

**S J R**

**22**

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/16/89  
IN ACCORDANCE WITH UNIFORM RULE 23  
2/3/89

FURTHER

FIN

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 2/22/89

Mr. President:

RES

Committee considered

SJR 22

relating to federal wilderness areas in Alaska.

and recommended:

- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

FISCAL NOTE(S) attached  zero  
 appropriation no FN attached

fiscal impact  
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

\_\_\_\_\_

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Chairman signature and recommendation

Committee backup attached

## FISCAL NOTE

**REQUEST:**

Revision Date: 2/22/89  
 Title: SJR 22, Relating to federal wilderness areas in Alaska  
 Sponsor: Faiks  
 Requestor: \_\_\_\_\_

Agency Affected: \_\_\_\_\_  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Senate Resources Phone: \_\_\_\_\_  
 Division: \_\_\_\_\_ Date: 2/22/89

Approved by Commissioner: *Butterfield* Date: \_\_\_\_\_  
 Agency: *Fahrenkrog*

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

FEB 7 1989  
STEVE COWPER, GOVERNOR

P.O. BOX 5  
JUNEAU, ALASKA 99811-0400  
PHONE: (907) 465-2300  
TELEFAX: (907) 465-2389

February 7, 1989

The Honorable Bette Fahrenkamp  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

Per your Senate Resource Committee request, outlined are the responses to your questions.

1. What taxes are miners subject to?

- a) Mining license tax. (AS43.65) This is a tax based upon the net income of a mining operation. Generally net income is gross income less direct and indirect mining expenses, depletion, depreciation and royalty payments. Those receiving mining royalty income also pay this tax and cannot deduct any expenses except depletion. Rates are progressive from 3-7% of net income.
- b) Corporate net income tax. (AS43.20) Only those mining operations organized as a corporation pay this tax. (Less than a dozen in 1987).
- c) Motor fuel tax. (AS43.40) All fuel consumed in an internal combustion engine taxed at 8¢ per gallon. Miners generally are entitled to a 6¢ per gallon refund for off-highway consumption.

2. How much tax does the mining industry currently pay?

The total taxes paid by mining operations in the state of Alaska:

a) Mining License Tax	FY 85	\$259,464
	FY 86	317,014
	FY 87	259,335
	FY 88	402,344
b) Corporate Net Income Tax Received	1985	\$106,503
	1986	632,162
	1987	38,286
c) Motor Fuel Tax	1985-1987	unavailable

The Honorable Bette Fahrenkamp  
February 7, 1989  
Page Two

We are unable to make this determination because the returns filed do not give us this specific user detail.

3. How much gross business income is reported by the mining industry?

The gross income from sales of mining activities reported on all Mining License returns filed:

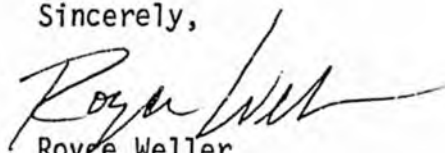
1985	\$57,658,225
1986	52,044,837
1987	47,990,425

4. How much royalty income is currently reported?

The gross royalty income received by mine lessors from mine operators reported for the following years was:

1985	\$ 1,797,953
1986	1,490,827
1987	1,126,506

Sincerely,

  
Royce Weller  
Assistant Commissioner

RW:JH:jm  
89-36

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE  
SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 276-3550

1st NATIONAL CENTER  
100 CUSHMAN ST.  
SUITE 400  
FAIRBANKS, ALASKA 99701-4679

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600

February 7, 1989

FEB 10 1989

The Honorable Bettye Fahrenkamp  
Senator  
Chairman Natural Resources Committee  
P.O. Box V  
Juneau, AK 99811

Re: Whether a state employee is prohibited under the Ethics Act from disseminating information concerning abandoned mining claims

Dear Senator Fahrenkamp:

At the hearing on SB 129 on January 27, 1989 Senator Zharoff inquired whether there would be any ethical violation if a state employee communicated information concerning abandoned mining claims to friends or relatives. You requested that I research the matter and report to you. This letter contains the results of my review.

The short answer to your inquiry is that there is no apparent violation of the ethics law by the mere communication by a state employee to any third party of the fact that a mining claim is abandoned, regardless of the relationship of the third party to the state employee.

The governing statute is the Alaska Executive Branch Ethics Act (the "Ethics Act"), AS 39.52.010 -- 39.52.960. The section which is most specifically relevant to your question is AS 39.52.140(a). That section provides

A current or former public officer may not disclose or use information gained in the course of, or by reason of, the officer's official duties that could in any way result in the receipt of any benefit for the officer or an immediate family member, if the information has not also been disseminated to the public.

(emphasis added). This section does not make it an ethical violation for a Division of Mining ("division") employee to

February 7, 1989

disseminate information concerning abandoned mining claims to third parties. This is because the information available to the division is nothing more than is already available to the public. Indeed, DNR is not even the first agency to have information that would indicate that a mining claim has been abandoned. A miner loses his mining rights if he fails to record with the recorder's officer in the recording district in which the mining claim is located. DNR finds out who did and who did not timely file some time after the filing deadline. In the meantime, any member of the public would have the opportunity to check the recorder's files. Consequently, a DNR official would have no "inside" information which could be used in an unfairly advantageous way by the employee, or a friend or family member of the employee.

Although the section quoted above resolves the particular issue raised, a few other matters are worth noting. AS 39.52.120(b)(3) prohibits a state employee from using "state time, property, equipment, or other facilities to benefit personal or financial interest." Thus, an employee would not be permitted to research mining records for purposes of determining what claims had lapsed during state time. Nor could a state employee use state equipment or facilities for such purposes, except to the extent that members of the public could also use the equipment or facilities.

Finally, you may wish to be aware of AS 39.52.150(a), which prohibits a public officer or an immediate family member from attempting to

acquire, receive, apply for, be a party to, or have a personal or financial interest in a state grant, contract, lease, or loan if the public officer may take or withhold official action that affects the award, execution, or administration of the state grant, contract, lease, or loan.

This section does not create a per se bar to the holding of a mining claim or mining lease by a state employee. However, to the extent mining claims are considered "leases," a state employee may be precluded from acquiring or holding a mining claim or mining lease, depending on the particular circumstances of his or her duties with the state.

We have made a review of the advisory opinions issued under AS 39.52.240. We were unable to locate any opinion bearing on this issue.

The Honorable Bettye Fahrenkamp - 3 -

February 7, 1989

If you have any further question, please do not hesitate to contact me.

Sincerely,

GRACE BERG SCHAIBLE  
ATTORNEY GENERAL

By: 

Mark P. Worcester  
Assistant Attorney General

MPW:so

cc: Gerald Gallagher, Director, Division of Mining  
Robert Maynard, Assistant Attorney General



Anchorage Daily News/Ron Engstrom

debris for an hour and terrifying the others.

Residents of the village of Aleknagik used shovels to dig 11-year-old Shelly Aloysius from under a pile of snow, wooden beams and crumpled roofing materials — and said they were astonished to find her not critically injured. She suffered a broken jaw, a couple of missing teeth and bruises, but was out of a Dillingham hospital and back in the village by Thursday afternoon.

The five other girls and an adult supervisor, who happened to be standing near a wall that didn't collapse, were able to run away from the falling roof. Several of

Please see Back Page, GYM COLLAPSE

## Poll finds public wants both wilderness and oil

By PATTI EPLER  
Daily News reporter

The American public wants to protect unspoiled wilderness areas but would back responsible oil development in the Arctic National Wildlife Refuge to prevent an energy crisis, according to a nationwide poll.

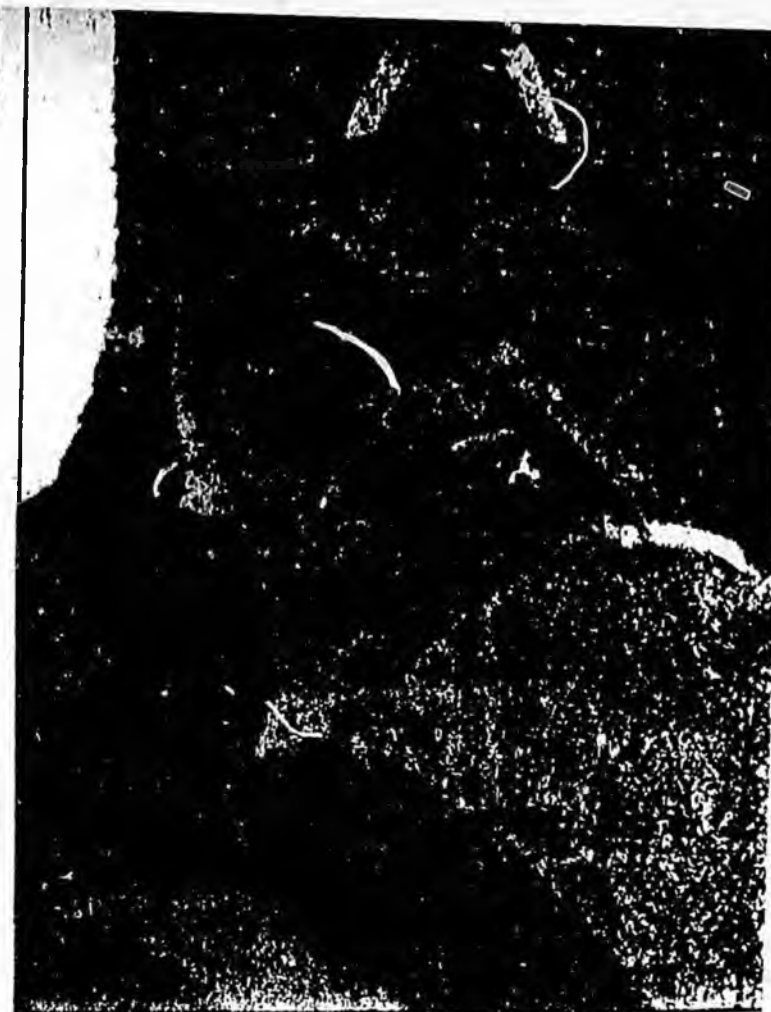
The poll was conducted a year ago for Arco by Peter D. Hart Research Associates Inc., a well-known Washington, D.C.-based pollster. A copy recently was obtained by the Daily News.

Environmentalists say the

poll shows the public agrees with the main point they've been making — that some places should remain wilderness simply for wilderness' sake.

But the oil company's poll, conducted at a time when oil tankers were dodging missiles in the Persian Gulf, also indicates that people believe the United States is too dependent on foreign oil and would support environmentally sound ANWR development.

Please see Back Page, POLL



Skiler Paul Milloy waits on the Knik Lake Ice Thursday for back. Milloy was one of 22 skiers who started the 210-mile

## Soviet magazine rips the party, Gorbachev

By BILL KELLER  
The New York Times

MOSCOW — A Soviet magazine has broken another taboo by publishing a scathing attack on the Communist Party, including the first irreverent barbs directed at Mikhail Gorbachev.

The article, in the Leningrad literary and political monthly Neva, asserted that the party had ignored the interests of the public to become the instrument of a powerful "new class" of managerial bureaucrats.

License it is

## WEATHER



Mostly cloudy today with light winds. High ranging into

the low 30s. Chance of snow tonight. Low in the mid-20s. Outlook for Saturday: Mostly sunny. High again in the low 30s.

