

RESOURCE *review*

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

Special Issue



Who Owns Alaska?

The State of Alaska covers 365 million acres, an area more than twice the size of the State of Texas. Ninety percent of Alaska is in public ownership. Here is a list of the owners:

Federal	222 million acres
State of Alaska <i>(104 million acres at full conveyance)</i>	97.9 million acres
Alaska Native Corporations	40.8 million acres
ANCSA Reserves	3.9 million acres
Private Conventional	0.9 million acres
TOTAL	365.5 million acres

Federal block:

U.S. Bureau of Land Management	74.7 million acres
U.S. Fish and Wildlife Service	69.4 million acres*
U.S. National Park Service	53.8 million acres
U.S. Forest Service	21.9 million acres
U.S. Department of Defense	2.2 million acres
TOTAL	222 million acres

*Does not include substantial private in-holdings within the exterior boundaries of Alaska refuges, primarily lands conveyed under ANCSA.

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Northrim Bank

Who Owns Alaska & Why Does It Matter?

Here's a pop quiz.

Who owns Alaska and why does it matter?

Unlike most states, where the majority of land is privately owned, less than one percent of Alaska is held in conventional private ownership.

Of the 365.5 million acres that make up Alaska, federal agencies currently claim 222 million acres – 61 percent of the state.

To put Uncle Sam's share in perspective:

- One-third of all federal lands in the U.S. are in Alaska.
- Federal lands in Alaska alone are larger than the entire state of Texas or bigger than the combination of 15 eastern states stretching from Maine to South Carolina.
- Alaska's federal lands are larger than Oregon, Washington and California combined.

The state of Alaska itself owns 97.9 million acres and is entitled to an additional 6 million acres under the Statehood Act. Native corporations own 44.7 million acres and will receive an additional 900,000 acres through federal conveyances.

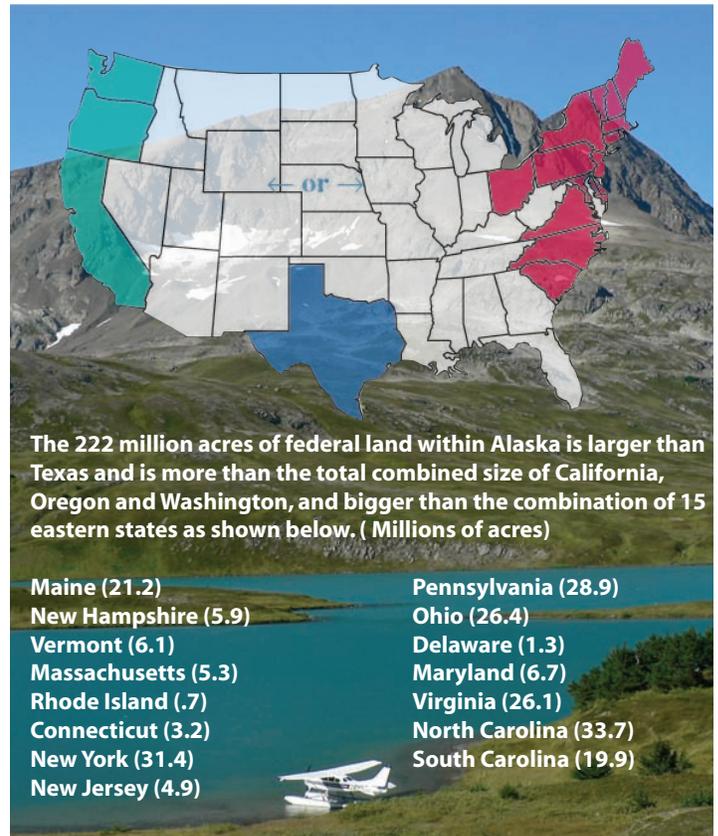
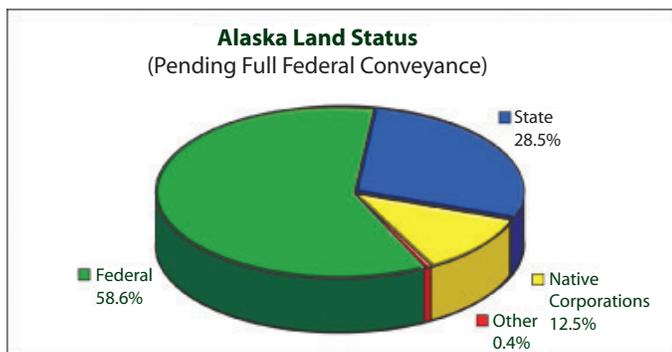
Once all federal conveyances are completed, the state will own 28.5 percent of Alaska while Native Corporations will hold title to 12.5 percent, leaving 58.6 percent to the federal government, and less than one percent in conventional private ownership.

