now I see indicators that the economy of the state we love is in trouble.

Frankly, I'm very worried. The Alaska way of life our families have come to enjoy and thrive on is in serious jeopardy. I'm writing to ask you, a fellow Alaskan, to join with me to help make sure the lifestyle we enjoy today does not become a thing of the past.

I grew up in an Alaska without oil. Our economy was based on fishing, mining, timber and support from the Federal Government. Today, there is no timber industry to speak of, the hurdles to opening a mine are enormous, and fishing is monitored closely to maintain the resource. We can also expect Federal funding for Alaska's infrastructure will be far less than in the past.

Consider that just within the past 18 months Alaska has lost more than 1,700 private industry jobs!

The Anchorage Daily News recently published my concerns as a "Compass" article (I've enclosed a copy for you). In that article I point out to Alaskans that we cannot anticipate a healthy economic future when half the construction projects are driven by shrinking tax-paid federal and state dollars and the remaining 41 percent by a petroleum industry that is neither exploring nor developing new oil fields.

The petroleum industry funds a full 85-90 percent of the State of Alaska's general funds. That money funds myriad State services, many of which are vital to our quality of life. State of Alaska money from oil royalties also funds tax credit programs that help encourage economic diversification via industries like tourism and film-making. But perhaps most importantly, one-third of all jobs for Alaskans can be traced directly back to the petroleum industry. That's the job of one in every three working Alaskans.

Whether we like it or not, for the foreseeable future, Alaska's economic success—and the jobs of our friends, families and Alaskan-owned small businesses--depends on oil revenues generated by the oil flowing through the Trans Alaska Pipeline. Currently, that pipeline is only one-third full and the rate of flow is declining at 6% per year (far exceeding the State's estimate of a 2% decline per year). I'm all for diversifying Alaska's economy, but there isn't enough time between now and when the pipeline might be shut down to diversify our economy and build up other industries or businesses that will support jobs, social service programs, education, highways, retirement plans, etc. Without opportunities for employment, Alaskans will move elsewhere. Since there would be so many people moving "south," there will be no buyers for homes, or businesses left to lease space in malls or office buildings and an ensuing real estate crash will occur, similar to what folks in the States are experiencing now. People will lose all equity in their homes and commercial real estate.

Were you here in the 1980s when that happened? I sure was. And it was ugly. Alaska lost 20,000 jobs, nearly 10 percent of all jobs. Real estate values dropped between 20 and 50 percent. As people left the state, housing prices crashed. People would literally walk into the bank and throw the keys to their homes at us, and then get in their cars to drive "south." It took more than a decade for housing prices to recover. It was a heart- and gut-wrenching time for those of us who love Alaska and our beautiful lifestyle and quality of life.

And that was a short-lived pricing problem. This situation today is a longer term production problem, from which Alaska can't rebound as quickly. Whether it's a long term, or a short term problem, I don't want to go through that again.

To ensure steady, long-term gains for current and future generations of Alaskans, I believe it is imperative for Alaskans in communities across the state to understand our economy. That's why I'm asking you to **learn the facts**, join with me and **contact your elected officials** in Juneau to **take action this Legislative session to ensure Alaska's successful economic future**.

Sincerely,

Betsy Lawer
Vice Chair

P.S. Nothing could be more important than the **facts about Alaska's economy**. That's why we've prepared, in collaboration with University of Alaska economist Dr. Scott Goldsmith, a FREE four-part brochure series – "Alaska's Economy is like a three-legged stool". It's easy to order as many copies as you can use by going online to www.alaskaseconomy.org. It's also easy to contact your elected officials in Juneau by using the online resource at www.prosperityalaska.org.

Published March 14, 2011, 05:16 PM

Alaska sees North Dakota booming and eyes lower oil taxes

While oil industry lobbyists seek to lower North Dakota's oil taxes, the state's existing tax structure is drawing jealous glances from Alaska, where production is falling and producers also seek tax cuts to better compete.

By: **Chuck Haga**, Grand Forks Herald

While oil industry lobbyists seek to lower North Dakota's oil taxes, the state's existing tax structure is drawing jealous glances from Alaska, where production is falling and producers also seek tax cuts to better compete.

Former North Dakota Gov. Ed Schafer, spokesman for the "Fix the Tax" campaign aimed at reducing the state's oil tax, was interviewed Monday on Alaskan radio.

