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Growing Alaska Through Responsible Resource Development

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Ex-Officio Members Senator Mark Begich Senator Lisa Murkowski Congressman Don Young Governor Sean Parnell

BREAKFAST MEETING

Thursday, April 18, 2013

- 1. Call to order Phil Cochrane, President
- 2. Head table Introductions
- 3. Staff Report Rick Rogers, Executive Director
- 4. Program and Keynote Speaker:

Alaska Tourism: Looking Back and Looking Forward

Sarah Leonard, President and COO, Alaska Travel Industry Association

Upcoming Breakfast Meeting Thursday, May 2nd: TBA

Please add my name to RDC's mailing list:

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Publication: Anchorage Daily News; Date: Apr 17, 2013; Section: Opinion; Page: A13

COMPASS: Other points of view

Tax break for oil companies will help Alaska

By GOV. SEAN PARNELL

After years of study, public testimony, and debate, Alaska turned the corner this week to a brighter economic future. The legislature voted to create greater opportunity for Alaskans by putting our state's oil patch in a more competitive position globally.

Senate Bill 21 reforms Alaska's oil taxes to attract new investment and spur production. Everyday Alaskans who want to work, pay their bills, support their families, and enjoy our great state, will have the opportunity to. Senate Bill 21 means young Alaskans can look to a future of opportunity. They can look forward to establishing their own families here in Alaska, rather than having to move away.

The legislation, which has been fully debated in the halls and committee rooms of the Capitol, as well as across the state, meets the four guiding principles that I laid out at the start of this session: One, any change must be fair to Alaskans; two, it must encourage new production; three, it must be simple, so it restores balance to the system; and four, it must be competitive and durable.

As I said in my State of the State address in January, legislation meeting these four principles will get my signature. I commend legislators for their commitment to these principles, but also for fostering an open, respectful, and honest dialogue with Alaskans.

Senate Bill 21strikes the right balance. By eliminating the unpredictable tax calculation known as progressivity, we created more certainty for Alaskans as well as oil explorers, investors and producers.

We've also fixed a risky fiscal condition that left Alaska's treasury exposed to paying out billions of dollars in tax credits that were not tied to production. By rebalancing our tax credit system, Alaskans, our communities, and our state are all better protected when oil prices are low, and the North Slope oil patch is more competitive when oil prices are high.

Senate Bill 21 eliminates the complicated "progressivity" feature of the current tax system and replaces it with a simple 35 percent base rate and a per barrel tax credit tied directly to the production of oil.

With the greatest oil pipeline in history, the Trans-Alaska Pipeline System, now three quarters empty, we have taken a giant step to filling it once again.

Alaska can now compete with states like North Dakota and Texas for investment capital and jobs. With Senate Bill 21, tax breaks will now be tied directly to putting new oil in the pipeline.

The Alaska Legislature has sent a strong message to the world: Alaska is back, ready to compete, and ready to supply energy to America. Having produced only less than half of our known reserves, Alaskans have every reason to be optimistic about the future of our state.

Senate Bill 21 lays the groundwork for a great Alaska comeback. Thanks to the Alaska Legislature and our administration members for seeing this through. A future of new jobs, new opportunities, and a bright future for all Alaskans starts now.

Sean Parnell has served as governor of Alaska since 2009.

FOR IMMEDIATE RELEASE

No. 13-071

Governor Parnell Highlights Legislative Accomplishments

Oil tax reform, LNG trucking, fiscal restraint, protections for victims key issues

April 15, 2013, Juneau, Alaska – Following the close of the first session of the 28th Alaska Legislature, Governor Sean Parnell today thanked legislators and highlighted the successful passage of many of his key priorities to improve Alaska. Reforming Alaska's oil tax structure, providing cheaper energy to Interior and rural communities, reducing payroll tax increases, exercising fiscal restraint, and protecting Alaskan families led the governor's agenda this session.

Alaska's Oil Production Comeback

After thoughtful analysis and debate, legislators passed Senate Bill 21, Governor Parnell's bill to create a prosperous future for Alaskans though increased production. This legislation simplifies Alaska's oil tax structure and provides the right balance for Alaskans at both high and low oil prices. Senate Bill 21 significantly improves Alaska's competitive standing.

"This session, we took major steps to grow our economy and create opportunities for Alaskans," Governor Parnell said. "Senate Bill 21 sets the course for an oil production comeback on the North Slope. I thank the many Alaskans from across the state who made their voices heard and testified on the importance of oil tax reform and what it means to their future."

The Legislature also passed the governor's permitting legislation. House Bill 129 and Senate Bill 27 will give Alaskans more say over the permitting process.

Lowering Alaskans' Taxes

Governor Sean Parnell welcomed passage of his legislation to allow for the suspension of automatic payroll tax increases when the Unemployment Insurance (UI) Trust Fund is deemed solvent. Currently, the law requires tax collections, including increases, from employers and employees, even if the UI Trust Fund is solvent. The governor's legislation ensures Alaska's workers and employers aren't overtaxed.

Fiscal Restraint

Governor Parnell proposed a 5-year fiscal plan to manage Alaska's reserve funds wisely and limit government spending. The governor also proposed a spending cap of more than one billion dollars less than the current year.