High Thursday.....33  
Low Thursday morning.....28  
9 p.m. temperature.....28

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# POLL: Arco finds concern for wilderness, oil supply

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The poll shows "U.S. voters far from decided about opening the Arctic National Wildlife Refuge to energy exploration and development," analyst Jack Pfisterer wrote in a summary memo to Bill Duke, Arco public affairs manager. "The survey did find substantial public concern with the U.S. energy situation and at least some favorable disposition toward ANWR development, despite broad public sentiment for preservation of wilderness areas."

The survey, which took respondents about 30 minutes to complete, asked 1,507 people a series of questions designed to check their knowledge of and support for oil industry operations in the Arctic, specifically the arctic refuge issue.

"I really wanted to find out what was going on in the public," Duke said Thursday from Los Angeles. "But I really wouldn't want to

hang my hat on any of that stuff precisely."

Duke said the survey was intended to be for Arco's use only, and he was surprised to learn that others outside the firm had copies.

In an internal Arco memo dated Feb. 26, 1988, Duke said pollster Hart "suggested we have two basic arguments that will 'move' the number of people necessary: America needs more control over its energy future and ANWR is one way to do it, and we can have energy development in ANWR and protect the environment at the same time."

While 57 percent of those surveyed thought protection of Alaska wilderness was important, even more — 69 percent — believed it important to develop resources in wilderness areas if the oil is needed to prevent an energy shortage, Pfisterer said.

Asked specifically about the arctic refuge, about half the public favored develop-

ment while 40 percent opposed it.

But, Pfisterer said, "while voters generally favor preservation of wilderness areas, the issue doesn't seem to command strong voter commitment. They place wilderness protection far below water pollution, toxic waste cleanup and air pollution in assessing the importance of current environmental issues."

Environmentalists who are lobbying Congress to keep the arctic refuge off limits to the oil industry were pleased with the poll's findings.

"I thought it was pretty useful information," said Tim Mahoney, chairman of the pro-wilderness Alaska Coalition. "I was impressed that the poll showed pretty clearly that the argument that the Alaska Coalition groups have raised first and foremost — wilderness conservation — is supported by the public."

The survey shows that the

energy security issue is the oil industry's "strongest trump card," he said. "The peace in the Middle East is hurting their efforts. It takes away their principal scare tactics."

Mahoney noted that several things have changed in the year since the poll was taken that may have strengthened people's commitment to wilderness. Besides the easing of tensions in the Middle East, environmental issues like global warming and the greenhouse effect have gotten widespread attention in the media and in Congress, he said.

"The public has learned about global warming and seen it's all tied in to the same energy conservation policies that would make destruction of an arctic wilderness unnecessary," he said. "That new awareness has been reflected in the 1988 election and in a new sense of consciousness in the public and the Congress that isn't reflected in the poll."

Criticism of the party remained heretofore within newspapers write that: path under Stalin and Leon various mistakes of the p local party bureaucrats, the and self-criticism in party But to suggest that the to be the ruling party limits.

Andreyev's article begins familiar picture of the current after more than three years is deepening" and public.

"The general secretary, economic accountability, assist people that soon factories financial self-sufficiency paid for his own labor," turns out that people are includes other people's labor.

In general, "good prostrum hang in the air and the prospects of perestroika

The main opposition to class of manager-bureaucratic sized sabotage" because and power.

During decades of Communist economic affairs, he said become fused to this class

Quoting the Soviet Communist Party the late Andreyev writes, "I follow admit that it was the party country to economic crisis

Nothing in the Soviet public any power over the

"It is obvious that the foreign policy is not the the general secretary of writes.

"But the general secretary circle of people, several

He also advocates "forms" of political alternatives and says if this proves into parties.

"Naturally, even raise power with the people and workers, who have been that it is not the party people who serve the people

# SOUTH AFRICA: Hunger strikers test detentions policy

Continued from Page A-1

Some detainees are said to have lost as much as 30 pounds. Seven were hospitalized Wednesday night. The government declined to say whether it was considering force-feeding the strikers. Vlok said that the authorities were committed to dealing with the fast "in a humane and civilized manner as prescribed by interna-

tional norms."

Forty-three lawyers in Johannesburg representing more than 100 of the striking detainees began a two-day sympathy fast Thursday, saying they had run out of legal options.

Under the state of emergency, police may arrest and hold indefinitely anyone the minister of law and order believes is a threat to public safety or the maintenance of

public order. No detention order has been overturned in court.

Audrey Coleman, a human rights activist who works with the families of detainees, said that the protest grew out of frustration.

"They are totally desperate, and they don't know how to get the government to pay attention to their problem," Coleman said in an interview. "They've done

everything they can to say: 'Charge us if we have broken the law or release us.'"

Human rights organizations in South Africa contend that the government uses detentions to silence its critics, and many of those now in detention belong to anti-apartheid organizations opposed to violence.

But Vlok said that all the detainees were "being held in prison for good reason."

OVERSIGHT: Cause not yet known; villagers amazed no one was

# WILDERNESS: HOW MUCH IS ENOUGH?

*Notes: \*The following wilderness information was compiled from figures obtained directly from these sources: (1) U.S. Geological Survey (Reston VA & Denver, CO); (2) The Wilderness Institute (Missoula, MT); (3) U.S. Dept. of the Interior (Wash., D.C.); (4) U.S. Forest Service (Wash., D.C.); (5) U.S. Fish & Wildlife Service (Wash., D.C.); (6) National Park Service (Wash., D.C.); (7) U.S. Congress (Wash., D.C.); and (8) U.S. Bureau of Land Management (Wash., D.C. & Reno, NV). Land data and statistics were obtained from the U.S. Dept. of the Interior, the General Services Administration, U.S. Geological Survey, U.S. Bureau of Land Management and the U.S. Bureau of the Census, U.S. Dept. of Commerce.*

*\*\* Every effort has been made to ensure the accuracy and completeness of this report. Several discrepancies and errors in the available data were noted and corrected, but a small margin of error remained in the totals - about two-thousandths of one percent (0.00025) or 2,245 acres in the total national wilderness*

*acreage. The margin of error for each individual state acreage figure (wilderness and federal land) came to less than one percent, and the overall totals and percentages were accurate to within one-tenth of one percent. However, inland water acreage was not included in the federal acreage data and some wilderness acreages probably include inland waters. It should also be noted that land classifications are continually being changed, but the figures given herein are among the most accurate available at this time.*

## THE CURRENT WILDERNESS SITUATION

As of January 1, 1989, more than 86,474,870 acres in the eleven Western states and Alaska had been designated as wilderness. This figure represents 12.8 percent of the total federal lands in these 12 states and 95.2 percent of the total acreage in the National Wilderness Preservation System - which contains 90,804,328 acres or 4 percent of the nation's total land area. This "system" now cov-

ered over 12.4% of all the federally-owned lands in the United States! And this is just the tip of the iceberg!

Federal agencies alone have already recommended another 20,256,780 acres for designation as wilderness, and the agencies are still conducting "studies" on another 133,653,459 acres for possible inclusion in the system. In addition there are the numerous proposals being advanced by the various "environmental protection" groups, and the Bureau of Land Management wilderness recommendations are still to come within the next 2-3 years.

Please note that these figures only represent current wilderness withdrawals (either de jure or de facto) that cover 33.65% of the country's total Federal lands, and they do not include the numerous other types of land withdrawals (i.e. Wild & Scenic Rivers, National Parks, National Monuments, National Wildlife Refuges, National Recreation Areas, Department of Defense, Bureau of Reclamation, De-

Continued on page 15

From the ALASKA MINER  
Feb. 1989

## ... WILDERNESS

Continued from page 14

partment of Energy, Bureau of Indian Affairs and many others).

This, briefly, is the current situation, and it obviously raises the question, "How much wilderness is enough?"

### THE HARD FACTS

In order to provide a more complete picture of the wilderness issue, the relevant data has been compiled into the tables below:

withdrawal for many years to come. During this time, various groups will be pressuring legislatures for additional bills to create more wilderness areas.

It should also be noted that all wilderness study areas are managed as if they were, in fact, designated as wilderness, until the time that the legislative process is fully completed.

### VIEWING WILDERNESS IN THE PROPER CONTEXT

We are concerned here with the most beneficial public and economic uses of

Total public domain lands in U.S. (29.17%)	=	662,705,140 acres
Current acreage in designated wilderness	=	90,804,328 acres
Total wilderness percent of public lands	=	13.70%
Wilderness withdrawal of public domain land	=	36.92%

### NATIONAL SUMMARY OF DESIGNATED WILDERNESS (a/o Jan. 1, 1989)

Agency	No. Areas	Wilderness Acres
1) National Park Service:	39	38,510,222
2) U.S. Forest Service:	337	32,510,949
3) U.S. Fish & Wildlife:	71	19,332,897
4) Bureau of Land Management:	25	450,260
<b>Total Designated Wilderness:</b>	<b>472</b>	<b>90,804,328 acres</b>

### PENDING AGENCY WILDERNESS RECOMMENDATIONS

1) National Park Service:	7,042,663
2) U.S. Forest Service:	9,776,918
3) U.S. Fish & Wildlife:	3,437,199
<b>Total Recommended Wilderness:</b>	<b>20,256,780 acres</b>

### APPROXIMATE WILDERNESS STUDY AREAS (IN PROGRESS)

1) U.S. Fish & Wildlife:	60,000,000
2) National Park Service:	31,618,115
3) Bureau of Land Management:	24,777,589
4) U.S. Forest Service:	17,257,755
<b>Total Wilderness Studies:</b>	<b>133,653,459 acres</b>

### TOTAL IMPACT OF WILDERNESS PROCESS

1) Existing wilderness:	=	90,804,328
2) Recommended wilderness:	=	20,256,780
3) Wilderness studies:	=	133,653,459

**Total Potential Wilderness: = 244,714,567 acres**

It should be kept in mind that the preceding data reflects only federal agency wilderness acreages and it does not include other types of wilderness proposals currently being promoted by certain legislators, environmental groups and other organizations. The total figures also do not include buffer zones, special-use lands or acreages having land-use restrictions. In many cases, final wilderness legislation by Congress exceeds the acreage recommended by the particular agency involved and buffer zone are either specified or "tacked on" at a later date.

In addition, the wilderness issue has evolved into an ongoing process. It is never finished. Just as soon as Congressional legislation is enacted to designate specific areas of wilderness, further efforts are then made to prevent the release of those areas not included in the legislation back into a multiple use classification. Civil litigation is also used to prevent the release of those lands found unsuitable for wilderness designation during the study process. As a result, most of these lands will be in de facto

the public domain lands in the United States. As a result, it is important that all issues affecting the public lands should be considered on the basis of their individual impacts upon the availability and use of these lands. Any figures and percentages that are based upon the total of all the lands in a state or the nation can be deliberately misleading. It is, therefore, appropriate to define the country's overall land status in order to place the wilderness issue in its proper perspective.