And a Fairbanks newspaper reported Friday that the industry's "Make Alaska Competitive" campaign increasingly mentions North Dakota "as a place that is booming with oil exploration and development thanks to a favorable investment climate."

Schafer, interviewed after his participation by telephone in a news show on KBYR-AM Radio in Anchorage, said the declining production of oil in Alaska is causing suffering.

While North Dakota's budget is 30 percent dependent on oil tax revenues, he said, "they're 70 percent dependent" in Alaska.

"It's a perfect example of what could happen in North Dakota," he said.

Alaska increased its oil taxes in 2007, adding a stiff escalator when oil prices rise. "Exploration just stopped," Schafer said, and the economic falloff statewide "affected not only the oil companies but also truck drivers, seismologists, monitoring guys, work-over rigs — they all get hurt.

"Tax competitiveness is a factor in investment," he said, and "that's why Alaska is losing production and its ability to pay the bills. As soon as that tax increase went in, new drilling started going away.

"The point it makes for North Dakota is this: The time to do it (lower taxes) is not after production has dropped. The time to do it is when your production levels are up and you can keep it going."

Alaska governor: Look to N. Dakota

More than 300 people attended a noon lunch Friday in Fairbanks and heard speakers say the state must lower its taxes to stop a decline in oil flowing through the trans-Alaska pipeline — down a third from its peak in 1988.

Speakers pointed to rapid drilling expansion and rising oil production in North Dakota, where 170 exploratory drill rigs are operating. No exploratory rigs are operating now on Alaska's North Slope.

Alaska Gov. Sean Parnell, who has proposed an oil tax reduction plan, also has cited North Dakota, which ranks fourth in U.S. oil production (355,000 barrels per day and rising) while Alaska ranks third (about 600,000 barrels per day and declining).

"These are times when I see companies voting with their feet and moving to North Dakota," Parnell said last week, according to the Fairbanks Daily News-Miner newspaper.

Schafer, acting as a spokesman for a newly formed nonprofit called Invest in North Dakota, has held "fix the tax" town meetings in Grand Forks, Fargo and elsewhere in North Dakota to promote a lowering of the state's oil extraction tax rate, which he says would ensure a continuing strong industry and steady state revenues from the oil fields.

He says the "boom and bust" oil cycles of the 1950s and late 1970s-early 1980s twice caught the state relying too heavily on oil tax revenues, and that history shouldn't be repeated with the current boom in the Bakken fields.

That boom has helped the state build a more than $1 billion budget surplus, but Schafer warns that the situation could deteriorate if oil prices fall and the drilling rigs leave, or if the rigs move to states offering lower tax rates.

North Dakota's extraction rate is 11.5 percent, the highest in the Lower 48 states. Texas and Oklahoma tax at 7 percent, Montana at 9.5 percent.

Alaska's oil tax is 25 percent, more than double North Dakota's, but Schafer has argued that it is considerably easier for developers to get at Alaska's oil.

"Our costs are high here, to get the oil out," he said. "Our transportation costs are high. Our tax structure needs to be competitive with other states."

Much of the recent drilling in North Dakota has been for initial discovery wells on leased lands, Schafer said in his Grand Forks talk last month. That allows the oil companies to maintain their leases but doesn't guarantee that the properties will be developed more fully.

"We need the oil companies to drill those second, third and fourth wells," he said. "They won't drill them if they're not competitive. We don't want to chase them out."

'No breaks for big, bad oil companies'

Alaska and North Dakota are far different places, Schafer said, and it's difficult to make direct comparisons in such areas as oil exploration, development and taxation. Much of the drilling in Alaska has been done by big multinational companies, for example, while companies engaged in the Bakken tend to be smaller.

Schafer said some of the initial online reaction to his remarks on Alaskan radio mirrored criticism of his "fix the tax" message in North Dakota. "They ask, 'Why give the big bad oil companies a break when they're already doing so well?'

"But I think people understand we have to keep revenues up," he said. "We're getting the message out, but the big question is timing: Why do it now, when everything is so great? The point is it's harder to bring it back than it is to keep it."

A bill to lower and simplify North Dakota's oil tax failed in the state House of Representatives last month, in part because it would have swallowed a big chunk of the state's anticipated revenues. But advocates hope the idea could resurface later in the session.