"We are committed to instilling greater fiscal responsibility in state spending over the next five years," Governor Parnell said. "We will continue to drive economic growth and opportunity for Alaskans through lower taxes."

Interior Energy Plan

Additionally, the Legislature passed the governor's Interior Energy Plan, which will provide cheaper energy to the Interior and Alaska's road and river communities. Senate Bill 23 puts in place a financing package for natural gas liquefaction on the North Slope and a distribution system, in conjunction with private sector financing. Building an Interior gas distribution system will benefit Alaskans now, and position those communities to have access to an Alaska gasline in the future.

Better Protection for Domestic Violence and Sex Trafficking Victims

Governor Parnell's crime bill to better protect Alaskan families, children and trafficking victims received strong legislative support. The bill reinforces penalties on the demand side of sex trafficking, strengthens investigative tools to track down and prosecute offenders, and enacts tougher sentencing provisions for domestic violence and sexual abuse offenses.

"I am very pleased with what we were able to accomplish this legislative session," said Governor Parnell. "I appreciate the Legislature's willingness to work with me to address these vital issues relating to the safety of our people."

National Marine Fisheries Service, Alaska Regional Office

NOAA Fisheries News Releases

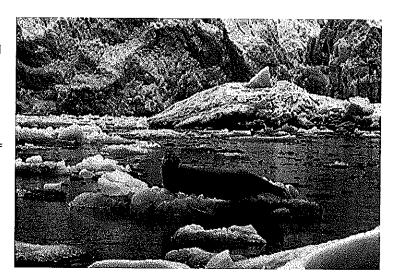
NEWS RELEASE March 11, 2013 Julie Speegle, 907-586-7032 w., 907-321-7032 c.

NOAA SEEKS PUBLIC INPUT ON POTENTIAL CONSERVATION MEASURES TO PROTECT HARBOR SEALS FROM VESSEL DISTURBANCE

Juneau, AK — NOAA Fisheries has filed with the Federal Register an **Advance Notice of Proposed Rulemaking** to solicit public input on the issue of vessel interactions with harbor seals in glacial fjords in Alaska. Once published, a public comment period will be open for 60 days.

The agency is considering whether additional management measures may be necessary to preserve the important function and productivity of tidewater glacial habitat in Alaska, reduce disturbance of harbor seals by vessels, and minimize the change of long-term impacts to the population in Alaska. At this time, NOAA Fisheries is only seeking input and is not proposing to adopt any specific additional management measures.

Glacial fjords are highly productive and sensitive nursery areas for harbor seals. Although these areas occupy a small portion of the Alaskan coastline, they host the largest aggregations of seals in the state. Glacial habitats are believed to be productive sites for the population as a whole, relative to terrestrial sites. In some of these glacial sites, notably Glacier Bay and Aialik Bay, harbor seal populations have declined steeply. Many glacial sites in Alaska are now subject to tremendous rates of ice loss. Harbor seals relying



An adult harbor seal hauled out on ice near a tidewater glacier. Photo: J.K. Jansen, NOAA's National Marine Mammal Laboratory.

on ice floes as a surface for hauling-out may be compromised by the prediction for continued, unprecedented ice loss from tidewater glaciers.

Vessel-based tourism in Alaska has been increasing rapidly over the last several decades. Since the 1980s, cruise ship visits to tidewater glaciers have increased substantially; annual passengers now exceed well over one million. Small and mid-size vessel traffic has also increased considerably. Currently, all cruise ships visiting Alaska enter one or more tidewater glacial fjords. Four of the five most heavily visited sites (Tracy Arm, Endicott Arm, College Fjord and Disenchantment Bay) have no specific management measures in place to protect harbor seals.

Due to a decline noted by Alaska Native seal hunters, in 2002 NOAA Fisheries entered into a study in collaboration with the Yakutat Tlingit Tribe to examine vessel-seal interactions in Disenchantment Bay. The study found that harbor seals reacted and altered their distribution in response to vessel traffic, and that the likelihood of harbor seals vacating the ice and entering the water increased significantly when cruise ships approached closer than 500 meters. These findings suggest that the current approach guideline of 100 yards may be inadequate to protect seals from disturbance and thus may not adequately protect these important glacially-associated habitats.

NOAA Fisheries believes that the rapid rise in the occurrence of tour vessels in Alaska, in conjunction with vessels concentrating in glacial areas (up to five per day), represents a likely threat with a demonstrated potential to alter the natural behavior of seals during the critical periods of breeding and molting, which could then adversely affect the health and persistence of glacier-associated seal populations. Impacts include displacement, which can increase the risk of mother-pup separation during a dependent life stage when pups need maternal calories and protection in order to survive. Further, when seals are flushed from ice floes, pups are at risk from cold temperature stress with small increases in time submerged in water of 3-5 C°.

A major objective of the Marine Mammal Protection Act (MMPA) is to protect species such that they continue to be "a significant functioning element in the ecosystem of which they are a part." In Section 2 of the MMPA, Congress finds that "in particular, efforts should be made to protect essential habitats, including the rookeries, mating grounds and areas of similar significance for each species of marine mammal from the adverse effect of man's actions." NOAA Fisheries' consideration of a variety of potential management measures promotes these objectives.