### SUMMARY OF U.S. LAND STATUS

Total land area of the U.S.	=	2,271,343,360 acres
Total acreage in private ownership (67.59%)	=	1,544,230,384 acres
Approx. inland water area in U.S.	=	50,867,840 acres
Total federal lands (32.01%)	=	727,112,975 acres
Acquired federal lands (non-public)	=	64,407,835 acres

Potential multiple use lands impacted = 55.14%

Continued on page 18



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10 West 2950 South  
Salt Lake City, Utah 84115  
801/487-9641 FAX 801/483-5937

# ... WILDERNESS

Continued from page 15

Much of the federal land area of the U.S. is not suitable for either multiple use or natural resource development. Most of the nation's available natural resources and potential multiple use lands lie in hilly and mountainous terrain, and it is

this area that is targeted for almost all of the present and future wilderness withdrawals. So, there is a definite bias towards removing access to the nation's natural resources that is not apparent in the general land classification data. In addition, the bulk of the country's federal lands are located on our most productive

natural resource areas, and these regions are the ones being targeted for the most massive wilderness withdrawals. In order to better illustrate the problem, the following list of the individual states shows the existing acreage in designated wilderness as compared to the total federal lands available.

## EXISTING WILDERNESS IN EACH STATE (a/o Jan. 1, 1989)

State:	Wilderness Acreage	Federal Land Acreage	Percent in Wilderness	State:	Wilderness Acreage	Federal Land Acreage	Percent in Wilderness
Alabama	33,396	1,131,564	2.95%	Montana	3,442,048	28,236,114	12.19%
Alaska	56,484,676	218,356,732	18.00%	Nebraska	12,735	714,186	1.78%
Arizona	2,031,877	31,672,884	6.42%	Nevada	64,677	59,911,285	0.11%
Arkansas	128,478	3,399,440	3.78%	New Hampshire	102,932	740,420	13.90%
California	5,925,441	46,822,958	12.79%	New Jersey	10,341	150,973	6.85%
Colorado	2,641,092	24,188,875	10.92%	New Mexico	1,595,751	25,870,579	6.17%
Connecticut	-0-	13,800	-0-	New York	1,363	1,459,700	0.09%
Delaware	-0-	30,357	-0-	North Carolina	109,003	2,218,702	4.91%
Dist. Columbia	-0-	10,852	-0-	North Dakota	39,652	1,942,214	2.04%
Florida	1,420,353	4,279,982	33.19%	Ohio	77	322,486	0.02%
Georgia	460,215	2,298,881	20.02%	Oklahoma	22,570	867,380	2.60%
Hawaii	142,370	687,041	20.72%	Oregon	2,094,836	30,031,220	6.97%
Idaho	4,001,401	33,759,327	11.85%	Pennsylvania	9,705	638,790	1.52%
Illinois	4,050	499,830	0.81%	Rhode Island	-0-	4,794	-0-
Indiana	12,935	437,215	2.96%	South Carolina	67,029	1,169,109	5.73%
Iowa	-0-	160,308	-0-	South Dakota	74,074	2,733,176	2.71%
Kansas	-0-	581,099	-0-	Tennessee	66,714	1,988,154	3.35%
Kentucky	19,056	1,400,801	1.29%	Texas	82,263	3,335,478	2.46%
Louisiana	17,046	1,131,474	1.44%	Utah	802,238	33,568,979	2.39%
Maine	7,392	150,303	4.92%	Vermont	59,448	321,942	18.46%
Maryland	-0-	197,123	-0-	Virginia	171,953	2,455,076	7.00%
Massachusetts	2,420	82,926	2.92%	Washington	4,305,900	12,459,161	34.56%
Michigan	116,934	3,529,235	3.31%	West Virginia	78,131	1,165,040	6.71%
Minnesota	936,518	3,459,744	27.07%	Wisconsin	43,988	1,889,677	2.33%
Mississippi	8,702	1,678,473	0.52%	Wyoming	3,084,933	31,431,416	9.81%
Missouri	70,860	2,072,406	3.42%				

\*\*Total federal land acreages for each state obtained from the most current data available from the General Services Administration, but the acreages do not include inland waters. However, two-thirds of the nation's inland waters

(33,738,880 of the total 50,867,840 acres) is in twelve mainly coastal and Great Lake states; Alaska, California, Florida, Louisiana, Maine, Michigan, Minnesota, New York, North Carolina, Texas, Washington, and Wisconsin. Alaska alone

accounts for 25.38% of the nation's inland water acreage.

(to be concluded next month)

## ... ASSAY

Continued from page 12

prove your product is truly unique and that its uniqueness is reflected in the market price it can command. You should seek independent legal advice from your attorney concerning how to protect your rights to the deposit while you are doing all this work. Even common varieties can be uncommonly confusing. However, the right deposit in the right place at the right time could yield rewarding results, because to this writer's knowledge not many prospectors have focused their attention on Alaskan building stone, either for use here in Alaska or for export.

Best wishes for a happy, healthy and profitable 1989.



SERVING THE FUEL NEEDS OF INTERIOR ALASKA  
AND THE NORTH SLOPE

P.O. Box 55717  
North Pole, Alaska 99705  
Telephone: (907) 488-6108

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF OIL AND GAS

STEVE COWPER, GOVERNOR

P.O. BOX 7034  
ANCHORAGE, ALASKA 99510-7034

(907)762-2547

February 9, 1989

The Honorable Bettye Fahrenkamp, Chair  
Senate Resources Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

FEB 15 1989

Dear Senator Fahrenkamp:

During the overview of oil and gas issues before the Senate Resources Committee last week, there were a number of questions posed by you and other members of the committee which required additional research to answer. A summary of those questions, and my written response for the committee record is provided below.

During our discussion of the United States-Canada Free Trade Act of 1988, you asked for the name of the individual responsible for the inclusion of the provision that requires vessels transporting ANS crude oil to Canada to be registered for the coastwise trade. The original terms of the treaty drafted by federal negotiators (see enclosed document entitled "Annex 205") required "...that such oil be transported to Canada from a suitable location within the lower 48 states."

As indicated in the April 26, 1988 Congressional Record-Senate, page 4744-45 (copy enclosed), Senator Stevens challenged this requirement on the basis that it was a violation of Article I, Section 9 of the Constitution. This requirement was subsequently deleted, but the language requiring "coastwise trade" registration appeared in its place in the implementing legislation, and is, of course, a provision of the interim regulations recently issued by the U. S. Department of Commerce. It is unclear from the legislative record who proposed the substitute language.

You also asked that I provide the committee with a copy of a map which indicates areas with oil and gas potential near the T.A.P.S. corridor which are proposed for leasing by the federal government. Based upon a follow-up conversation between Ms. Pam Rogers, the division's Lease Sales Manager, and Ms. Kay Kletka, the Bureau of Land Management's Oil and Gas Leasing Manager, BLM has no current plans to lease anywhere near the pipeline corridor. If you or other members of the committee have additional questions of Ms. Kletka, she can be reached in Anchorage at 271-3791.

The Honorable Bettye Fahrenkamp  
February 9, 1989  
Page 2

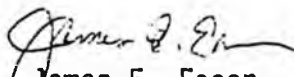
Senators Halford and Zharoff, as well as you, requested copies of the department's regulations governing the extension of the initial confidentiality period for well data. To clarify the record, the statute authorizing extensions is A.S. 31.05.035, not A.S. 38.05.035, as I recalled during our discussion. I have enclosed a copy of both A.S. 31.05.035 (a)-(e) and the pertinent regulations, 11 AAC 83.153 (a)-(d) for your review.

Senator Zharoff requested information on the current status of the federal Outer Continental Shelf lease sale in Bristol Bay. On October 9, 1988, the 9th U. S. Circuit Court issued a decision allowing former Secretary of the Interior Hodel to proceed with Sale 92, which had been suspended following an earlier challenge to the sale. On October 11, 1988, the Minerals Management Service opened the sealed bids which had been received earlier, and announced the sale results. I have enclosed a copy of an article from the October 22, 1988 edition of the Anchorage Daily News which describes these events in more detail.

According to Assistant Attorney General Gary Amendola, the state's attorney assigned to this case, the Department of Law filed a petition for rehearing with the 9th Circuit Court on October 19, 1988. The Court has yet to act on that request. Should you or other members of the committee have additional questions on Sale 92 or the status of the state's litigation, Mr. Amendola can be reached in the Juneau office of the Department of Law at 465-2400.

Again, I would like to express my appreciation to you and the members of the Committee for your continuing interest in the department's oil and gas leasing program and for your support of our activities. If you have additional questions or would like further briefing on any of the issues before the division, please feel free to call.

Sincerely,

  
James E. Eason  
Director

cc Commissioner Lennie Gorsuch  
Carol Wilson, Special Assistant  
Senator Drue Pearce

1726E

# State asks court to reconsider lease decision

By BRIAN S. AKRE  
The Associated Press

**JUNEAU** — The state has requested a rehearing of a federal appeals court's decision to allow the sale of oil leases on 5.6 million acres of Bristol Bay, home to the world's largest salmon fishery.

The petition for a rehearing was filed Wednesday with the 9th U.S. Circuit Court of Appeals in San Francisco. It also calls for the court to vacate its Oct. 5 decision pending a ruling on a rehearing.

The decision allowed Interior Secretary Donald Hodel to proceed with the oil-lease plan for Lease Sale 92. Bids totaling \$95.4 million were opened



Oct. 11 in Anchorage. Shell-Western and Amoco jointly offered the top bid of \$24 million for just under 5,700 acres.

The lease covers an area in the North Aleutian Basin off the southwest coast of Alaska that is home to some of the world's most productive fisheries and endangered species of birds and mammals. Eighty percent of the eastern population of the Pacific gray whales migrate there each spring and fall.

Opponents of the sale, including the fishing industry, argue that drilling would endanger the fisheries and the Native people who depend on fishing for food.

The state argues in the petition that the court misinterpreted the Outer Continental Shelf Lands Act by not providing the governor with enough influence over the lease decision.

Gov. Steve Cowper recommended against allowing the leases. He said the threat to fish in Bristol

Bay from drilling outweighed the marginal potential for oil.

Congress amended the act in 1978 "to provide the governor with an important role in the process" over whether and where leases should be granted by the interior secretary.

The appeals court's decision "diminishes the governor's role in the process to one not unlike that of any other member of the public who may comment on proposed federal actions," the state's petition says.

If the act "does not have enough teeth to allow the governor of Alaska to protect an ecological and environmental wonder like Bristol Bay, then the enactment is an illusion," the petition concludes.

The state also argues that the court overlooked an analysis of oil risks that it says was flawed with assumptions that were arithmetic nonsense. Hodel relied on the analysis in making his decision and, as a result, the decision was erroneous, the petition says.

1

**Annex 902.5**

**Import Measures**

1. The United States of America shall exempt Canada from any restriction on the enrichment of foreign uranium under section 161v of the *Atomic Energy Act*.

**Export Measures**

2. Canada shall exempt the United States of America from the Canadian Uranium Upgrading Policy as announced by the Minister of State for Mines on October 18, 1985.

3. The United States of America shall exempt Canada from the prohibition on the exportation of Alaskan oil under section 7(d) of the *Export Administration Act of 1979*, as amended, up to a maximum volume of 50 thousand barrels per day on an annual average basis, subject to the condition that such oil be transported to Canada from a suitable location within the lower 48 states.

S 4744

## CONGRESSIONAL RECORD — SENATE

April 26, 1988

tervalling duties. Among the most significant changes are provisions which ensure that third-country dumping will be addressed. We see a number of provisions in this section of the bill which are designed to make sure that we cut through efforts to hide dumping activities; that is, to sell foreign goods at below the cost of actual manufacturer here in the U.S. consumer market.