"I don't know" what's likely to come out of this session, Schafer said. "I'm not working the Legislature, but ... we've been upfront about what we're trying to do."

He noted that more than 70 bills dealing with oil issues have been introduced and could be amended to alter the tax structure.

"How the Legislature deals with it, I don't know," he said. "I know the first priority is to deal with the infrastructure. Whether there's money left to do something about the tax, we'll have to see."

Reach Haga at (701) 780-1102; (800) 477-6572, ext. 102; or send e-mail to chaga@gfherald.com.

Tags: north dakota, ed schafer, news, oil

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FOR IMMEDIATE RELEASE **No. 11-044b**

Governor Parnell Promotes Alaska at Cruise Shipping Miami

Holland America Expecting 11,000 Passenger Increase Next Year to Alaska

March 15, 2011, Miami, Florida – Governor Sean Parnell today welcomed thousands of conference attendees and met with senior cruise executives at Cruise Shipping Miami, an annual international trade show and conference.

At the conference, the governor noted that Holland America is expecting an estimated increase of 11,000 passengers (in ship capacity and voyages) to Alaska next year. After reductions in the head tax proposed by Governor Parnell, in 2011 Alaska will be welcoming new entrants to the market including Disney, Crystal Cruises, and Oceania. Last fall Princess announced an increase of more than 46,000 passengers by adding an additional cross-gulf ship, bringing the total increase in passengers visiting in Alaska to more than 60,000 in 2012.

At the conference today, the governor focused on the important economic impact the industry provides and the progress the State of Alaska has made improving the tax and regulatory environment.

"Last year, I attended Cruise Shipping Miami to meet the executives who make deployment decisions and discuss what steps the state can take to return the industry to growth," Governor Parnell said. "I am happy to report we have made great progress and am pleased with the immediate result of an additional 60,000 visitors to Alaska by next summer."

Following his address at the opening session, the governor met with executives from every major cruise line operating in Alaska.

"Alaska faces tough worldwide competition and it is critical the CEOs of each cruise line personally hear our support for the industry and our commitment to continue to work to improve our business climate," the governor added. "With more than 40,000 Alaska jobs supported by the visitor industry, it is critical Alaska maintain a strong presence in the market."

Governor Parnell and Commissioner Susan Bell also met with the more than 30 Alaskans who also traveled to Miami to promote Alaska as one of the premier tourist destinations in the world. The governor expressed his appreciation for their hard work in helping support Alaska's economy.

Cruise Shipping Miami brings together cruise line executives, industry suppliers and buyers, and representatives of destinations from around the world. With more than

10,000 people expected at the event, it is an opportunity for Alaska to showcase and promote itself as a unique cruise destination.

Overall in the visitor industry, Alaska is seeing signs of recovery, but 2010 was still well below peak visitation levels compared to 2007 and 2008.

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Resource Development Council Action Alert:
Proposed 2012-2017 Five-Year Plan for Outer Continental Shelf Oil & Gas Leasing Program
Comment Deadline: Thursday, March 31, 2011

Overview:

The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) provided notice in April 2010 of its intent to prepare a Programmatic EIS for the proposed OCS Oil and Gas Leasing Program for 2012-2017 and request for comments. The notice also announced that scoping meetings would be held during June and July in coastal states, including Alaska. Subsequently, on June 30, 2010, Secretary of Interior Ken Salazar announced that the scoping meetings would be postponed because of the need for BOEMRE to focus on reviewing and evaluating safety and environmental requirements of offshore drilling in response to the Deepwater Horizon incident and that a new comment period would later be announced.

On December 1, 2010, the Secretary announced an updated oil and gas leasing strategy for the OCS. The new strategy will focus on leasing in areas with current active leases. As a result, the Western Gulf of Mexico, Central Gulf of Mexico, and the Cook Inlet, Chukchi Sea, and Beaufort Sea will continue to be considered for potential leasing in the 2012-2017 Program. However, the Eastern Gulf of Mexico and the Mid and South Atlantic planning areas are no longer under consideration for potential lease sales in the five-year program.