All Americans share ownership in the federal lands of Alaska and most take pride in their beauty and wildlife. Alaska's public lands – both federal and state – also have great value beyond their awesome beauty. Oil, gas, minerals and timber can be found in many parts of the state and these resources underpin Alaska's economy and contribute to the economic well being of its residents. These resources, especially world-class oil, gas and mineral deposits, also play a positive role in the health and security of the nation.

As a result, management of Alaska's public lands and the perceptions driving public policy influencing what can and cannot occur on them do matter to Alaskans, as well as Americans across the other 49 states.

ANILCA

In 1980, after nine years of debate and struggle, Congress passed the Alaska National Interest Lands Conservation Act (ANILCA),



setting aside 106 million acres of federal lands in Alaska in conservation system units (CSUs).

This sweeping law enlarged the federal acreage dedicated to conservation purposes in the state to 148 million acres, constituting 70 percent of all national park lands in America, 80 percent of wildlife refuge acreage, and 53 percent of designated Wilderness in the National Wilderness Preservation System.

The effort to withdraw large portions of Alaska from the process of establishing new communities and industries in the far north sparked an intense nationwide debate. In the Lower 48, many Americans supported the preservation of a large portion of Alaska, but most Alaskans, identifying with the need to protect the most beautiful areas, were strongly opposed, fearing the unprecedented land withdrawals would stifle the state's economy.

The passage of ANILCA had significant effects on Alaska's lands that still cannot be fully quantified. For example, it placed known mineral deposits and mineral belts within conservation units, and by drawing boundaries that blocked natural transportation routes, it may well have foreclosed development of deposits on BLM, state and Native-owned lands. Specifically, some of the best state-owned mineral lands in the Southern Brooks Range will only have value if transportation corridors are permitted through federal units.

Alaska's private sector economy depended then, like now, on natural resource development. The statehood battle 20 years earlier was won only after Congress was finally convinced the development of natural resources within Alaska's borders could support the state.

Alaska Wilderness

National Parks Wilderness 33.5 million acres
USFWS Wilderness 18.7 million acres
Forest Service Wilderness 5.8 million acres

Total Alaska
federally-designated
Wilderness **58 million acres**

Total U.S.
federally-designated
Wilderness **109.5 million acres**

Alaska accounts for approximately 53% of the nation's federally-designated Wilderness.



Despite having most of the nation's federally-designated Wilderness, Alaska also contains millions of acres of land most would consider wilderness. Above is a wild area of Chugach National Forest, outside designated Wilderness.

However, Alaskans feared then, as many still do today, that if future development were blocked, the state could lose its ability to support itself.

Since statehood in 1959, Alaska's economy has grown, largely due to the development of the North Slope's massive oil fields, which are located on state land. Alaska's vast national parks and open lands have also attracted millions of visitors to the state, building tourism into a major seasonal industry. While giving credit to the state's parks and refuges, many Alaskans still believe federal management is too restrictive and has held back potential growth in tourism and other industries.