Conservation measures to protect narbor seals and nignly productive nabitat are already in place in some parts of Alaska. In response to a documented need for protective measures, Glacier Bay National Park in 1985 instituted regulations to limit disturbance to harbor seals and protect pupping habitat within its boundaries. NOAA Fisheries has been coordinating with the Alaska Department of Fish and Game to plan additional research on the response of seals to vessel-related disturbance, which would be conducted in 2014.

NOAA Fisheries seeks public input as a preliminary step in the process of determining an appropriate course of management action. Comments are requested from the public on whether—and if so, what type of—conservation measures, regulations, or other measures may be appropriate to protect harbor seals from the potential effects of vessel activity in glacial habitats and minimize the chance of long-term impacts to the population in Alaska. Any recommendations received during the 60-day public comment period will be considered prior to any proposed rulemaking.

Send comments to: Jon Kurland, Assistant Regional Administrator, Protected Resources Division, Attn: Ellen Sebastian, PO Box 21668, Juneau, AK 99802-1668.

You may submit comments, identified by [NOAA-NMFS-2011-0284] by any one of the following methods:

Electronic Submissions: Submit all electronic public comments via the Federal eRulemaking Portal at http://www.regulations.gov

Fax: (907) 586-7557, Attn: Ellen Sebastian

Mail: P. O. Box 21668, Juneau, AK 99802

Hand delivery to the Federal Building: 709 West 9th Street, Room 420A, Juneau, AK

For more information see the Alaska Region's harbor seals web page.

NOAA's mission is to understand and predict changes in the Earth's environment, from the depths of the ocean to the surface of the sun, and to conserve and manage our coastal and marine resources. Join us on **Facebook**, **Twitter** and our other social media channels.

To learn more about NOAA Fisheries in Alaska, visit alaskafisheries.noaa.gov or www.afsc.noaa.gov.

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he National Oceanic and Atmospheric Administration's National Marine Fisheries Service is an agency of the U.S. Department of Commerce.

Action Alert: Bristol Bay Area Plan Comment Deadline is May 6, 2013

Overview:

The State of Alaska Department of Natural Resources (DNR) is taking public comment on the proposed draft determination of reclassification and plan amendment to the 2005 Bristol Bay Area Plan (BBAP). The comment period closes on May 6, 2013.

The BBAP will manage approximately 19 million acres of State land. Much of the lands in the BBAP are resource rich, and much of the area is designated for mining.

DNR agreed to a plan amendment process as part of a stipulation entered into between the DNR and the plaintiffs in a lawsuit, Nondalton Tribal Council et al. v. State of Alaska, 3DI-09-46CI. The plaintiffs in the lawsuit include the Nondalton Tribal Council, Trout Unlimited, and other entities, opposed to mining activities in the area.

Many of the issues raised by the plaintiffs in that case concern the management approach and classification changes in the 2005 BBAP from the 1984 BBAP. Plaintiffs and other groups that oppose resource development, particularly mining exploration and development, claim the 2005 BBAP favors mining above all other uses and fails to adequately protect wildlife habitat and subsistence.

Please consider submitting your own comments to rebut these claims by those who oppose managing state lands for multiple uses.

The plan amendments are generally technical in nature. Among other changes, the proposed reclassification would increase the lands classified for "wildlife habitat" and "public recreation" by 723,811 acres, and revise the management intent for an additional 1.3 million acres classified for "resource management."

The classification of land in Alaska is important because land classifications represent management intent, and some classifications can limit how the land is treated. For example, land classified as Wildlife Habitat cannot be selected for municipal entitlement. The addition of Habitat land would remove that land from potential selection by the Lake and Peninsula Borough, and could have the potential to reverse some existing Borough land selections.

DNR has said that "the cumulative impact of these proposed changes is that more lands in the Bristol Bay region would be managed for wildlife habitat and public recreation than under either the 1984 or 2005 area plans." Significantly, these lands are to be managed for multiple use.

The state's proposed revisions to the 2005 BBAP adequately protect wild game, salmon, subsistence, recreation, sport fishing, or other public uses of land, fish, and game.

Further, groups opposing resource development in the area are urging the public to submit comments to DNR, and to ask the agency to create a new classification specifically for subsistence, to increase habitat classifications for wildlife and fish even more than DNR has already proposed, to prohibit metallic sulfide mines in the Nushagak and Kvichak drainages, and to implement a new Mineral Closing Order that would ban new mining claims on or along salmon spawning streams.

Action Requested:

Submit comments to DNR asserting that the 2005 BBAP struck an appropriate balance between various stakeholder interests, and proposed amendments beyond those agreed to in the settlement of Nondalton Tribal et al v. State of Alaska, are not necessary. Furthermore, the revisions set a dangerous precedent for future area plans.