Alaska has significant OCS opportunities in the Beaufort and Chukchi seas. This public hearing will gauge public opinion in Alaska on the development of offshore oil and gas resources. This is an important hearing and could well determine Alaska's economic course for decades to come. Economic studies have confirmed OCS development has the potential to sustain Alaska's economy for generations.

Requested action:

RDC members are strongly encouraged to submit comments to BOEMRE by Thursday, March 31. Urge Washington to expand future offshore leasing in Alaska. Your participation in this process is vital!

Please send your comments to: Mr. J.F. Bennett, Chief Branch of Environmental Assessment, BOEMRE, 381 Elden Street, Mail Stop 4042, Herndon, Virginia 20170-4817, or online at http://ocs5yeareis.anl.gov.

Join us in our effort as we build public support for offshore oil & gas exploration and development. For those who do not have the time to draft their own comments, feel free to use the sample text at the link below:
http://consumerenergyalliance.org/calls-to-action/tell-the-obama-administration-that-we-need-jobs/

Points to consider for your testimony

• Urge the BOEMRE to ensure the Programmatic Environmental Impact Statement (EIS) for the Proposed 2012-2017 Outer Continental Shelf (OCS) Leasing Program moves forward in an efficient manner and that it does not further exclude areas offshore Alaska and the Gulf of Mexico from responsible oil and gas development.

• In establishing a robust 2012-2017 OCS oil and gas leasing program, the BOEMRE must balance environmental and economic considerations and ultimately decide to move forward with responsible offshore oil and gas development. Exploration and production can and should proceed in a safe manner.

• The Alaska OCS constitutes one of the world's largest untapped energy resources with an estimated 27 billion barrels of oil and 132 trillion cubic feet of natural gas in place. By comparison, total production from the North Slope since 1977 has been approximately 15.5 billion barrels. Essentially, Alaska holds the eighth largest oil reserves in the world ahead of Nigeria, Libya, Russia and Norway.

• The Chukchi Sea is considered the nation's most prolific, unexplored offshore basin in North America.

• The Alaska OCS could produce 1 to 2 million barrels per day, boosting current U.S. production by 20 to 40 percent. At today's oil prices of $90 a barrel, slashing imports that much would reduce the nation's trade deficit up to $65.7 billion a year. Last year, when oil averaged $78 a barrel, the U.S. sent $260 billion overseas for crude, accounting for nearly half of the country's $500 billion trade deficit.

• BOEMRE should not hold lease sales unless it truly intends to allow exploration in a reasonable and timely manner. In February 2008, lease sale 193 on tracts in the Chukchi Sea netted taxpayers more than $2.6 billion in bonus bids. However, companies seeking to drill on those tracts have been unable to drill due to numerous regulatory and permitting delays. Companies spending billions of dollars on leases and subsequent billion of dollars preparing to drill should be able to move forward in an efficient, responsible, safe, and certain manner.

• The responsible development of potentially immense oil and gas deposits in the Arctic would significantly boost Alaska's economy, extend the life of the trans-Alaska oil pipeline, improve the economic viability of the proposed natural gas pipeline from the North Slope to the Lower 48, reduce America's reliance on foreign energy, create tens of thousands of new jobs and generate hundreds of billions of dollars in federal, state and local government revenues.

• According to a new study by Northern Economics and the University of Alaska, an annual average of 54,700 new jobs would be created and sustained through the year 2057 from the Alaska OCS, with 68,600 during production and 91,500 at peak employment. A total of $145 billion in new payroll would be paid to employees through the year 2057, including $63 billion to employees in Alaska and $82 billion to employees in the rest of the U.S.

• A total of $193 billion in government revenue would be generated through the year 2057, with $167 billion to the Federal government, $15 billion to the State of Alaska, $4 billion to local Alaska governments, and $6.5 billion to other state governments.

• In the Arctic, industry has invested significant resources to develop comprehensive response plans in the event of an oil spill. In Alaska, Shell currently maintains a highly specialized fleet and specialized containment equipment, as well as a large workforce of highly trained people.

• There has never been a blowout in the Alaska OCS or the Canadian Arctic. Thirty wells have been drilled in the Beaufort and five in the Chukchi – all without incident. These wells were drilled in the 1980s, utilizing older technology compared to what exists today.

• The North Slope and the offshore are now perhaps the most studied energy basins in America. MMS has spent more than $300 million on studies in Alaska and in the past decade the agency has funded over 250 studies here, with the majority of those focused on the Beaufort and Chukchi Seas.