Unlike Lower 48 parks and refuges, the vast majority of the Alaska units have no road access and few facilities such as campgrounds and visitor centers. Alaska's limited road system reaches only five of seventeen National Park Service areas in the state. Access to the other twelve is challenging and costly.

At Wrangell-St. Elias, the largest national park in America, two gravel roads, built decades before the park was established, penetrate a relatively small portion of the huge park. Interestingly, the park's visitor center is located outside the park. At Denali, which is less than half the size of Wrangell-St. Elias but larger than Massachusetts, a narrow gravel road twists 85 miles into the park. However, private vehicles are restricted beyond mile 15.

Wilderness

The average American is likely to define wilderness as land in which one can enjoy natural conditions and leave the concerns of city life behind. However, few are aware that most human activity is severely restricted in areas that are formally designated as federal Wilderness. Designated Wilderness bans not only all types of resource development, it prohibits the construction of public and private recreational facilities, including campgrounds, backcountry lodges, visitor centers and motor tours. With few exceptions, roads, as well as new hiking trails and cabins are banned.

Federal Wilderness in Alaska, if combined into one block, would make the 11th largest state in the U.S.

To put the 49th state's federal Wilderness into another light, it is

larger than each of the following states: Florida, Illinois, Minnesota, New York and Washington. It is bigger than the combined size of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware and Maryland.

In addition to Alaska's 58 million acres of federal Wilderness, millions of other acres are under Wilderness consideration, including lands rich in energy resources. Additionally, tens of millions of acres are wilderness in the general sense, but lack the official designation of big "W" Wilderness. Some of these lands are wild places that are easily accessible and usable by the general public, but most are just as inaccessible as those areas with the official designation.

With the exception of the narrow trans-Alaska pipeline corridor, it is impossible to cross the vast Alaska mainland from north to south or east to west without entering at least one restrictive CSU. While the

Alaska's Conservation System Units



• Total conservation system units in Alaska: 147.9 acres (includes 3,131 miles of Wild and Scenic River designations)

• More than 65 percent of federal lands in Alaska and 40 percent of total acreage in the state are set aside in conservation system units.

extensive network of conservation units has preserved a great portion of Alaska, the cumulative overlay of federal and state land withdrawals has posed a challenge to reach natural resources on lands surrounded by these units, despite a provision in ANILCA addressing access corridors inside CSUs. These units will also pose a challenge to the future construction of surface transportation corridors and power grids to connect Alaska's towns and villages, most of which remain isolated and accessible only by air, which itself is often unreliable due to poor weather.

Alaska protections under ANILCA

In writing ANILCA, Congress attempted to accommodate the unique characteristics of Alaska and the Alaskan way of life. Congress included numerous exemptions for Alaskans, known as the "Alaska Protections." These protections were for access and continued use of valid existing rights, lands and resources.