Comment Deadline is May 6, 2013

Submit comments:

Mail: Email: dnr.bbapamend@alaska.gov Mr. Ray Burger

Resource Assessment and Development Section Fax: (907) 269-8915
Alaska Department of Natural Resources
550 West 7th Avenue, Suite 1050
Anchorage, Alaska 99501-3579

To read the full plan, or to submit comments online, visit: http://dnr.alaska.gov/mlw/planning/areaplans/bristol/amend/

Points to Consider in Your Comments:

- DNR has a constitutional obligation to manage state-owned lands for the "maximum public benefit" based on the directive in Article VIII Section 1 of the Alaska Constitution: "to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." Sole designation of large sections of the state for wildlife or recreation is contrary to constitutional mandates.
- DNR agreed to a settlement, which led to this plan revision, to make six changes to the Bristol Bay Area Plan. Considering that the original plan went through the normal process of public hearings and review, the changes should be limited to those agreed to in the case.
- Using litigation to force further changes in an area plan sets a dangerous precedent to let groups
 opposing specific projects hold sway, especially over an area plan that impacts 19 million acres.
- Area planning should be seen in the context of the broader permitting scheme this does not mean, for example, that because an area has been classified as "mineral" that a mine has been or will be permitted – the classification identifies resource potential, not fully permitted activities.
- Banning certain activities in an area plan ignores constitutional mandates that include development and multiple use.
- The 2005 BBAP does not favor mining above other uses. More lands were classified as "mineral" lands in this version because of the additional inventories done between 1984 and 2005 that reflected this potential use. "Mineral" lands are still managed for multiple use, and in most cases are still available for recreation, hunting, fishing, and subsistence activities.
- Subsistence activities are included in the regulatory definition of "Wildlife Habitat Land," so there is no need to add a separate category for "subsistence." Additionally, subsistence is a generally allowed use on state land, and area plans do not affect "generally allowed uses."
- Managing "Subsistence" activities is outside of DNR's jurisdiction. DNR manages land, and the Board
 of Game decides what subsistence and hunting activities occur in that area.
- Alaska contains known deposits of Rare Earth Elements (REEs). Many of these REEs are imported to
 the United States, often from countries with lesser environmental regulations. According to the
 Mineral Commodities Summaries 2012 report by the U.S. Geological Survey, the U.S. depended on
 imports of 50-100% of needs for 43 minerals in 2011, some of which are found in Alaska. Keeping
 areas open to mineral extraction in Alaska not only provides the opportunity for future responsible
 resource development, it may also improve national security.
- Resource development in the area could provide economic benefits to the region, as well as improved or added infrastructure and access to areas for multiple use.
- Multiple uses should include mining (exploration, leasing, development), as well as recreational and other potential uses. With less than one percent of Alaska in conventional private ownership, access should be available on other lands.
- The area included in the BBAP should be further evaluated for mineral potential before restrictive land designations are implemented. Sufficient mapping and geological information should be acquired, and until then, the area should be left open to all uses.

Comment Deadline is May 6, 2013



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Lisa Parker
Judy Patrick
Charlie Powers
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Mike Satre Keith Silver Lorali Simon John Sturgeon Jan Trigg

Ex-Officio Members Senator Mark Begich Senator Lisa Murkowski Congressman Don Young Governor Sean Parnell Lenore Heppler Bureau of Land Management, Fairbanks District Office 1150 University Avenue Fairbanks, AK 99709-3844

Re: Eastern Interior Resource Management Plan and Environmental Impact Statement

Dear Ms. Heppler:

April 11, 2013

The Resource Development Council for Alaska, Inc. is writing in reference to the Bureau of Land Management (BLM) Eastern Interior Resource Management Plan (RMP)/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 supports the adoption Alternative D, which opens the area to resource development, with amendments by the BLM to include increased access for exploration, mineral leasing, mining, and oil and gas development in the area. Much of Alaska's federally managed lands are closed to responsible resource development, and Alternative D should include provisions to open more areas to resource development activity.

Rare Earth Elements are a much-needed commodity

Alaska contains known and likely unknown deposits of Rare Earth Elements (REEs). Many of these REEs are imported to the United States, often from countries with lesser environmental regulations. According to the Mineral Commodities Summaries 2012 report by the U.S. Geological Survey, the U.S. depended on imports of 50-100% of needs for 43 minerals in 2011, some of which are found in Alaska. Keeping areas open to mining in Alaska not only provides the opportunity for future responsible resource development, it may also improve national security.

Therefore, areas like the White Mountains National Recreation Area that have been mapped by the U.S. Bureau of Mines, and listed as favorable for mineral discoveries, should be open mineral development. RDC asserts that the potential for mining in the area should be fully considered and designated as such in the RMP.

Benefits of maintaining multiple use areas

Resource development in the area could provide economic benefits to the region, as well as improved or added infrastructure and access to areas for multiple use.

RDC maintains that multiple uses should include mining (exploration, leasing, development) for oil and gas, coal, and minerals, as well as recreational and other potential uses. With less than one percent of Alaska in conventional private ownership, access should be available on other lands.

Much of the area has wilderness like qualities and is unexplored

Much of the areas within the RMP have wilderness like qualities, and should not require designation to retain such qualities. RDC is opposed to the BLM listing lands as Areas of Critical Environmental Concern, designating additional Wild and Scenic Rivers, and no areas should be considered for Wilderness designation.

Federal acreage dedicated to Conservation System Units in Alaska is nearly 148 million acres, accounting for 70 percent of all national park lands in the U.S., 80 percent of wildlife refuge acreage, and 53 percent of federally-designated Wilderness, at 58 million acres.