• Access to Alaska's OCS resources may be a key element in the economic feasibility of the proposed natural gas pipeline from the North Slope to the Lower 48, one of President Obama's top energy priorities. Additional gas reserves beyond those already discovered are needed to make the project economic.

• For every barrel of oil America refuses to develop domestically, it will have little choice but to import an equal amount from overseas – where different environmental regulations often apply.

• Offshore oil and gas production in Alaska can occur in a responsible manner under a strong regulatory system, seasonal operating restrictions as needed, and mitigation measures to avoid conflicts with other resource and subsistence users.

• Sharing federal royalty payments from production in federal waters with coastal states and local communities is critical, as it significantly benefits local governments, promotes national economic interests and generates additional, new federal revenues by increasing state and local participation. Such sharing facilitates a closer partnership among federal, state and local agencies.

• Given demand for energy will rise as the economy recovers, America must continue to pursue new oil and gas development, even as the nation slowly transitions to the new energy sources of the future.

• While we strive to develop and utilize alternative and renewable sources of energy, we will still rely on oil and natural gas for transportation, electricity, manufacturing, consumer goods and several other uses that are part of our everyday lives. Even more, our economy depends on the millions of jobs and billions in revenues offshore production generates.

RDC Testimony:
Ringed and Bearded Seal Public Hearing

Testimony of Marleanna Hall, Projects Coordinator
March 7, 2011
Anchorage, Alaska

Good evening. My name is Marleanna Hall. I am a projects coordinator at the Resource Development Council.

RDC is a statewide organization 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.

The Endangered Species Act listing of both the ringed seal and the bearded seal is not warranted. Ringed and bearded seals and their habitats are well managed and protected by international agreements, conservation programs, and laws, including the Marine Mammal Protection Act. These and other measures are working, and the seals are in abundance. The listing of the animals would negatively impact an area of national significance because of its critical importance to domestic oil and gas production and development. Community development, and access to potential mineral resources may be impeded as well. These activities are not the cause of any purported decline in species abundance, but will be significantly and disproportionately impacted by an ESA listing.

As stated by the Biological Review Team, the proposal for listing the seals is "primarily due to concern about threats to the species' habitat from climate warming and diminishing ice and snow cover." The Endangered Species Act should not be used to control greenhouse gases, as it will likely negatively impact Alaska's economy, with little or no added benefit to the seals. It will not make the sea ice grow.

The ringed and bearded seals are not experiencing problems under any of the factors set forth in the ESA for the listing of a species, other than the speculative risk of global warming and sea ice loss, and therefore should not be considered for an ESA listing.

In addition to this testimony, RDC will submit written comments by the March 25th deadline. Thank you for opportunity to testify today.

Resource Development Council for Alaska, Inc.
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Sean Parnell
Governor
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FOR IMMEDIATE RELEASE **No. 11-036**

State Files Suit over Unprecedented Critical Habitat Designation

March 9, 2011, Juneau, Alaska – The State of Alaska today filed suit against the U.S. Fish and Wildlife Service (USFWS) over its unprecedented, expansive designation of critical habitat for polar bears, which have been listed as "threatened" under the Endangered Species Act (ESA). In a separate suit, the state is challenging the decision to list these bears as threatened.

The designation of 187,157 square miles of critical habitat for the polar bear, an area larger than 48 of the 50 states, is unnecessary in that the agency itself acknowledges that the designation will not provide substantial protection for the animals.

"We already have a comprehensive slate of state laws, the federal Marine Mammal Protection Act and international agreements that provide strong conservation measures for polar bears," Governor Sean Parnell said. "The additional regulations, consultations, and likely litigation that would be triggered by this habitat designation would simply delay jobs, and increase the costs of, or even prevent, resource development projects that are crucial for the state. All this with no material improvement in polar bear habitat."

In its lawsuit, the state also contends that the USFWS disregarded federal law by including geographical areas in the designation in which there is little or no evidence of physical or biological features that are essential to conservation of polar bears. For example, Norton Sound is included as critical sea ice habitat even though the mapping does not show the area even within the range of polar bears.

The state is also concerned with the apparent motive to designate the entire geographical area that could be occupied by the polar bear, rather than only those areas which are critical to its survival.