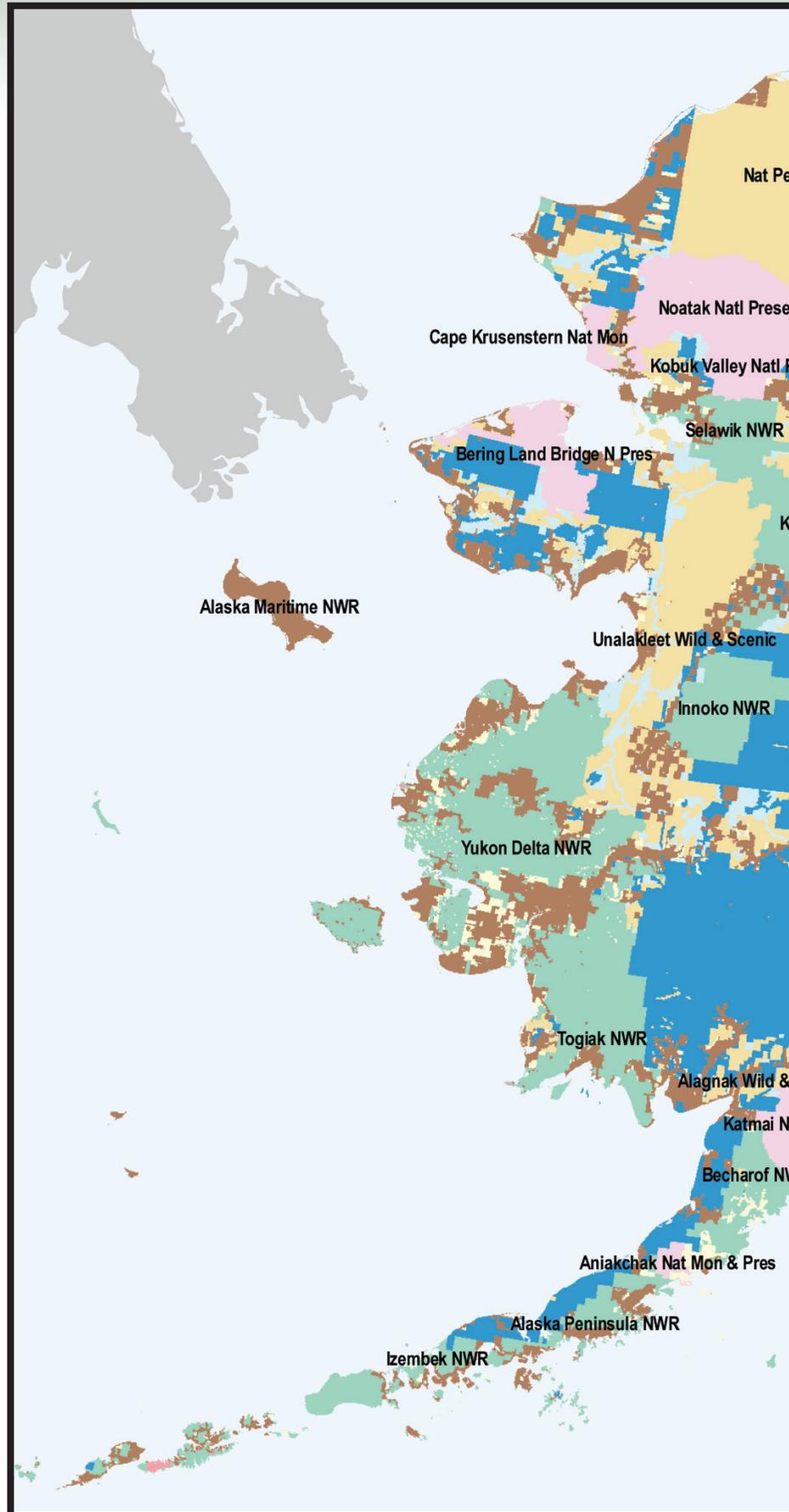
Access was at the core of the protections – access to Native corporation lands, access to Native allotments, access to homesteads, and access to state-owned lands. Access was such a big issue that one major section of the act, Title XI, focused entirely on new access routes where none existed before. ANILCA also reaffirmed valid existing rights to access historic trails, private in-holdings, and existing cabins.