The Alaska National Interest Lands Conservation Act of 1980 (ANILCA) was the final word on additional conservation units for Alaska. The RMP should explicitly acknowledge the unique compromises of ANILCA, which include identification of sufficient conservation lands.

Furthermore, the area included in the RMP should be further evaluated for mineral potential before restrictive land designations are implemented. Sufficient mapping and geological information should be acquired, and until then, the area should be left open to all uses.

Much of the area in the BLM plan, such as the Upper Black River area, has not been explored with modern methods and technology. For this reason, these areas should be accessible for mineral exploration and production.

Conclusion

Additionally, RDC would like to take this opportunity to endorse the comments provided by the Alaska Miners Association (AMA) on April 11, 2013.

The issues and concerns expressed by AMA, RDC, and others need to be addressed before the RMP can be finalized.

Thank you for the opportunity to provide comments.

Sincerely

Marleanna Hall Projects Coordinator

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Thomas Mack John MacKinnon

Ex-Officio Members Senator Mark Begich Senator Lisa Murkowski Congressman Don Young Governor Sean Parnell The Honorable Pete Kelly, Co-Chair The Honorable Kevin Meyer, Co-Chair Senate Finance Committee Alaska State Legislature State Capitol Room 532 Juneau, AK 99801

April 5, 2013

Re: Support of CS HB 77 - An Act relating to the Alaska Land Act (LAND USE/DISP/EXCHANGES; WATER RIGHTS)

Dear Senator Kelly and Senator Meyer:

The Resource Development Council for Alaska, Inc. (RDC) is writing in support of CS HB 77, an act relating to the Alaska Land Act, including certain authorizations, contracts, leases, permits, or other disposals of state land, resources, property, or interests; relating to authorization for the use of state land by general permit; relating to exchange of state land; relating to procedures for certain administrative appeals and requests for reconsideration to the commissioner of natural resources; relating to the Alaska Water Use Act.

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.

It is a top legislative priority of RDC to encourage the state to promote and defend the integrity of Alaska's permitting process and advocate for predictable, timely, and efficient state and federal permitting processes based on sound science and economic feasibility.

The Alaska Legislature, to its credit, has provided the Department of Natural Resources (DNR) with additional resources to address what had become an untenable backlog of permits and authorizations. Such backlogs negatively affect our resource industries as well as individual Alaskans seeking required state authorizations. While a backlog still exists, DNR has made real progress in catching up on that work.

Ramping up staff to adjudicate the backlog is addressing the symptom, however systemic improvements to what has become a very complex set of statutes authorizing DNR's work is also needed to help prevent future backlog and delays. Governor Sean Parnell,

with support from DNR Commissioner Sullivan and his staff, has identified specific means of improving the efficiency of our complex permitting system. RDC applauds the administration for proposing numerous changes to the DNR enabling statutes in order to make their processes more timely and efficient. Adapting our key DNR statutes to ensure we are adjudicating our land and resource authorizations in a more timely and efficient manner is overdue.

Furthermore, an improved permitting process could lead to more investment and job creation in Alaska. Alaska has some of the highest standards in the world for resource development projects. RDC does not believe this bill negatively impact those standards.

Specific to the issue of in-stream water reservations, State and Federal agencies should be the only entities that can reserve water for in-stream flow. When any "person" is allowed to apply for such reservations, such applications can be used as a tool to delay and frustrate the development of public and private resources. Restricting such reservations to the agencies ensures reservations are made for a legitimate public purpose, such as important habitat or navigability considerations.

RDC encourages members of the Senate Finance Committee to support the administration's efforts to more efficiently manage DNR's tremendous workload as the reach of the department affects a broad cross section of Alaska businesses, resource industries, and individuals. We encourage the passage of this legislation with an immediate effective date.

Thank you for the opportunity to comment.

Sincerely,

Rick Rogers

Executive Director

Support of HB 99 • Testimony before Senate Resources April 5, 2013 • Anchorage LIO Testimony provided by Marleanna Hall

Good afternoon, Chairwoman Giessel, and members of the committee. My name is Marleanna Hall. I am a Projects Coordinator for the Resource Development Council. RDC is a membership funded, statewide business association representing forestry, oil and gas, mining, tourism, and fishing industries.

RDC supports passage of the Committee Substitute HB 99.

Historically, the mining industry has been a cornerstone of Alaska's economy. Many roads, docks and other infrastructure throughout Alaska were originally constructed to serve the mining industry. RDC believes the Commission provides a necessary voice of issues, as well as recommendations and mitigation ideas for the state of Alaska's mineral prospect and projects.

This appointed group makes recommendations to the legislature and the governor in an effort to promote Alaska's minerals and mineral exploration and development industry. The Commission continues to be an effective means of ensuring policy makers have the benefit of the collective input of lead practitioners in the industry.

This industry, consisting of exploration, development, and production, in Alaska provides thousands of direct and indirect jobs with a payroll of \$620 million.

CS HB 99 has incorporated term limits for commission members and term limits for members selected as Chair and Vice Chair. RDC believes these proposed term limits will help keep a fresh perspective on the mineral industry.