Fish and Game Commissioner Cora Campbell said, "This would be akin to designating the entire migratory pathway for a listed migratory bird species, including the air it might occupy. Such an approach is unprecedented and unwarranted."

The state is also challenging the lack of consideration given to state comments submitted on the proposed rule and for failing to exclude areas with significant economic value.

"Federal officials disregarded comments submitted by the state and failed to fully consider the economic impact and national security implications of the critical habitat designation," Attorney General John Burns said. "Once again, we are faced with federal overreach that threatens our collective prosperity. We don't intend to let this stand."

A copy of the complaint is available at:
http://gov.alaska.gov/parnell_media/resources_files/criticalhabitatcomplaint_03092011.pdf

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print

Alaska trade group sues over polar bear critical habitat

by Dan Joling / Associated Press
03.03.11 - 03:14 pm

ANCHORAGE, Alaska - An Alaska petroleum industry trade group has sued the federal government over its designation of 187,157 square miles as polar bear critical habitat, claiming it covers too much territory and could cost tens of millions or more in economic effects.

The Alaska Oil and Gas Association sued Tuesday in Anchorage.

"This is an area larger that 48 of the 50 states, exceeding the size of the State of California by nearly 25,000 square miles," association attorneys said in the lawsuit.

The designation is unprecedented - the largest area set aside in the history of the Endangered Species Act - and was done for an animal that is abundant, with 20,000 to 25,000 animals in 19 subpopulations, according to the group.

AOGA represents 15 companies that account for most oil and gas exploration, production, refining and marketing in Alaska. The group claims there is no evidence of an overall decline in the global polar bear population o r its historical range.

That's disputed by the Center for Biological Diversity, which petitioned to list bears.

"AOGA's suit is premised on the fiction that polar bear populations are stable," said attorney Brendan Cummings in an e-mail.

The two best-studied populations, western Hudson Bay and Southern Beaufort Sea, are known to be declining, he said. The polar bear specialist group of the International Union for Conservation of Nature lists eight of the world's 19 subpopulations of polar bears as "declining," including both of Alaska's. Seven other subpopulations are listed as "data deficient" for making the call.

A U.S. Geological Survey model prepared before the listing suggested a better than 50 percent chance that polar bears will be extinct in Alaska's Beaufort and Chukchi seas under the minimum sea ice model run by 2030. The USGS later noted its projections of sea ice decline appeared to be underestimated.

The Interior Department under former Pre sident George W. Bush declared polar bears a threatened species in 2008 because of the threat from diminishing sea ice.

The department announced its critical habitat designation in November. It includes large areas of sea ice off the Alaska coast, including areas where petroleum companies hope to drill in the Chukchi and Beaufort seas.

Designation of critical habitat does not automatically block development but requires federal officials to consider whether a proposed action would adversely affect the polar bear's habitat and interfere with its recovery.

The trade association said federal agencies underestimated economic effects of the designation and that it will cost tens of millions to billions of dollars. During testimony in June, director Marilyn Crockett said the designation would lead to project delays, additional consultations and expensive litigation.

The trade association said the designation was an abuse of discretion.

"The Service failed to balance the conservation benefits and the economic benefits to exclude areas where the benefits of exclusion outweigh the benefits of specifying such areas as part of the critical habitat," the lawsuit said.

The association also said polar bear habitat already is adequately managed and there's a long history showing interaction between bears and the oil and gas industry has had no more than a negligible effect.

The lawsuit is the first filed in opposition to the critical habitat designation. The state of Alaska and a coalition of Alaska Native groups also have given the federal government a required 60-day notice that they intend to sue over the recovery plan for polar bears.

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

March 11, 2011

Jason Anderson
Thorne Bay Ranger District
Box 19001
Thorne Bay, AK 99919

Attn: Big Thorne Project EIS

Dear Mr. Anderson:

The Resource Development Council (RDC) is writing to urge the U.S. Forest Service to restructure the Big Thorne Project into a single ten-year timber sale offering at least 150-200 million board feet (mmbf) of mature timber.

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.