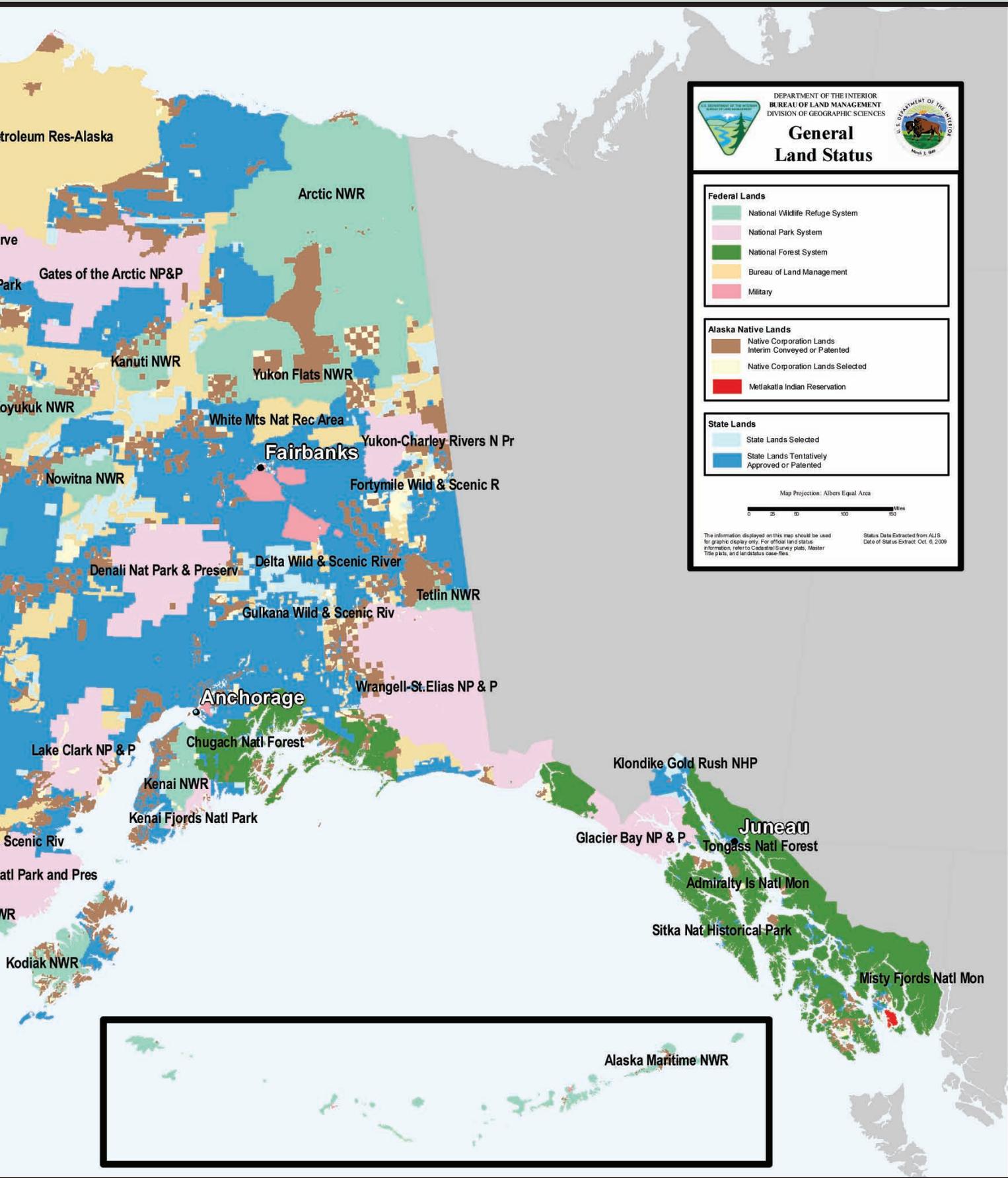
To some, the most important special protection in ANILCA was the "No more" clause, which stated that no more land in Alaska shall be withdrawn for conservation purposes without the approval of Congress. The clause was included in the law to protect Alaska from additional land withdrawals in the future. Section 101 (d) of the act states that the need for more parks, preserves, monuments, wild and scenic rivers, and refuges in Alaska has been met.

Additional protections in ANILCA covered subsistence activities, including hunting and fishing, and allowing for motorized travel on federal lands for subsistence and traditional activities. Additionally, miners with existing claims could continue to develop and mine their claims if they could meet all the necessary requirements.