I want to take just a moment, Mr. President, to discuss the provisions of this conference report which pertain to something near and dear to my heart, and that is the small business sector of our economy. The language in the small business title of this measure closely parallels S. 1344, a small business trade bill which I introduced in the first session of this Congress. My bill served as the basis for the small business title in the Senate's trade bill. This title reflects the importance of the export side of the trade equation with regard to small business. In restoring balance to our trade accounts will require increased export activity on the part of all American industries, and that includes small business.

Small business and the small entrepreneurs have often served as the catalyst that is driving our economy. Small business can play a central role in efforts to expand our export base. We need to do more to encourage small firms to compete in today's world markets.

This bill takes several important steps, I submit, toward that end.

I think it would be truly tragic, I say to my colleagues, to waste an opportunity to enact these important provisions. Several years of very hard work have gone into this comprehensive trade measure. But all of these positive elements are now threatened because of the administration's misgivings about a few relatively insignificant provisions in the bill.

The veto of this trade bill would send the wrong signal to the working men and working women of this country. Americans know that something must be done now to combat the trade deficit. Indeed, in the town meetings that I routinely hold across the State of Tennessee I am continually asked "What is the President doing about the problem of foreign goods depriving us of our jobs? What is the Congress doing to make our goods more competitive on the international markets?"

I say, Mr. President, that those asking these questions, the working men and working women of this country, those in the business sector, are not satisfied with speechmaking or posturing on this critical issue of jobs, of trade, and of business and of our livelihood. They are looking for some sign that help is on the way for those Americans who have been hard hit by the trade deficit over the past 7 years.

I submit that we can send that signal with the passage of this legisla-

tion. We can also send a signal to our trading partners that while we believe in free trade here in the United States, traditionally we have been free traders and certainly those from the southern part of the United States, and while we believe in free trade, we also believe in fair trade. We can send a signal to markets around the world that we can and we will address our trade deficit. And we can assure the working men and women of this country that we are concerned about their interests, concerned about their livelihood, concerned about their jobs, and that we are doing what we can to look out for them.

A vote in support of this trade bill will send that type of positive message. I urge my colleagues to support this conference report. I hope that the President will put away his veto pen and back these constructive steps to make America competitive once again.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska [Mr. STEVENS] is recognized.

Mr. STEVENS. Mr. President, I come from a State that has a very small population and a very large area. I have a map of the State back here, and I will move back to the map to make a few observations.

Mr. President, my State is one-fifth the size of the entire United States. We are now the largest oil-producing State in the country. We are producing and sending 2 million barrels a day of oil down the trans-Alaska pipeline from Prudhoe Bay to Valdez.

Most people look at maps depicting the trans-Alaska pipeline and think that since it crosses only one State it must be a short distance. It is 800 miles. It is the same distance as if Prudhoe Bay were Duluth and Valdez were New Orleans.

People do not understand our State, and they quite often treat our State differently in Federal legislation.

This legislation discriminates against my State. I have had my staff prepare this small map of Alaska to try to explain our problem with this bill.

Our oil comes down from Prudhoe Bay and goes to Valdez. We now have a proposed refinery there to refine a portion of that oil. Part of the oil is actually taken out of the pipeline for the MAPCO and Petrostar Refineries near Fairbanks, and the residue of their operations is put back into the pipeline and delivered to the southern terminus at Valdez. We are not exporting, in effect, the incidental refined byproducts of those refineries because they go down with the rest of the

crude oil. We have another refinery, Tesoro, at Kenai.

Here is a State one-fifth the size of the United States, with the largest production of oil in the country, the greatest potential for future production of oil on the North American Continent, and there is a provision in this bill that says that of this 2 million-plus barrels of oil a day that comes down this pipeline, not more than 70,000 barrels a day could be exported as refined products from any new refinery. The catch in that provision is that that means 70,000 barrels from all new refineries that are built in Alaska from now on, if this bill becomes law.

Second, there is a provision that says that if the free trade agreement with Canada becomes effective, the 50,000 barrels a day that it was agreed we would export to Canada from Alaska under the proposed Free Trade Agreement will have to clear through a port in the contiguous 48 States, what we call the South 48. Mr. President, that is the reason for my presentation to the Senate today.

I would like the Senate to think about my home State of Alaska. If a person were standing at Tok, on the Canadian border, and flew to Attu, it would be the same as flying from Baltimore to San Francisco; or, going from Anchorage to Fairbanks is like going from here to Chicago.

People do not understand Alaska, and they come up with these amendments that sort of treat us as though we are a county of the State of Washington.

The whole western and northern coastal areas of Alaska have great potential for oil and gas. This provision would put into permanent Federal law a prohibition that no more than 70,000 barrels a day of refined products could be exported from production in these areas of Alaska. It is a concept which I am unable to accept, and I want to explain why.

Mr. President, I think that any Senator, when he wants to protect his State, should first turn to the Constitution. So let me read to the Senate article I, section 9, clause 8 of the Constitution. It provides:

No preference shall be given by any Regulation of Commerce or Revenue to the Ports of one State over those of another; nor shall any State be bound to, or from, one State be obliged to enter, clear, or pay Duties in another.

I take the position that the provisions in this bill that are known as section 2474 are unconstitutional as applied to the State of Alaska. Those are the provisions that would amend the Mondale provision of the Alaska pipeline amendments to the Right-of-Way Act we passed in the Senate to authorize the construction of the Alaska oil pipelines.

During the long debate on the Alaska oil pipeline we had to accept some restrictions. One of them we did

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unfortunately have to accept was the restriction that provided a prohibition against the export of any crude oil that was transported by the pipeline to be built across Federal lands from Prudhoe Bay to Valdez.

That unfortunately was constitutional because it was a condition in the grant of the right of way across Federal lands.

Now this provision would extend the prohibition against export to refined products, but only those from Alaska.

I have in my hand a report here that was prepared by the Energy Information Administration. It is the petroleum supply monthly report for August 1987. It sets forth the situation with regard to the issues in exporting crude oil.

I ask unanimous consent that the full portion of this report be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

## U.S. TERRITORIES

Of the 154,000 barrels per day of crude oil which was shipped from the 50 States and the District of Columbia in 1986, some 137,000 barrels per day were received at refineries in U.S. territories—U.S. Virgin Islands, Puerto Rico, and the Hawaiian Foreign Trade Zone. Nearly all of these shipments originated in Petroleum Administration for Defense District V (PAD District V),<sup>1</sup> particularly in Alaska. This pattern of shipments and receipts developed after crude oil production on the Alaskan North Slope began in 1977. In 1986, refineries in the U.S. Virgin Islands, Puerto Rico, and Hawaiian Foreign Trade Zone reported about 8 percent of all Alaskan oil receipts (Table FES). Products refined from U.S.-origin crude oil may be exported to any foreign country or shipped to the United States. However, for the most part, the refined oil is shipped to U.S. markets. Almost all of the crude oil sent to the Virgin Islands is returned to the 50 States and District of Columbia as refined product. The total amount of refined products imported from the Virgin Islands exceeds the volume of U.S. crude oil shipped there. Likewise, Puerto Rico refineries also provide larger volumes of refined products to U.S. markets than they receive as crude oil.

The refinery in the U.S. Virgin Islands has received the largest volume of U.S.-origin crude oil in each year of these shipments. In recent years, the second largest volume was received by the refinery in the Hawaiian Foreign Trade Zone, although Puerto Rican refineries together had received more until 1984. In 1987, because the treatment of the Hawaiian Foreign Trade Zone was changed, Puerto Rico is expected to be the second-ranking export destination.

The Alaskan North Slope oil comes to terminals in Valdez, Alaska, at the end of the Trans-Alaska Pipeline for loading into tankers. Except for the oil being shipped to the U.S. Virgin Islands, all of the oil is transported in U.S. flag vessels. If the destination is beyond PAD District V or the Hawaiian Foreign Trade Zone, the oil in U.S. tankers travels to Panama for shipment across the Isthmus in the Trans-Panama Pipeline or through the Panama Canal. Before the pipeline opened in 1983, all oil was transferred to vessels small enough to travel the Panama Canal. On the Caribbean side of the Isthmus, the oil is transferred to other

U.S. flag vessels to travel on to Puerto Rico or ports in the mainland.

The oil being shipped to the Virgin Islands is allowed to move in larger foreign flag tankers. These tankers travel from Valdez, Alaska around the tip of South America (over twice the distance by way of Panama) but are able to make the longer trip at competitive costs.

## COOK INLET OIL

In November 1986, the Secretary of Commerce made the finding that crude oil produced from the State submerged waters of Alaska's Cook Inlet could be exported to any country. Since this determination, several export licenses have been awarded. In February 1987, the first export under these licenses occurred—a shipment to Korea.

Cook Inlet fields are South Alaska fields located to the west of Valdez. They do not use the Trans-Alaska Pipeline to transport crude oil. Some of the fields are submerged and have gathering lines that come ashore at different points on the way to terminals where loading to tankers will occur. Only part of Cook Inlet production is eligible for export because some of it uses Federal right-of-ways to reach a loading terminal. The fields which were eligible for licenses produced about 80,000-93,000 barrels per day during 1986. The State of Alaska receives 12.5 percent of this production in royalties. The State has contracted to sell this royalty oil—about 3,000-4,000 barrels per day.

The significance of this export finding depends upon the decisions of the Cook Inlet owners and the quantity produced by the fields in the future. The production of Cook Inlet (not just the fields eligible for export) is projected to decline about 30 percent from 1986 levels by 1992 under assumptions of world oil prices reaching or exceeding \$20 per barrel between 1986 and 1992. If crude oil prices remained below \$15 per barrel, the production could fall 70 percent by 1992.

## ISSUES IN EXPORTING CRUDE OIL

The restrictions on crude oil exports have the greatest current and future effects on PAD District V because of the volume and location of Alaskan and California production. Together, these States produce more crude oil, especially heavy crude oil, than PAD District V can consume. The district is expected to have this surplus until the mid-1990's. As a result, groups in both States have pushed for changes in crude oil export policy. Other responses have included developing ways to transport the crude oil to refineries outside the district exporting refined products instead of the raw material.

A major investment has been made to transport crude oil from PAD District V to markets elsewhere in U.S. territory. As discussed earlier, through 1986 the one method of transporting Alaskan and Californian crude oils to other markets was water shipment. Most Alaskan oil was transported in U.S. flag vessels by way of Panama (except the crude oil going to the Virgin Islands). About 60 percent of U.S. flag shipping tonnage has been used in this transfer. The Trans-Panama pipeline, with average maximum capacity of 800,000 barrels per day, was built for this purpose. However, a new pipeline of 300,000 barrels per day capacity, from Santa Barbara, California to Midland, Texas, is scheduled to begin operations in late 1987. The Celeron line will be 80 percent heated, which makes it able to handle heavy oils from California.