This project was originally intended to be one of four ten-year timber sales in the Tongass. The four sales were to expedite the restoration of a fully integrated timber industry in Southeast Alaska. In contrast, the Big Thorne Project has now evolved into a stewardship project, which includes a multi-year timber harvest component and forest restoration and enhancement activities. The Forest Service should honor its original commitment and pursue the original project as part of an effort to restore full manufacturing integration and jobs in timber industry.

The proposed action, which would harvest approximately 5,800 acres with about 100 mmbf of saw timber, falls well short of what is truly needed to restore the health of the Southeast Alaska timber industry and rural economies. As noted earlier, the original project was to release up to 200 mmbf of mature timber in a single ten-year sale. The current project is not only much smaller in volume, it is unclear how much of the timber is immature young-growth. Moreover, a 2010 economic analysis by the Forest Service, the timber industry, and the Tongass Futures Roundtable concluded that only 1,900 acres within the Big Thorne Project area would actually support economic timber sales. Much of the timber will require high-elevation helicopter logging, which may be uneconomic or provide little high-value timber. Many of the larger areas proposed for harvest are covered by low-value and low-volume timber that will likely be uneconomic to harvest.

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As a result, RDC urges the Forest Service to expand the Big Thorne Project area to include sufficient economic timber to meet the 150-200 mmbf original commitment. The project area should also be expanded to include sufficient economic timber to offset uneconomic stands. Moreover, to achieve economic timber sales, the Forest Service should allow logging in old-growth, high-value, low-cost leave strips. From what I understand, the Forest Service does have the flexibility to allow harvesting activities in these areas.

Given the economic shortcomings in the 2008 Tongass Land Management Plan, which are largely to blame for the inability of the Forest Service to meet annual timber sale targets, there is strong justification for expanding the project area to secure sufficient economic timber to satisfy the original intent of the Big Thorne Project and the four ten-year timber sales.

Including the two percent that has been harvested to date, the Forest Service need only manage approximately ten percent of the Tongass to sustain the timber industry in perpetuity. Such true multiple-use management would restore the economic health of local communities in Southeast Alaska and reverse the decline in rural employment and population. Since 1997, Southeast Alaska's population has steadily declined and this downward trend is forecasted to continue in coming years. 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 2010. A Big Thorne Project designed to conform with the original intent of the ten-year timber sales would be a significant step in the right direction in reversing the region's population and economic decline. Moreover, harvest levels of 200 mmbf from the Big Thorne Project over a ten-year period would help sustain and maintain the remaining industry infrastructure in the region for the future processing of second-growth timber.

Thank you for the opportunity to provide comments on the Big Thorne Project.

Sincerely,

Carl Portman
Deputy Director

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

March 3, 2011

ALCOM Public Affairs
9480 Pease Avenue, Suite 120
JBER, AK 99506

Re: JPARC Modernization and Enhancement EIS

To Whom It May Concern:

The Resource Development Council (RDC) is writing in response to the request for comments and information for the Joint Pacific Alaska Range Complex (JPARC) Modernization and Enhancement Environmental Impact Statement (EIS).

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.

RDC recognizes the importance of military training and protection of our great nation and appreciates the significant role the military plays in Alaska's economy. RDC is concerned that sufficient economic impact studies may not have been conducted prior to the release of the JPARC Modernization and Enhancement EIS. The direct impacts to resource development projects in the proposed areas of inclusion could be significant and therefore could negatively impact Alaska's natural resource-based economy.

RDC encourages the JPARC Modernization and Enhancement EIS to revisit the proposal and to work with the Alaska Miners Association and other stakeholders (such as tourism) to develop an EIS that achieves maximum benefit for resource industries, public access, and military training needs.

Thank you for the opportunity to comment on this important issue.

Sincerely,

Marleanna Hall

Marleanna Hall
Projects Coordinator

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Interstate Mining Compact Commission

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PRESS RELEASE

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FOR MORE INFORMATION, CONTACT:

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FOR IMMEDIATE RELEASE

IMCC Selects Recipients of Annual Minerals Education Awards

Herndon, VA, March 11, 2011 —

The Interstate Mining Compact Commission (IMCC) recently announced the recipients of its thirteenth annual minerals education awards. Begun in 1999, the minerals education awards are presented each year in two categories: the mining awareness educator category and the public outreach category. The mining awareness educator award is presented to a teacher or school from one of the 24 member states of the IMCC that has achieved excellence in one or more of the following categories: provided educational outreach in an innovative manner that increases the level of understanding in the classroom and/or community about mining and its impacts; promoted environmental stewardship while enhancing the understanding of issues associated with mining and natural resource development; and/or created unique educational materials or curriculum demonstrating the production and/or use of minerals and associated environmental protection. The criteria can be met through classroom and/or out-of-classroom (i.e. field trips, mine tours, etc.) activities. The winner will receive a framed award certificate and a $500 gift certificate for classroom resource materials. There will be no award presented in the Educator Category for 2011.