Yet in the three decades ANILCA has been in place, the state, as well as miners and others have clashed with federal land agencies, claiming managers have broken promises granted under the act to preserve access and valid existing rights. They contend access and resource development have been challenged, and in some cases, outright stifled by a constricting tangle of federal restrictions, policies, and regulations.

In an effort to bridge the divide and address local and state concerns, federal agencies now require key land managers to undergo training on ANILCA and its





DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 DIVISION OF GEOGRAPHIC SCIENCES

General Land Status




Federal Lands

- National Wildlife Refuge System
- National Park System
- National Forest System
- Bureau of Land Management
- Military

Alaska Native Lands

- Native Corporation Lands
Interim Conveyed or Patented
- Native Corporation Lands Selected
- Metlakatla Indian Reservation

State Lands

- State Lands Selected
- State Lands Tentatively
Approved or Patented

Map Projection: Albers Equal Area



This information displayed on this map should be used for graphic display only. For official land status information, refer to Cadastral Survey plats, Master Title plans, and landowner case-files.

Status Data Extracted from ALIS
 Date of Status Extract: Oct. 8, 2009

special provisions. Moreover, the National Park Service has released a users guide to help private land owners and others understand the process authorizing access across public lands.

Rich in natural resources

Alaska has only scratched the surface of its resource potential, and could see many future economic opportunities vanish under government policies affecting land use in general and federal Wilderness in particular. Less than 40 percent of federal lands in Alaska are outside conservation system units and continued withdrawal of these lands from productive multiple uses could have severe consequences for Alaska energy and resource development, utilities, recreation, local governments, and tourism.

While portions of the federal domain are considered among the “crown jewels” of America’s wild lands, beneath other federal and state lands are the raw resources the nation needs to make the products Americans consume. If these resources are not developed in Alaska where the strictest environmental oversight exists, they will continue to be utilized in other parts of the world to meet growing demand, sending American jobs overseas, while continuing to increase the nation’s trade deficit. Indeed, Alaska could hold 30 percent of America’s oil reserves, 50 percent of the nation’s coal, as well as huge deposits of zinc, copper, gold and other minerals.

Climate, rugged terrain, distance to market, and lack of infrastructure translate into high costs for industries trying to tap the massive resource deposits of the last frontier. But political considerations pose an even greater challenge.

Alaskans strongly support resource development and expanded access opportunities. But, Washington makes the policy determinations on nearly two-thirds of Alaska, and a powerful national environmental lobby continues to dominate congressional proceedings on Alaska issues. Key decisions on the biggest issues, such as oil development in the Arctic, both onshore and offshore, and logging in the Tongass National Forest, continue to be driven, at least in part, by misconceptions.

In the Tongass, America’s largest national forest, only four percent

of the forested lands have been logged and at least 83 percent of the old-growth acreage will remain intact in the forest 200 years from now. Yet many in Congress and across the U.S. believe most of the forest has been clear-cut or is in jeopardy of such cutting.

Alaskan energy for the United States

For more than 20 years, North Slope oil fields supplied the U.S. with 20 percent of its domestic oil production. Many of these fields, however, are in steady decline and overall production is one-third of its 1988 peak. Today, North Slope oil accounts for 13 percent of domestic production.

For every barrel of oil not developed domestically, the nation will be forced to import another from overseas, again sending American jobs and dollars abroad because of policies favoring foreign imports over domestic production.

The best onshore opportunity for boosting production and reversing the nation’s increasing reliance on foreign crude lies 65 miles to the east of the giant Prudhoe Bay field – the Coastal Plain of the Arctic National Wildlife Refuge (ANWR). Major prospects inside the refuge are all located inside an area set aside by Congress in 1980 for potential oil and gas development. However, that area, known as the “1002” lands, require congressional authorization before exploration can move forward.