These transfers have given PAD District V a place in the domestic crude oil demand of most districts. An indication of this role is provided by data the EIA has collected since 1981 about receipts of Alaskan crude at refineries. The EIA began pub-

lishing these data in 1986. Table FES shows the wide distribution of Alaskan oil in the last 6 years. The greatest volume, as expected, was received by PAD District V refineries. Between one-half and two-thirds of total receipts in each year was reported there. The Gulf Coast and inland refineries received the next largest volumes. Over the 6 years, Alaskan crude oil accounted for about 44 percent of all crude oil receipts on the West Coast, and about 25 percent in the territories but less than 9 percent in other districts.

Because between 52 and 67 percent of Alaskan oil has been received for processing at West Coast refineries, these refineries have increased their product exports. They now export a higher percentage of their output than the refineries in other districts. West Coast refineries exported over 10 percent of their output in 1986. The export growth has been greatest in the heavy products because demand for these is limited in PAD District V and the crude oil available yields relatively high percentages of heavy products. The highest proportion of exports for any other district, the Gulf Coast, was 4 percent.

Another effect in PAD District V, in the opinion of California producers, has been a lower price for the area's crude oil than the quality of the oil warrants. California producers argue that they are caught between an export ban and difficult and costly domestic shipping requirements. When Alaskan oil was added to the supply, the result was a "glut" and lower prices. These prices discourage prospects of further local development or enhanced recovery.

The idea of allowing greater volumes of crude oil exports has been studied and debated often because of the affect on various parties. The States of Alaska and California now receive royalty oil or taxes which they would hope to see increase in value if the oil could be exported. Other parties that would benefit from higher values include the owners and operators of the producing leases in Alaska and California. Parties who would be adversely affected include the operators of the Trans-Panama and Celeron pipeline, owners and employees of Jones Act U.S. flag vessels, and West Coast refineries because they have made investments on the assumption that exports would not be allowed. The U.S. Department of Defense benefits because the tanker fleet, which would be needed during war or other supply crisis, is maintained without Defense Department support. Some of the parties are involved in more than one way and their interests are correspondingly complicated.

All U.S. consumers are affected to some extent because of the affect on U.S. oil import dependency. At a time when U.S. import dependency is climbing and is projected to pass previous levels, the prospect of trading away U.S. oil concerns some people. Others are concerned that the export ban and the difficulties and costs of U.S. interdistrict transport restricts the market for these crude oils and depresses their prices. With a lower price, the return to producers discourages them from investing in further crude oil production and exploration. This would also contribute to greater U.S. oil import dependency.

The effects of the decision to export crude oil would reach beyond U.S. borders. Potential customers include Japan and other Pacific countries. Potential competitors (Mexico, Indonesia, the Persian Gulf States) who now supply the crude oil demand of these countries would also be interested. Because the government of Panama is a part owner of the Trans-Panama pipeline, Panama's national budget

**11 AAC 83.153. CONFIDENTIAL REPORTS.**

(a) If the commissioner finds that reports or information required under AS 31.05.035(a) contain significant information relating to the valuation of unleased land within a three-mile radius of the well from which these reports or information were obtained, the commissioner will, upon the written request of the owner of the well, keep the reports or information confidential for a reasonable time not to exceed 90 days after disposal of the unleased land, unless the owner of the well gives written permission to release the reports and information at an earlier date. The commissioner will, in his or her discretion, extend confidentiality to reports or information required under AS 31.05.035 from a well located more than three miles from any unleased land if the owner of the well from which these reports or information are derived makes a sufficient showing that the reports or information contain significant information relating to the valuation of unleased land beyond the three-mile radius.

(b) Reports or information for which extended confidentiality is requested or has been granted under AS 31.05.035 will not be eligible for extended confidentiality when

(1) the lease on which the well is drilled has expired; or

(2) the unleased land within a three-mile radius of the well from which the reports or information are obtained is offered in a competitive lease sale, but receives no bids greater than or equal to any minimum bid established for that sale.

(c) As used in this section, "mile" means a statute mile or 5,280 feet.

(d) As used in this section, "disposal" means the grant or issuance of an oil and gas lease. (Eff. 3/30/84, Reg. 89)

Authority: AS 31.05.035(c)  
AS 38.05.020  
AS 38.05.180

**11 AAC 83.155. DAMAGES.** Each lessee or permittee is required to pay any damage that becomes payable under AS 38.05.130 and shall indemnify Alaska and hold it harmless from and against any claims, demands, liabilities and

expenses arising from or in connection with the damage. (Eff. 9/5/74, Reg. 51)

Authority: AS 38.05.020  
AS 38.05.130  
AS 38.05.145(a)

**11 AAC 83.158. PLAN OF OPERATIONS.** (a) Except as provided in (b) of this section, a plan of operations for all or part of the leased area must be approved by the commissioner before any operations may be undertaken on the leased area if

(1) the state owns all or part of the surface estate of the leased area;

(2) the lease reserves a net profit share to the state; or

(3) the state owns all or part of the mineral estate, but the entire surface estate is owned by a party other than the state, and a surface owner requests that a plan of operations be required by the commissioner for the portion of the leased area owned by that surface owner.

(b) A lease plan of operations is not required for

(1) activities that would not require a land use permit under this title; or

(2) operations undertaken under an approved unit plan of operations in accordance with this title.

(c) Before undertaking operations on the leased area, the lessee shall provide for full payment of all damages sustained by the owner of the surface estate as well as by the surface owner's lessees and permittees, by reason of entering the land. If the surface estate is owned by a party other than the state, the lessee shall also notify the surface owner of his opportunity to request that the commissioner require a plan of operations before allowing operations to be undertaken on the portion of the leased area owned by the requesting surface owner.

(d) An application for approval of a plan of operations must contain sufficient information, based on data reasonably available at the time

(1) the drilling, producing and plugging of wells;  
(2) the shooting and chemical treatment of wells;  
(3) the spacing of wells;  
(4) the disposal of salt water, nonpotable water and oil field wastes;  
(5) the contamination or waste of underground water;  
(6) the quantity and rate of the production of oil and gas from a well or property; this authority shall also apply to a well or property in a voluntary cooperative or unit plan of development or operation entered into in accordance with AS 38.05.180(p).

(f) The commission may classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter.

(g) When the commission finds sufficient likelihood of an unexpected encounter of oil, gas, or other hazardous substance as a result of well drilling in an area of the state, the commission may, by regulation, designate the area and specify a depth in the area as one in which wells or any boring into the soil in excess of the specified depth but not otherwise subject to this chapter are subject to the regulations and requirements adopted under this section. The designation of an area or specification of a depth under this subsection does not constitute a certification that no hazardous substance will be encountered in another area or at a lesser depth, and the state is not liable for any damages arising from such an unexpected encounter of a hazardous substance.

(h) The commission may take all actions necessary to allow the state to acquire primary enforcement responsibility under 42 U.S.C. 300h-4 (Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300f-300j), for the control of underground injection related to the recovery and production of oil and natural gas. (§ 4 ch 40 SLA 1955; am § 2 ch 75 SLA 1960; am § 1 ch 209 SLA 1970; am § 1 ch 87 SLA 1977; am §§ 1, 2 ch 160 SLA 1978; am § 1 ch 91 SLA 1984)

*Effect of amendments. — The 1984 amendment added subsection (h).*

**Sec. 31.05.035. Confidential reports.** (a) For all wells for which a permit to drill has been issued by the commission since January 3, 1959, the commission may require:

(1) the making and filing of reports, well logs, drilling logs, electric logs, lithologic logs, directional surveys, and all other subsurface information on a well drilled for oil or gas, or for the discovery of oil or gas, or for geologic information; and

(2) the filing of flow test information and all logs, except experimental logs and velocity surveys run on a well and not required by (1) of this subsection:

(3) the operator to make available for copying the digitized log information, if it is available, on any log required to be filed under (1) or (2) of this subsection.

(b) Reports and information required under (a)(1) and (2) of this section shall be filed within 30 days after the completion, abandonment, or suspension of a well. However, under (a)(1) of this section, the commission may not require the making of a log on a well completed, abandoned or suspended before June 19, 1970.

(c) The reports and information required in (a) of this section shall be kept confidential for 24 months following the 30-day filing period unless the owner of the well gives written permission to release the reports and information at an earlier date. If the commissioner of natural resources finds that the required reports and information contain significant information relating to the valuation of unleased land in the same vicinity, the commissioner shall keep the reports and information confidential for a reasonable time after the disposition of all affected unleased land, unless the owner of the well gives written permission to release the reports and information at an earlier date. Well location, depth, status and production data and production reports required by the commission to be filed subsequent to the 30-day filing period shall be considered public information and shall not be classified confidential. Production data, as used in this subsection, means volume, gravity and gas-oil ratio of all production of oil or gas after the well begins regular production.

(d) Engineering, geological, and other information not required by (a) of this section but voluntarily filed with the commission shall be kept confidential if the person filing the information so requests.

(e) Notwithstanding (c) of this section, claims of confidentiality will be denied for information disclosed to the commission under AS 31.05.030(h) that is required to be disclosed under 42 U.S.C. 300h-4. (§ 2 ch 209 SLA 1970; am §§ 3 — 6 ch 160 SLA 1978; am § 86 ch 6 SLA 1984; am § 2 ch 91 SLA 1984)

**Effect of amendments.** — The first 1984 amendment, in the second sentence in subsection (c), inserted "of natural resources" and substituted "the commissioner" for "he" near the middle of the sentence. The second 1984 amendment added subsection (e).

#### NOTES TO DECISIONS

Cited in *Hammond v. North Slope Borough*, Sup. Ct. Op. No. 2499, File Nos. 5550, 5558), 645 P.2d 750 (1982).

November 14, 1988

Mr. Boyd Evison  
Regional Director  
National Park Service  
2525 Gambell Street, Room 107  
Anchorage, AK 99503-2892

Dear Mr. Evison:

The State of Alaska has reviewed the thirteen final Wilderness Environmental Impact Statements (EISs) prepared by the National Park Service (NPS) pursuant to Section 1317 of the Alaska National Interest Lands Conservation Act (ANILCA). Based on our review of these documents, the state cannot support designation of any additional Wilderness in Alaska's national parks and preserves at this time. The following letter summarizes our primary concerns with the EISs and with NPS' Wilderness recommendations. Our comments are divided into three sections: I. National Environmental Policy Act (NEPA) Compliance, II. EIS Deficiencies, and III. Inappropriate Wilderness Recommendations. Comments on the specific Wilderness recommendations for each park were contained in the state's review of the draft EISs and are attached.

I. MINIMAL NEPA COMPLIANCE - SUPERFICIAL PUBLIC INVOLVEMENT

The NPS has not demonstrated genuine interest in working with the public and state to develop supportable Wilderness recommendations. NPS appears to have sought to meet the minimum legal requirements of the NEPA, without meeting NEPA's intent that the public be provided meaningful opportunities to participate in the development of these recommendations.

A. Public Comments Produce No Changes

Although NPS received extensive public comment on its wilderness proposals, including detailed, site-specific comments from the State of Alaska, NPS did not significantly modify any of its 13 recommendations. Given that NPS is studying approximately 18 million acres for possible wilderness designation and recommending approximately 7 million

acres for designation, one would expect that NPS would make at least a few significant changes to its proposals in response to public comment. Instead, there is little, if any, difference between the proposals contained in the draft and final EISs.