The public outreach award is presented to an industry, environmental, citizen or other group, or to a state government body, that has achieved excellence in one or more of the following categories: provided educational outreach in an innovative manner that increases the level of understanding in the community about mining and its impacts; promoted awareness of environmental stewardship associated with mining through active involvement of citizens; fostered cooperation and partnerships with diverse groups to achieve understanding; enhanced the understanding of issues associated with mining and natural resource development; and/or fostered public education through mine tours, visitor centers, community awareness days, career days, personnel volunteerism in the schools, maintaining adopt-a-school programs or education partnerships, or any other innovative initiative deemed deserving by the awards committee. The winner will be presented with an engraved plaque of recognition.

The minerals education awards will be presented at a banquet held in conjunction with the IMCC Annual Meeting, April 3 - 6, 2011 in Wheeling, West Virginia.

The winner in the public outreach category for 2011 is Alaska Resource Education located in Anchorage, Alaska. Alaska Resource Education (ARE) is a partnership between the Alaska Department of Education and private industry. The non-profit organization focuses on teaching school students and teachers about Alaska's natural resources using their Alaska Resource Kit and Curriculum. The Alaska Resource Kit contains a standards-based, Alaska-specific interdisciplinary set of curriculum, as well as activities and support materials providing K-8 students with information about Alaska's natural resources including minerals, energy, forestry, oil & gas and the state and federal permitting process. The curriculum is also adaptable for grades 9-12. ARE also offers a "Rock & Roll Around Alaska" course for teachers. It is a 500 level, 1 credit course offered through the University of Alaska in various locations throughout the state. The course is designed to give teachers the tools to teach their students about Alaska's natural resources with fun, interactive curriculum activities. ARE's program for students called "Minor Miners" brings students annually to the Alaska Miners Conference to engage in hands-on activities and introduce them to various aspects of the mining industry including mining camp catering, heavy equipment operation, permitting, mineral discovery, and other activities. The program also includes an interview panel where the students can talk with various members of the industry and regulatory personnel from the state and federal government about their jobs. The "Energy Einstein" program brings local students to the Petroleum Club in Anchorage to learn about various energy topics and careers. Students attend a day-long program which explores the fundamentals of energy through ARE's standards-based K-12 curriculum. Alaska Resource Education also arranges tours of industry sites for teachers, and ARE's staff visits schools to lead students in activities on mineral, energy and forest resources.

An honorable mention is also being presented this year in the Public Outreach Category to Lignite Energy Council (LEC) in Bismarck, North Dakota for its annual Teacher Education Seminar. LEC has sponsored an annual Teacher Education Seminar for the past 25 years. The annual 4-day seminar provides teacher participants with a broad understanding of the lignite coal industry and the important role it plays in providing electricity to the region and job opportunities. One day is devoted to touring mining operations, reclamation sites and coal conversion facilities. Tours also include a power plant and the Great Plains Synfuels Plant. Seminar presenters include educators, researchers, lignite industry representatives and government officials. Teachers attending the seminar receive lecture outlines on each presentation, examples of lesson plans, classroom exercises, coal and ash samples, audiovisual materials, and information on the facilities they tour. They also receive resource guides listing publications and audiovisual materials available for energy education.. The seminar is open to grade 3-12 teachers from North and South Dakota, Montana and Minnesota (states which are served by the North Dakota lignite industry). Lodging and meals are provided by the LEC and teachers can receive 2 graduate credits for completion of the course, also paid for by LEC.

For further information about the awards or the IMCC Annual Meeting, contact Beth A. Botsis, Director of Programs, IMCC at 703/709-8654, fax 703/709-8655, or email: bbotsis@imcc.isa.us Annual Meeting information can also be found on IMCC's web site at www.imcc.isa.us. – END –