But like the Tongass and other big Alaska issues, the perception in Washington and across the Lower 48 is that development would destroy America’s “last remaining” wilderness. Yet not one acre of federal Wilderness would be touched in or outside ANWR if oil and gas exploration and development occurred. Moreover, there is also a perception that development would destroy ANWR’s caribou, yet where oil and gas development has occurred on the North Slope, the caribou population has thrived.

A factual look at the refuge reveals that 42 percent of its 19 million acres is permanently closed to development under a federal Wilderness designation. When combined with similarly managed lands inside the refuge, some 92 percent is off-limits to development, leaving the remaining 8 percent – the “1002” coastal lands – available



Tongass National Forest Land Facts

- At 16.8 million acres, the Tongass is the largest national forest in America. Overall, 10 million acres is forested.
- Since 1907, only a little over 400,000 acres have been logged. Under the current forest plan, only 6 percent of commercial grade old-growth acreage will be harvested between now and 2108. At least 83 percent of the current old-growth will remain intact in the forest 200 years from now.
- While the forest plan leaves 2.4 million acres in the backcountry open to logging, only 663,000 acres would be scheduled for harvesting over the next 100 years, and half of that acreage is second-growth timber cut decades ago.
- The annual harvest ceiling has been reduced to 267 million board feet, down from 520 million board feet set under ANILCA. Only 30 million board feet of timber has been harvested annually in recent years. Timber harvests are likely to be constrained due to litigation.

for exploration, pending Congressional approval.

Even under a full leasing scenario and assuming development of several major prospects, petroleum operations would directly affect only several thousand acres, leaving most of ANWR untouched.

ANWR's estimated recoverable reserves of 10 billion barrels are comparable to the National Petroleum Reserve Alaska (NPR) west of Prudhoe Bay. Like ANWR, the petroleum reserve's best oil and gas prospects are likely in coastal areas. Yet despite the fact that NPR was set aside as a petroleum reserve, there is a coordinated effort by environmental groups to extend Wilderness protection over significant portions of its coastal lands. To assist their efforts to block development on these lands, the groups have refrained from referring to NPR as a "petroleum" reserve, choosing instead to label it as the "Western Arctic," giving Americans the impression the area is a pristine wilderness, when, in fact, it has a long history of exploration.

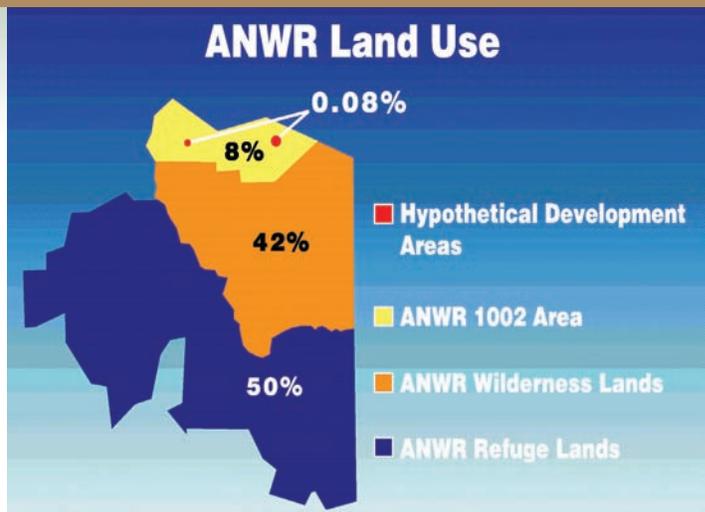
Environmentalists are also working to extend Wilderness over ANWR's "1002" lands and block offshore energy development off the North Slope, where enormous oil and gas deposits likely exist.

The State of Alaska remains supportive of development, both onshore and offshore, given the long-term benefits to its economy. However, there appears to be a disconnect in Congress and the Lower 48 as to the vital importance of the Arctic's energy resources to the nation.

The Chukchi and Beaufort Seas contain an estimated 27 billion barrels of oil and more than 130 trillion cubic feet of natural gas. By comparison, total oil production from the North Slope since 1977 has been 16 billion barrels.