B. Response to Comments Unsatisfactory

The state found NPS' written responses to many public comments to be unsatisfactory. For example, in response to requests from the state and public that the NPS explain why it is recommending certain lands for wilderness and not recommending others, NPS writes: "It is not the purpose of an EIS to justify the proposal. The regulations of the Council on Environmental Quality caution against self-serving justification of proposals. The areas proposed qualify as wilderness and they are proposed because of this qualification." (Gates of the Arctic final EIS, page 141.) The state believes, however, that there is a middle ground between "self-serving justification of proposals" and providing the public with information with which to understand and assess a given proposal. NPS' response is also inconsistent with the fact that NPS is recommending only a third of the acreage which it determined qualifies for Wilderness designation.

C. Accelerated Review Schedule Evident in Quality of Documents

Though the official "task directive" for these EISs called for a 4-month public review period and a full year for the NPS to consider public comments and prepare final EISs, the public was ultimately given 67 to 102 days to review respective draft EISs, and the NPS spent less than three months preparing final EISs. This schedule was developed after the public and state protested a plan, initially defended by the NPS, to release three final EISs one day after the close of the comment period on draft EISs for the same parks. Although the state recognizes that NPS was directed to expedite completion of the EISs, we regret that the EIS project was not managed differently so that public involvement in the EIS process would not have been short-changed.

II. EIS DEFICIENCIES

A wide range of interest groups and individuals, as well as the State of Alaska, found the EISs to be seriously flawed.

A. Important Issues Dismissed

The NPS dismissed as insignificant many important issues raised by the public during preparation of the EISs.

Examples include the effect of wilderness designation on construction of a road from the Parks Highway to Kantishna, and from the Ambler mining district to the Red Dog port facility. (See Kobuk Valley draft EIS, page 59, and Denali draft EIS, page 94.) In both cases, the NPS argued that the effect of wilderness on these potential access corridors did not need to be addressed because road construction was not likely to be feasible. This questionable argument does not justify ignoring such important issues.

B. Description of Wilderness Management Lacking

Although the state recommended during "scoping" that the EISs clearly describe the differences between NPS management of Wilderness and non-Wilderness areas, the draft EISs did not clearly or comprehensively describe these differences. The state reiterated its recommendation following review of the draft EISs. In response, NPS did include a table in the final documents which identifies many of these differences. Though we appreciate the inclusion of this table, we believe it was provided too late in the process to help the public to fully assess the impacts of Wilderness designation.

C. Impacts Overstated

Without adequate justification, the EISs consistently predict degradation of wilderness values if parklands are not designated as wilderness. This conclusion is not supported by NPS' own estimates of future development and use of the parks. In contrast, NPS appears to have underestimated the effects of wilderness on human use of the parks. For example, the EISs state that Wilderness will have no effect on subsistence activities or access. In fact, however, Wilderness designation can effect both of these. For example, Wilderness precludes the designation of routes and areas where off-road vehicles can be used for subsistence purposes.

D. Wilderness Criteria Lacking

The EISs omit basic information regarding the wilderness recommendations, e.g., why the NPS is recommending certain lands for wilderness designation and not others. Little, if any, information is provided regarding the criteria used to develop wilderness proposals or the specific resources and Wilderness values each proposal seeks to protect. The following quotations from public comment letters to the NPS address this deficiency:

"We would like to see greater emphasis on criteria, analysis, and rationale in the wilderness

recommendations . . . . Decisions concerning vast land areas such as these, some with millions of acres in question, deserve to be supported by detailed analyses. Yet these recommendations for management units the size of some states contain about the same level of analytic detail as a typical conceptual plan for a town square or city park." (Land Use Advisors Committee, July 15, 1988).

"The draft EIS does not describe any of the methodology, quantitative or qualitative, that was used to generate the alternatives." (Resource Development Council, May 27, 1988, comments on the Yukon-Charley Rivers draft EIS.)

"The real issues of criteria for wilderness/non-wilderness recommendation, alternative formulation, and boundary determination are obscured. What little real information is contained in these questionable documents is endlessly repeated in slightly altered 'boilerplate' fashion throughout each draft EIS. Such capricious waste of public time and money is reprehensible." (Northern Alaska Environmental Center, June 15, 1988.)

### III. INAPPROPRIATE WILDERNESS PROPOSALS

As clearly delineated in our comments on the draft EISs, the state objects to inclusion of certain parklands in NPS Wilderness proposals. The following are examples of lands determined by the state to be inappropriate for wilderness.

#### A. Access

Several areas proposed for wilderness designation may be needed in the future for construction of roads. Examples include the northern addition of Denali National Park and Preserve, where a road connecting the Parks Highway and the Kantishna Hills has been proposed; and portions of Noatak, Kobuk Valley, and Cape Krusenstern, where a road connecting the Ambler mining district with the Red Dog port facility has been proposed. Gaining federal approval for a transportation right-of-way would likely be more difficult through wilderness than non-wilderness parklands.

#### B. Visitor Facilities/Tourism

Some areas proposed for Wilderness may be needed in the future for visitor facilities, which are not allowed in wilderness areas. Since such a high percentage (65%) of NPS lands in Alaska are already in Wilderness status, the state

believes options for future visitor-related development should be maintained on existing non-Wilderness parklands, unless a compelling reason exists to preclude these options. The NPS has not provided such compelling rationale in its EISs. Examples of where additional or new facilities may be needed include Katmai, Kenai Fjords, and Denali.

C. Incompatible Uses

Several areas proposed for wilderness are currently used in ways that are not compatible with wilderness management. For example, Dundas Bay, Charpentier Inlet, and Skidmore Bay within Glacier Bay National Park and Preserve have been for many years by commercial fishermen. The proposed wilderness area in Cape Krusenstern contains 37 Native allotments and is used extensively by local residents. The nearby Wilderness proposal for Kobuk Valley contains 13 Native allotments and also receives regular use. Much of the activity in these areas is supported by mechanized forms of access, which local residents fear may eventually be regulated more stringently in Wilderness than in non-Wilderness areas. (This concern is supported by the NPS proposal in the Glacier Bay EIS to prohibit motorized access in marine waters within the Wilderness boundaries.) The state has identified areas in Wrangell-St. Elias, Katmai, Glacier Bay, and other park units where wilderness would be inappropriate for this reason.

D. Mining Claims

Several areas proposed for wilderness contain mining claims (e.g., in Katmai, Denali, and Kenai Fjords). Wilderness designation in these areas would likely make mineral development more difficult, since claimants would be required to show that their activities would not degrade the wilderness character of adjoining areas.

E. Navigable Waters and Revised Statute (RS) 2477 Rights-of-Way

Several areas proposed for wilderness include possible RS 2477 rights-of-way and waterbodies which are or will likely be determined navigable. The state opposes inclusion of these areas in NPS wilderness recommendations to minimize the potential for conflicts between the state and federal government over management of these areas. Examples of navigable water bodies within wilderness proposals include the Chitina River, Naknek Lake, and Charley River; examples of possible RS 2477 rights-of-way include the Stampede Trail in Denali and the Kotsina trail in Wrangell-St. Elias.

Based on our comments on the draft EISSs, as well as the concerns summarized above, the State of Alaska urges the NPS to withdraw the Wilderness recommendations contained in these EISSs. We urge the NPS to recommend no additional wilderness unless and until the NPS:

- 1) better analyzes the socio-economic effects of designating more Wilderness in Alaska;
- 2) provides more comprehensive and forthright information on the differences between management of Wilderness and non-Wilderness parklands;
- 3) provides clear rationale for recommending additional wilderness and for recommending particular parklands for designation; and,
- 4) works more closely with the state and public to identify areas where Wilderness designation is and is not appropriate, consistent with the attached state recommendations.

We appreciate the opportunity to summarize our concerns regarding the final EISSs. Please do not hesitate to call this office if we can be of assistance in clarifying these comments.

Sincerely,

Robert L. Grogan  
Director

By Michelle Sydeman  
State CSU Coordinator

Attachments

cc: Commissioner Brady, DNR  
Commissioner Collinsworth, DFG  
Commissioner Hickey, DOT/PF  
Commissioner Kelso, DEC  
Mr. Rod Swope, Office of the Governor  
Mr. John Katz, Office of the Governor  
Alaska Land Use Council Members  
Land Use Advisors Committee Members

STATE OF ALASKA

WILDERNESS RECOMMENDATION SUMMARY

## DENALI NATIONAL PARK AND PRESERVE

(See State of Alaska comments dated August 29, 1988.)

### RECOMMENDATION:

The State of Alaska opposes designation of the northern park addition as Wilderness.

### RATIONALE:

- 1) Designation of this area as Wilderness would make development of a northern access route from the Parks Highway to Kantishna more difficult. Such a route would alleviate pressure on the existing park road, provide additional opportunities for visitors to enjoy the park, and facilitate mineral development in the Kantishna area.
- 2) There are numerous possible Revised Statute (RS) 2477 rights-of-way within the northern park addition. (See the map provided on page 189 of the Denali General Management Plan [GMP].) Although Wilderness designation would not affect validity determinations for these rights-of-way, Wilderness management could conflict with future uses and/or development of these routes.
- 3) The state asserts that portions of the Tokositna, Muddy, and Kantishna rivers are navigable. Designation of lands adjacent to these rivers as wilderness could increase the potential for state/federal management conflicts.

### RECOMMENDATION:

The State of Alaska opposes Wilderness designation of the southern park addition from the east side of the Eldridge Glacier to the eastern boundary of the park, near Cantwell.

### RATIONALE:

- 1) This area encompasses the Cantwell/Dunkle Mine area and contains more than 100 unpatented mining claims. Designation of this area as Wilderness would likely make development of these claims more difficult.
- 2) This area also contains state, regional, and village corporation lands and selections. Future use and development of these lands may not be consistent with Wilderness management. The state urges the National Park Service (NPS) to avoid potential Wilderness conflicts by deleting this area from the Wilderness proposal.

- 3) Both this area and the northern park addition are used regularly by local rural residents engaged in traditional activities. The state is concerned that, over time, Wilderness designation may lead to restrictions or access methods and activities currently allowed within Wilderness. The state therefore does not support Wilderness designation in these areas.

GLACIER BAY NATIONAL PARK AND PRESERVE

(See State of Alaska comments dated August 29, 1988.)

RECOMMENDATION:

The state is appreciative of the substantial effort the NPS has invested in working with local user groups to find an appropriate management strategy for Glacier Bay's Wilderness waters.<sup>1</sup> We recognize that the NPS' proposed action represents an attempt to accommodate diverse interest groups, and that no solution will be entirely satisfactory to any one interest.

The state offers the following new alternative with the same objective in mind. We support deletion of certain Wilderness waters, designation of a limited acreage of new Wilderness waters, closure of certain Wilderness waters to motorized vessels and aircraft landings, and seasonal restrictions on commercial fishing activity and motorized vessel use in a limited number of areas. The state's preferred alternative is described below:

WATERS:

Areas to be retained as existing Wilderness

Adams Inlet (starting 2 miles East of the inlet entrance)

Areas to be deleted from existing Wilderness

Beardslee Islands  
Adams Entrance  
Rendu Inlet  
Hugh Miller Inlet  
Dundas Bay  
Charpentier Inlet  
Skidmore Bay

Added Wilderness

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<sup>1</sup>The State of Alaska does not waive or otherwise concede its claims of ownership to the submerged lands in the territorial waters adjacent to Glacier Bay. See United States v. California, 436 U.S. 32 (1978) (California has dominion over submerged lands surrounding Channel Islands National Monument established by Presidential Proclamation): cf. Utah Division of State Lands v. United States, 107 S. Ct. n 2318 (1987) (Title to submerged lands passes to state upon admission to Union).