This bill will bring the Alaska Minerals Commission into line with other Boards and Commissions, extend the AMC for another 10 years, and help keep the members fresh and active in identifying ways to mitigate constraints on mineral development in Alaska.

The Alaska Minerals Commission has a low fiscal impact, but RDC believes it has a significant impact promoting Alaska's minerals and mineral exploration and development industry. The eleven commission members have broad based mineral industry experience and represent a diverse expertise in mineral exploration and development in Alaska.

RDC urges you to pass HB 99 out of Senate Resources in a timely manner. Thank you for your consideration of our comments.

Support of SB 2 • Before House Resources Testimony provided by Marleanna Hall April 5, 2013 • Anchorage LIO

Good afternoon, Co-Chair Feige, Co-Chair Saddler, and members of the House Resources Committee. My name is Marleanna Hall. I am a projects coordinator at the Resource Development Council. RDC is a membership funded, statewide business association representing tourism, forestry, oil and gas, mining, and fishing industries.

RDC supports the passage of SB 2, an act that will allow the State of Alaska to join the Interstate Mining Compact Commission as a full member.

Many of the points I came here to make today have already been made, so I will just make a few more.

Alaska should encourage investment, as worldwide interest in Alaska's mineral potential is increasing, along with its accompanying spending. In joining the IMCC, Alaska could show leadership in advocating for a healthy and stable permitting and regulatory system.

The IMCC is a commission of states aligned to promote environmentally responsible resource development. RDC recognizes that the IMCC recognizes the importance of mining nationwide and brings a collective voice to Washington D.C., advocating for states' rights.

Furthermore, joining the IMCC as a full member will allow Alaska to benefit in many ways, including partnering with other states on federal issues, and building on successes that will promote the mining industry in Alaska and nationwide.

RDC urges member of House Resources to pass SB 2 in a timely manner. Thank you for your consideration of these comments.

Rick Rogers Executive Director Resource Development Council for Alaska

Testimony on HJR16 National Ocean Policy House Resources Committee, April 8, 2013

Good afternoon co-chairs Feige, Saddler and members of the committee. My name is Rick Rogers, Executive Director of the Resource Development Council for Alaska (RDC).

RDC has been engaged in the issue of National Ocean Policy and Marine Spatial Planning since the release of executive order in July 2010. We have participated in public comments on numerous occasions, I testified before a federal subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs last April, and I serve on the board of the National Ocean Policy Coalition, a national coalition of concerned user groups including industrial, commercial and recreational users of oceans and the Great Lakes.

RDC is engaged in this issue because any National Ocean Policy will have a disproportionate impact on Alaska's resource dependent industries and our economy as a whole. At approximately 34,000 miles, Alaska has more coastline than that of all other states in our nation combined.

The National Ocean Policy adds uncertainty and anxiety to an already cumbersome and complex regime of state and federal permitting and oversight. Increased bureaucracy could hamper the already slow processes with no added benefit to the environment. In our view the Coastal Marine Spatial Planning/Regional Planning Body structure is an unauthorized new regulatory program that suggests a federal level "top down" approach to management resources with minimal local input.

The ecosystem-based management goal requires a vast amount of scientific data to be fully implemented. The lack of sufficient information is often the basis for third party legal claims by Environmental Non-government Organizations (eNGOs) to block

development projects and their corresponding jobs. Natural resource managers need to use best available data to move forward and make the best decisions with information available. Ecosystem Based Management runs the risk of "paralysis-by-analysis."

The National Ocean Policy's stated goal of reaching to onshore activities adds to the uncertainty and anxiety for upland land use and resource development. In the executive order you find the words "affecting the ocean, our coasts and the great Lakes". Federal water, air and endangered species statutes combined with the vast federal land holdings in Alaska result in undue federal control over Alaska land and resource management. An additional nexus of "affecting the ocean" will exacerbate this federal over reach.

RDC is concerned that Coastal and Marine Spatial Planning may lead to far reaching use restrictions on marine waters that will over-ride the social and economic needs of Alaskans. Broad swaths of submerged lands could be restricted in exclusionary zones for a nebulous national agenda of "ecosystem-based-management". Even if restricted zones were more modest in size and scope, use restrictions in strategic marine corridors necessary for resource transport and shipping could be devastating to our marine-dependent industries.

One of the key justifications for Coastal and Marine Spatial Planning is to resolve conflict among diverse resource interests, yet RDC members representing Mining, Tourism, Forestry, Oil and Gas, and Fisheries interests are firmly aligned. These industries are all concerned that NOP will create far more difficulties than it will resolve.

I would like to thank representative Saddler in addressing this important issue. While I respect the demands on the legislature in this busy 90-day session, passage of this resolution this session would be timely as the National Ocean Policy implementation plan is expected to be released by the National Ocean Council soon.

Thank you for hearing our perspective on this important issue. I would be glad to answer any questions from the committee.



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NEWS RELEASE

April 10, 2013

Regulatory Uncertainty Leads ConocoPhillips to Put 2014 Chukchi Sea Exploration Drilling Plans on Hold

ANCHORAGE, Alaska – ConocoPhillips today announced it will put its 2014 Alaska Chukchi Sea exploration drilling plans on hold given the uncertainties of evolving federal regulatory requirements and operational permitting standards. The company has determined it would not be prudent at this time to make the significant monetary commitments needed to preserve the option to drill in 2014.