While Americans value Alaska's vast federal lands, do they or their elected representatives in Washington realize the vast potential that exists within them for increasing domestic production of energy and other resources? Not one acre of federal Wilderness would be disturbed in developing the North Slope's most promising energy prospects or mineral and timber resources elsewhere in the state.

Even during an era of climate change and increase utilization

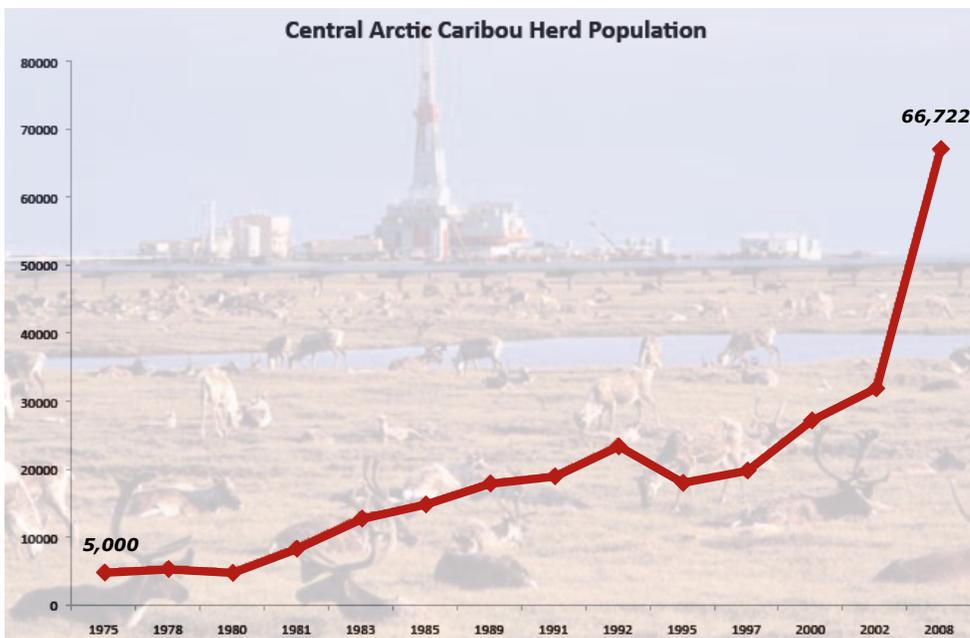


of renewable energy, America still needs to continue developing its domestic oil and gas resources. Projections show renewable energy will account for only one-third of the nation's energy portfolio in 2050.

Increased emphasis on renewable energy will not preclude or require less oil and gas development. America needs more of both to reduce its reliance on foreign oil. Development of Alaska's energy resources will buy America the time it needs to develop the alternative and renewable energy resources that will someday assist in the nation achieving energy independence. And it can be done without disturbing a single acre of federal Wilderness.

The politics of energy and the environment, as well as misconceptions, continue to drive the direction of public policy in Washington, influencing the utilization of natural resources on and beneath Alaska's federal lands. Decisions locking up these resources, especially those outside national parks and Wilderness areas, would have profound ramifications on Alaska's economy and hinder efforts to reduce America's reliance on foreign oil and strategic minerals.

At the end of the day, when it comes to land ownership, the landlord *does* matter.



The Alaska Department of Fish and Game has reported that the Central Arctic caribou herd, which occupies summer ranges that include the Prudhoe Bay and Kuparuk oil fields, grew sharply in numbers between 2002 and 2008. The herd included approximately 67,000 animals in 2008, compared to 32,000 in 2002. The herd had less than 5,000 animals in 1975, several years before North Slope oil production commenced.

The North Slope oil fields and caribou herds are a good example of achieving multiple use management. This chart shows North Slope oil field development and protection of wildlife are not mutually exclusive.



RESOURCE DEVELOPMENT COUNCIL

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