Muir Inlet above Sealers Island  
Wachusett Inlet (starting 3 miles west of the inlet entrance)

**LANDS:**

The state does not support designation of any additional Glacier Bay lands as Wilderness.

**RATIONALE:**

Commercial fishing has been occurring in Glacier Bay waters since before the Glacier Bay National Monument was established in 1925. To date, there is no evidence that this activity is harming local resources, and no evidence to this effect is presented in the Environmental Impact Statement (EIS). Given this lack of substantiating evidence, the state supports the NPS' efforts to delete waters used for commercial fishing from Wilderness.

The NPS' proposed action recommends deletion of the Beardslee Islands, Adams Entrance, Rendu Inlet, High Miller Inlet, and Dundas Bay Narrows. The state believes three additional areas should be excluded: the remainder of Dundas Bay, Charpentier Inlet, and Skidmore Bay. Dundas Bay is an important area for commercial crabbing. As the NPS notes in its Commercial Fishing in Glacier Bay National Park (1987), 452 crab pots were counted in Dundas in July 1987. This represents a substantial crabbing effort. In addition, the state supports deletion of Charpentier Inlet and Skidmore Bay. These areas are also used for commercial fishing.

The state recognizes that Charpentier Inlet and Skidmore Bay offer significant opportunities for solitude and primitive recreation (e.g., kayaking). The state suggests that the NPS consider implementing seasonal closures on motorized vessel use and aircraft landings in these areas during the summer months, as most commercial fishing occurs during the winter.

The state would also support motorized access closures for Wachusett Inlet and Muir Inlet above Sealers Island. Closure of these areas would provide significant opportunities for solitude and primitive recreation.

The state does not support designation as Wilderness of the Deception Hills east of Doame River, the two parcels adjacent to Gateway Knob, the island adjacent to Blue Mouse Cove, and Cenotaph Island. Approximately 81 percent of Glacier Bay National Park and Preserve is already in Wilderness status. We do not see the need for adding additional land-based Wilderness areas. In addition, we are concerned that, overtime, wilderness designation may lead to restrictions on traditional activities (e.g., use of aircraft), which the state would not support.

RECOMMENDATION:

The state requests that the Wilderness boundary in the Deception Hills area be moved to the western edge of the Grand Plateau Glacier.

RATIONALE:

- 1) Section 103(b) of the Alaska National Interest Lands Conservation Act (ANILCA) states Congress' intent that "wherever possible boundaries shall follow hydrographic divides or embrace other topographic features." The NPS took advantage of the opportunity provided by Section 1317 of ANILCA and included recommended Wilderness boundary adjustments in its Wilderness EIS for the Wrangell-St. Elias National Park and Preserve. The state supports this approach and requests that revisions to the Glacier Bay boundary be recommended in this EIS.
  
- 2) The boundary in the Deception Hills area northward to the outlet of Alsek Lake is nearly impossible to locate in the field. Consistent with our previous recommendations to the NPS during GMP preparation, we recommend the wilderness boundary (and eventually the Park boundary) be moved to the western edge of the Grand Plateau Glacier. It is our understanding that NPS management in this area would be simplified by this change. This would also simplify continued use of the area by local citizens who currently have difficulty in identifying the boundary.

Considerable local boating and aircraft activity is conducted on the Alsek River and Lake. The river and lake are navigable for a long distance into the park. We believe it would help NPS management if a portion of the Wilderness boundary on the lake shore were deleted. This would reduce conflicts between continued uses of the area and perceived management needs.

WRANGELL-ST. ELIAS NATIONAL PARK AND PRESERVE

(See State of Alaska comments dated July 18, 1988.)

The state supports NPS' objective to create more identifiable field boundaries for Wilderness areas and to eliminate the potential for land uses that might conflict with Wilderness and/or park/preserve purposes. To further these objectives, the state requests that the NPS make the following changes to the Proposed Action (Alternative 2).

RECOMMENDATION:

The state requests that the Wilderness boundary in the preserve adjacent to the Malaspina Glacier be modified to follow more recognizable hydrographic features (see Map A).

RATIONALE:

- 1) This recommendation would exclude a large, un-named, state-owned lake from the Wilderness boundary.
- 2) This boundary follows more easily identifiable hydrographic features and elevation contours. The glacier's edge has substantially retreated since the topographic map was made in 1961. The exposed land has re-vegetated in recent years and much of the proposed boundary is no longer recognizable in the field, even though it appears to make sense on the map. The state's proposed boundary follows more definable water bodies or steep slopes.
- 3) The lakes and washes in this portion of the preserve are relatively well used by nearby Yakutat residents for air-craft landings, boats, hunting, fishing, etc. These use levels make this area undesirable for Wilderness.

RECOMMENDATION:

The state requests that the Bremner Bar be deleted from the Bremner River Wilderness recommendation (see Map B).

RATIONALE:

- 1) The Bremner Bar is a broad, sandy, partially vegetated river bar, portions of which are likely state-owned based on the navigability status of the Copper and Bremner rivers. Given that the land status of this bar has not been determined (and it would be difficult to base a Wilderness boundary on such uncertain status), the state recommends that the Bremner River Wilderness boundary end at the point at which it enters the Copper River flat lands.

- 2) The modified boundary would be easier to locate in the field, and would thus be more manageable.

RECOMMENDATION:

The state requests that the northwest Wilderness boundary from the Kotsina River to Copper River and Copper Lake be moved from the 3,000-foot contour, as proposed, to the 4,000-foot contour. (Map C shows a portion of this boundary adjustment.) This revision would exclude the broad valley north of the Copper Glacier and the isolated mountain in T. 6 N., R. 9 E.

RATIONALE:

- 1) Much public use of the flanks of Mount Drum, Mount Sanford, and Mount Wrangell occurs between 2,500-3,500 feet. This band contains numerous winter and summer trails, cabins, and air access points (strips and gravel bars). To reduce management conflicts, these areas should be excluded.
- 2) A major access trail from the Kotsina River crosses several drainages in this area, including the Nadina, Dadina, Chetaslina, and Cheshnina Rivers. Both the existing and proposed Wilderness boundaries cross back and forth over this trail. The trail is used by motorized vehicles, including off-road vehicles (ORVs), and should be excluded from Wilderness.
- 3) The 3,000-foot contour proposed by the NPS generally follows gentle slopes and would therefore be more difficult to identify in the field. The 4,000-foot contour more closely corresponds to steeper slopes, making field identification and management easier.

RECOMMENDATION:

The state requests that the Sheep Lake (T. 6 N., R. 11 E.) and Grizzly Lake (T. 5 N., R. 11 E.) be excluded from the Wilderness recommendation. This could be accomplished by moving the boundary to the 4,000-foot contour along Goat Creek to the junction of Jacksina Creek (see Map D).

RATIONALE:

- 1) These lakes and the access trail to them are heavily used and therefore inappropriate for Wilderness. Access to the lakes and surrounding area has traditionally been gained by aircraft, ORVs and horses, creating a difficult management situation in its present status. Excluding the lakes and trail from Wilderness would help alleviate these management conflicts.

- 2) The 4,000-foot contour boundary would be more easily recognizable in the field than the straight line boundary cutting across Goat Creek.

RECOMMENDATION:

The state requests that the Wilderness boundary between Goat Creek and Gold Hill be redrawn along more easily recognizable features (see Map D). From Goat Creek, the boundary should follow the south side of the valley floor along Pass Creek, excluding the existing trail from Wilderness. At the pass, the boundary should follow Wait Creek to the 3,000-foot contour, then to the north end of Gold Hill at the same elevation.

RATIONALE:

This change would improve identification of the boundary in the field, and exclude Pass Creek trail from Wilderness.

RECOMMENDATION:

The state requests that the boundary from Gold Hill to the Nabesna Glacier be modified along the 4,000-foot contour (see Map E).

RATIONALE:

- 1) This relatively minor change places the Wilderness boundary along the steeper slopes above the Nabesna River, thereby alleviating possible confusion in and south of the Fish Creek drainage. The crossing of the Nabesna Glacier could either remain unchanged, or be moved to the 4,000-foot contour.
- 2) The 4,000-foot contour more nearly approximates the original congressional boundary.

RECOMMENDATION:

The state requests that the portion of the upper Chitina Valley in the vicinity of Bryson Bar be excluded from existing Wilderness (see Map E). Ideally, the state suggests that the Wilderness boundary follow Canyon Creek to T. 7 S., R. 18 E., then to the slope of Canyon Creek at the 4,000-foot contour, then continue east across to Barnard Glacier to the face of the Chitina Glacier before re-joining the park/preserve boundary south of the Chitina River. At a minimum, the land below the 2,000-foot contour in this area should be deleted from Wilderness.

RATIONALE:

- 1) This area is heavily used for recreation, including use of aircraft, ORVs, and other mechanized equipment. It has reportedly been a difficult area for the NPS to manage because of traditional uses, including extensive recreational access. This boundary adjustment would reduce these conflicts.
- 2) This area contains active horse grazing leases, (e.g., at Bryson Bar). Wilderness designation may jeopardize these leases and the historical use of horses in the upper Chitina Valley.

RECOMMENDATION:

The state requests that the remaining section of the Beaver Creek Trail between Beaver Lake and Horsefeld be deleted (see Map F).

RATIONALE:

- 1) We appreciate the fact that the NPS has proposed deletion of Beaver Lake, and that the small addition to the south avoids the Beaver Creek Trail. However, the remaining segment of trail east of Beaver Lake is still in Wilderness, which legally precludes the ORV use this trail has historically accommodated. It would make sense to revise the Beaver Lake deletion to ensure that the entire trail is outside the Wilderness boundary for management consistency.

RECOMMENDATION:

The state requests that the proposed Wilderness recommendation encompassing the south slope of MacColl Ridge and the adjacent Chitina River be deleted.

RATIONALE:

- 1) This area is one of high use, both currently and historically. While the current types of use are technically compatible with Wilderness management according to ANILCA, the state is concerned that these activities (e.g., air access) may be restricted in the future to protect Wilderness values. Further, the state believes existing use levels on MacColl Ridge are not compatible with Wilderness designation.
- 2) The proposed addition includes the navigable Chitina River. The state opposes the inclusion of state-owned navigable waterways in new Wilderness recommendations.

Some of the Wilderness boundaries that the NPS and/or the state are proposing to adjust to ease management and increase recognition in the field are also park/preserve boundaries. In most instances, if the Wilderness boundary is adjusted, the corresponding park/preserve boundary should also be adjusted so that they conform. We recognize that changes to the park/preserve boundaries are not addressed in these EISs; however, we wish to raise the issue for consideration as the Wilderness recommendations are forwarded to Congress. If the Wilderness boundaries are improved to follow more readily discernible geographic features, then it makes sense for the park/preserve boundaries to follow the same features, unless there is some negative consequence to doing so. This rationale applies equally to Wilderness additions as well as deletions, (e.g., at Icy Bay, Goat Creek, Copper Lake, Bremner Bar, and the west flank of Mount Drum).

## NOATAK NATIONAL PARK AND PRESERVE

(See State of Alaska comments dated August 29, 1988.)