"While we are confident in our own expertise and ability to safely conduct offshore Arctic operations, we believe that more time is needed to ensure that all regulatory stakeholders are aligned," said Trond-Erik Johansen, President, ConocoPhillips Alaska.

A recent Department of the Interior report called on industry and government to work together to develop an Arctic-specific model for offshore oil and gas exploration in Alaska. This model would focus on standards in the areas of drilling, maritime safety and emergency response equipment and systems.

"We welcome the opportunity to work with the federal government and other leaseholders to further define and clarify the requirements for drilling offshore Alaska," Johansen said. "Once those requirements are understood, we will re-evaluate our Chukchi Sea drilling plans. We believe this is a reasonable and responsible approach given the huge investments required to operate offshore in the Arctic."

In 2008, ConocoPhillips was awarded 98 exploration lease tracts in the Chukchi Sea Outer Continental Shelf. The company has more than 50 years of Arctic experience drilling both onshore and offshore Alaska. ConocoPhillips is Alaska's largest oil producer, operating the Kuparuk and Alpine fields and maintaining a working interest in the Prudhoe Bay unit and the Trans Alaska Pipeline System.

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ConocoPhillips has been leading the search for energy in Alaska for more than 50 years. We are committed to responsibly developing Alaska's resources, providing economic opportunity for Alaska, operating at the highest safety standards and being good stewards of our community. For more information, visit www.conocophillipsalaska.com.

MEDIA CONTACTS:

Natalie Lowman (Alaska) Daren Beaudo (outside Alaska) 907-263-4153 281-293-2073

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This news release contains forward-looking statements. Forward-looking statements relate to future events and anticipated results of operations, business strategies, and other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith

Dena'ina Convention Center Anchorage, Alaska

May 2-3, 2013

THE BUSINESS OF

Clean Energy IN ALASKA

Thursday, May 2nd

7:00-8:00 am

Registration & Exhibit Halls Open

8:00 - 9:00 am

Conference Welcome

Keynote: Richard Heinberg, Author

9:00 - 10:15 am

Panel #1 - The World Around Us: International Clean Energy Markets

Many countries have aggressive clean energy policies that are putting them at the forefront of this growing industry. Nations like China and Germany are leaders in investment and deployment of renewables. This moderated discussion will feature experts on Asia and Europe with a focus on how Alaska can develop a policy that will catalyze greater clean energy development across the state.

- Dr. Melanie Hart, Senior Policy Analyst, China Energy and Climate Policy, Center for American Progress, Washington, DC
- Andrew DeWit, Professor, School of Policy Studies, Rikkyo University, Tokyo, Japan
- Thomas Sauer, CEO, Exxergy GmbH, Frankfurt, Germany
- Mead Treadwell, Lt. Governor of Alaska, Anchorage, AK

10:15 - 10:45 am

Exhibit Hall Break

10:45 am - 12:00 pm

Panel #2 - Energy Efficiency: Alaska's "First Fuel"

Buildings account for nearly 40% of all energy use in the United States. In Alaska, heating and lighting bills are steadily increasing, with potentially severe consequences for our economy. Though Alaska has developed numerous programs to make buildings more energy efficient, the state has barely begun to tap the huge cost savings and job creation potential that exists. These panelists will take a look at some of the innovative construction techniques already being deployed in Alaska, and discuss what other leaders in the built environment are doing around the world to save energy and keep money in local economies.

- Jack Hebert, President, Cold Climate Housing Research Center, Fairbanks, AK
- Thorsten Chlupp, President and Owner, Reina Properties LLC, Fairbanks, AK
- Cathy Higgins, Research Director, New Buildings Institute, Vancouver, WA
- Kathleen O'Brien, Founder, O'Brien & Company, Seattle, WA

12:00 - 1:00 pm

Lunch

Keynote: Jennifer Granholm, Former Two-Term Governor of Michigan, Educator and Political Commentator 1:00 - 1:30 pm

Exhibit Hall Break

1:30 - 2:30 pm

Coffee With The Experts

An opportunity for attendees to sit down with industry leaders and discuss topics of interest.

2:30 - 3:45 pm

Panel #3 - Bringing Renewables into the Grid: How Utilities and Independent Power Producers Can Work Together

The Railbelt and Southeast Alaska have been served for decades by public utility companies on grids owned by both the State of Alaska and the companies themselves. Today, an increasing number of independent power producers (IPPs) are proposing to develop renewable energy for sale into these grids. Questions remain on what kind of market rules and Iransmission access will allow this development. This moderated discussion will include perspectives from the State of Alaska, IPPs and Railbelt utilities.

- Roger Hamilton, Director, Western Grid Group, Eugene, OR
- Gene Therriault, Deputy Director for Statewide Energy Policy Development, Alaska Energy Authority, Anchorage, AK
- Duff Mitchell, Executive Director, Alaska Independent Power Producers Association (AIPPA), Juneau, AK
- Janet Reiser, Board Chair, Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC), Anchorage, AK

3:45 - 4:15 pm

Exhibit Hall Break

2:30 - 3:45 pm

Panel #4 - Alaska Native Corporations: Engines for Clean Energy Investment

Alaskan Native corporations are some of the largest and most successful businesses in the state. Several have recently begun investing in renewable energy development. This moderated discussion will feature representatives from regional corporations and non-profits discussing why clean energy is an altractive investment, and how future projects might be financed.

- Sonny Adams, Projects Manager, Natural Resources Energy, NANA Regional Corporation, Anchorage, AK
- Suzanne Gibson, Senior Director, Energy Development, Cook Inlet Region Inc., Anchorage, AK
- Matt Ferguson, Principal, CohnReznick, Washington, DC
- Dave Pelunis-Messier, Rural Energy Coordinator, Tanana Chiefs Conference, Fairbanks, AK

5:30 - 7:00 pm

Reception & Clean Energy Poster Session

A time to network over drinks and appetizers. Representatives from entities that have submitted posters highlighting clean energy research, projects, and programs that are shaping Alaska's clean energy future will be on hand to answer questions.

All panels will be moderated by Ethan Zindler, Bloomberg New Energy Finance, Washington DC

Dena'ina Convention Center Anchorage, Alaska

May 2-3, 2013

THE BUSINESS OF

Clean Energy in Alaska

Friday, May 3rd

8:30 am

Registration & Exhibit Halls Open

8:45 am

Conference Welcome The Honorable Mark Begich, U.S. Senator

9:00 - 10:15 am

Panel #5 - Bringing Private Investment Dollars to Alaska

Alaska has vast renewable energy resources, yet Alaskans are paying some of the highest energy costs in the nation. Clean energy projects can produce an excellent return on investment, but how can Alaskans attract private investors to the state? This moderated discussion will examine ways that projects across the state and the country are being financed.

- Hugh Short, CEO, Platinum Capital Advisors, LLC, Anchorage, AK
- Doug Johnson, Director of Business Development, Ocean Renewable Power Company (ORPC), Anchorage, AK
- Dan Scripps, Vice President, Capitol Innovation, Advanced Energy Economy, Grand Rapids, MI
- Kerry Cebul, Engagement Manager, Cleantech Group, San Francisco, CA

10:15 - 10:45 am

Exhibit Hall Break

10:45 am - 12:00 pm

Panel #6 - Building the Workforce of the Future

An educated populace and skilled workforce are essential to support the growth of any industry. This moderated panel will bring together labor and education experts to discuss innovative programs and policies being used in Alaska and across the country, and what the State needs to do to ensure Alaskans know where their energy comes from and are prepared for the clean energy jobs of the future.

- Barry Scott, State Program Coordinator, The NEED Project, Stockton, CA
- Steve Gilbert, Manager, Energy Projects Development and Key Accounts, Alaska Village Electric Cooperative (AVEC), Anchorage, AK
- Fred Villa, Associate Vice President for Workforce Programs, University of Alaska Statewide, Fairbanks, AK
- Wanetta Ayers, Employer Outreach Coordinator, Alaska Workforce Development Board, Alaska Department of Labor, Anchorage, AK

12:00 - 1:00 pm

Lunch

Keynote: Dr. Dan Arvizu, Director, National Renewable Energy Laboratory (NREL)

1:00 - 1:30 pm

Exhibit Hall Break

1:30 - 2:30 pm

Coffee With The Experts

An opportunity for attendees to sit down with industry leaders and discuss topics of interest.

2:30 - 3:45 pm

Panel #7 - Alaska's Clean Energy Market Opportunities

Due to Alaska's small population and lack of connection to Canada or the Lower 48, our supply of clean energy far outweighs our domestic demand. This moderated panel will discuss some of the ways Alaskans could utilize the State's vast supply of stranded renewable energy resources, optimize our small-scale distributed energy systems, create jobs and strengthen the State's economy in the process.

- Dr. Cheryl Martin, Deputy Director, Advanced Research Projects Agency Energy (ARPA-E), US Department of Energy, Washington, DC
- Brian Hirsch, Senior Project Leader Alaska, National Renewable Energy Laboratory, Anchorage, AK
- Guðni A. Jóhannesson, Director General, National Energy Authority, Reykjavík, Iceland
- Bruce Wright, Senior Scientist, Aleutian Pribilof Islands Association, Anchorage, AK

3:45 - 5:00 pm

Conference Wrap-Up

Conference speakers and panelists will reconvene with moderator Ethan Zindler to re-cap highlights of the conference and discuss some of the next steps necessary to grow the business of clean energy in Alaska.

All panels will be moderated by Ethan Zindler, Bloomberg New Energy Finance, Washington DC

alaskaresource

The Alaska Coal Association

Presents the 21st Annual

Coal Classic

Golf Tournament

Wednesday, June 12, 2013 at Anchorage Golf Course Breakfast, Registration & Hosted Driving Range 6:00 am, Shotgun Start 7:00 am Proceeds benefit Alaska Resource Education

Alaska Resource Education's mission is to educate students about Alaska's natural resources. Alaska Resource Education is a 501(c)(3) non-profit, tax ID #92-0117527

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