### RECOMMENDATION:

The state opposes designation of 757,175 acres or 100 percent of the non-Wilderness lands in the Noatak National Preserve as Wilderness.

### RATIONALE:

- 1) Of the 6.5 million acres comprising Noatak National Preserve, approximately 5.8 million acres, or 89 percent of the preserve, were designated as Wilderness by ANILCA in 1980. Thus, significant acreage within the preserve is already being managed to maintain its natural undeveloped character, and to provide for solitude and primitive recreation experiences. The EIS does not clearly describe why additional Wilderness lands are needed.
- 2) The Alaska Department of Transportation and Public Facilities, in its 1981 Western and Arctic Transportation Study, identified three corridors that could potentially cross and/or affect the Noatak National Preserve. These three possible corridors are a road, railroad, and slurry pipeline that would connect the Ambler Mining District with the coast near Cape Krusenstern. The state cannot support Wilderness designation for the southwest preserve since Wilderness would likely make development of an access route more difficult. (Applications for transportation and utility systems in and across Wilderness areas require congressional review and approval, per Title XI.)
- 3) Approximately 290,000 acres of land within the area being proposed for Wilderness designation have been selected by Native regional and village corporations under the Alaska Native Claims Settlement Act (ANCSA) of 1971. In addition, 1,825 acres in the southwest portion of the preserve have been conveyed to Native corporations and individuals, and there are 13 Native allotments within the proposed Wilderness. Given the potential for a large amount of private land within the study area and the potential for conflicting land uses, the state believes it would be appropriate to avoid Wilderness designation in the southwest preserve.
- 4) At least one possible RS 2477 right-of-way falls within a portion of the proposed Wilderness area. The Noatak Coastal Winter Trail #22 runs two miles north of the village of Noatak, downstream along the Noatak River. The state does

not support inclusion of possible RS 2477 rights-of-way in Wilderness.

- 5) Consistent with our concern regarding the effects of land management decisions on local residents, we note that residents of northwest Alaska do not appear to favor designation of additional Wilderness. Representatives of the Northwest Arctic Native Association Regional Corporation, the North Slope Borough, and the Northwest Arctic Borough have submitted comments and/or testified in opposition to additional Wilderness.
- 6) Since 89 percent of the preserve is already in Wilderness status, the state believes it would be prudent to leave some preserve areas as non-Wilderness to provide for the establishment of administrative or interpretative facilities, if deemed desirable and appropriate in the future.
- 7) The state is concerned that, over time, the NPS may manage traditional subsistence, commercial, and recreational uses in Wilderness areas more stringently than is currently envisioned by the NPS or described in the EIS. For instance, the NPS may be pressured to impose restrictions in Wilderness on local activities, such as use of mechanized access. The state therefore does not support designation of additional Wilderness in the Noatak Preserve.

RECOMMENDATION:

The state requests that the boundary of the existing wilderness on the Township 27/28 North township line be modified to meet the north bank of the Eli River (see attached map).

RATIONALE:

This adjustment would create a more identifiable field boundary, consistent with Congressional intent as stated in Section 103(b) of ANILCA.

## CAPE KRUSENSTERN NATIONAL MONUMENT

(See State of Alaska comments dated August 12, 1988.)

### RECOMMENDATION:

The state requests that the state lands, including state-owned tide and submerged lands, be deleted from the Wilderness recommendation.

### RATIONALE:

It is unreasonable to consider that the state might someday convey ownership of the state-owned lagoons to the NPS, as could be implied by the discussion on page 17 of the draft EIS. The state has very limited authority to convey tide and submerged lands, and this authority rests only with the state legislature. Since there is virtually no chance that the NPS will acquire these lands, such a contingency-based recommendation is misleading and inappropriate.

If the NPS has certain management preferences for state-owned lands, a cooperative agreement would be a more reasonable and potentially productive method of influencing management of these areas.

### RECOMMENDATION:

The state requests that the coastal areas be deleted from the Wilderness recommendation.

### RATIONALE:

- 1) The coastal fringe contains numerous inholdings, including over 70 Native allotments. These inholdings and their associated uses would make Wilderness management more difficult. The coastal fringe is also used extensively for commercial and subsistence fishing support facilities, ORVs, and mechanized equipment.
- 2) A well-used trail (and possible RS 2477 right-of-way, the Coastal Winter Trail) runs along the coast. Associated with this trail are other access trails and shelters. Avoiding Wilderness in the vicinity of this trail would help insure that year-round traditional activities and access patterns are protected from more stringent regulation.
- 3) If state lands (e.g., offshore oil and gas activities in the Hope Basin) are ever developed, a modified boundary would protect the Wilderness area from the possible visual and other impacts of adjacent development. While no oil and gas

lease sales in the Hope Basin are currently scheduled, they have been discussed and could occur in the future.

RECOMMENDATION:

The state requests that the portions of the monument that are crossed by trails that have been used for subsistence and other traditional uses (see attached map) be deleted from Wilderness.

RATIONALE:

Wilderness would not automatically preclude the extensive use and access patterns in Cape Krusenstern. However, we believe that, over time, management of these uses may become unnecessarily stringent under Wilderness designation. The state's December 5, 1986, letter to the NPS provided information on trails used for access to inholdings, subsistence and other traditional uses. In the absence of a thorough discussion of these trails and related cabins and fishing sites, it appears that Wilderness designation could significantly impact these uses. Thus, we recommend that the NPS delete these trails from Wilderness, or provide assurances that existing patterns of use and mechanized access (including ORVs and snowmobiles) will be maintained in the future, if any areas are recommended for Wilderness.

RECOMMENDATION:

The state requests that the upland areas of the monument which are underlain by bedrock similar to those containing the Red Dog deposits (see attached map) be deleted from Wilderness.

RATIONALE:

The state recognizes that park lands, regardless of Wilderness status, are closed to new mineral entry. However, Wilderness designation would likely make it more difficult for adjacent landowners to conduct geological investigations. Such studies could be integral to understanding the mineral potential of adjacent non-federal lands.

RECOMMENDATION:

The state requests that the portion(s) of the Wilderness recommendation covering possible routes of a transportation corridor from the Red Dog port facility to the Ambler mining district be deleted.

RATIONALE:

Maximum flexibility should be maintained for a corridor from the Red Dog port to the Ambler mining district. Technically,

Title XI does provide a mechanism for developing such a corridor within Wilderness. There is no doubt, however, that a Wilderness designation would make successful application of Title XI more difficult.

SUMMARY RECOMMENDATION:

In light of the specific recommendations above, the numerous conflicts identified, and the lack of compelling benefit from designation of any Wilderness, the state suggests that the no action alternative may be the most appropriate in this instance. The attached map roughly outlines the potential conflict areas identified in Cape Krusenstern. It appears that the remaining areas would not be manageable or particularly valuable if placed in Wilderness status.

## KATMAI NATIONAL PARK AND PRESERVE

(See State of Alaska comments dated August 29, 1988.)

### RECOMMENDATION:

The state opposes the NPS proposal to designate Battle and Kulik lakes, Lake Colville, the northern portion of Naknek Lake, and Naknek Lake's North Arm and Iliuk Arm as Wilderness.

### RATIONALE:

- 1) The state asserts that these waterbodies are navigable and, therefore, the state owns and has management authority over the submerged lands (shorelands) and the watercolumns above them. Designation of these waters as Wilderness would be inappropriate. In addition, designation of adjacent uplands as Wilderness could increase the potential for state/federal management conflicts.

### RECOMMENDATION:

The state opposes designation of 2,605 acres at Geographic Harbor and 3,370 acres on the southeast side of Kukak Bay as Wilderness. Furthermore, should the NPS acquire the three small parcels of privately-owned land along the Pacific Coast at Katmai Bay, Kukak, and Kaguyak, the state recommends that they remain in non-Wilderness status.

### RATIONALE:

- 1) Each spring, the Alaska Department of Fish and Game uses a cabin at Geographic Harbor as a staging area for fisheries studies. These studies typically require several biologists and the use of a helicopter. To avoid any possible conflicts with Wilderness management, the state opposes inclusion of this area in Wilderness.
- 2) Kukak Bay is used by commercial fishermen harvesting salmon, herring, crab, and clams. As noted in the EIS, the remains of a clam cannery are still standing in the area proposed for Wilderness designation. The state believes it may be advantageous to leave this area in non-Wilderness status to provide for uses incidental to commercial fishing activity.
- 3) In addition, the five sites being proposed for Wilderness designation along the Pacific Coast are the only coastal (e.g., shore-based temporary facilities) areas in Katmai where visitor facilities could be built in the future, if deemed desirable and appropriate. The state believes

opportunities for future visitor development in these areas should be maintained.

RECOMMENDATION:

The state opposes designation as Wilderness of the area north of Battle Lake and the divide between the park and preserve.

RATIONALE:

- 1) A 60-acre mining claim group, which contains three unpatented lode claims, is located in this area. Wilderness designation would likely make development of these claims more difficult.
- 2) There are two private lodges in this vicinity, Battle Lake Camp and Kulik Lodge. Expansion of these facilities in the future may be seen as inconsistent with Wilderness management.

KENAI FJORDS NATIONAL PARK

(See State of Alaska comments dated May 27, 1988.)

RECOMMENDATION:

The state requests that the Nuka River drainage be excluded from the Wilderness recommendation.

RATIONALE:

The Alaska Power Authority (APA) and the NPS signed an agreement on June 16, 1986, regarding the diversion of Nuka River headwaters to provide water for the Bradley Lake hydroelectric project. There is a re-opener clause in the agreement which would allow NPS to modify the agreement after ten years, if it is determined to be in conflict with park purposes. The APA is concerned that, if this area were designated as Wilderness, it could be argued that the purpose of the park is to preserve Wilderness and, therefore, natural flows should be restored. Although the state would disagree with this position, we believe it is prudent to avoid this potential conflict by deleting the Nuka River drainage from the Wilderness recommendation.

RECOMMENDATION:

The state requests that Aialik Bay, McCarty Fjord, and West Arm be deleted from the Wilderness recommendation.

RATIONALE:

- 1) The state believes the NPS should retain the option of developing visitor facilities along some portions of the Kenai Fjords coastline. Wilderness designation would preclude development of most visitor facilities.

The state recognizes that excluding Aialik Bay, McCarty Fjord, and West Arm from the Wilderness recommendation may not be the only way to retain NPS management options for visitor developments. These exclusions are proposed as one example of an appropriate mix of Wilderness and non-Wilderness lands.

- 2) The state owns all tide and submerged lands adjacent to the park and is responsible for issuing tideland leases and permits for docks, mariculture facilities, temporary camps, and other activities. Designation of coastal uplands as Wilderness may increase the potential for conflicts between the NPS and the state regarding state management of tide and submerged lands. Reducing the amount of coastline

recommended for Wilderness may minimize this potential for conflict.

- 3) There are eight unpatented gold mining claims near West Arm and McCarty Fjord within the area recommended for Wilderness. Wilderness designation in this area may make it more difficult to mine these claims.

## GATES OF THE ARCTIC NATIONAL PARK AND PRESERVE

(See State of Alaska comments dated July 18, 1988.)

### RECOMMENDATION:

The state does not support designation of the northeast preserve as Wilderness, as recommended by the NPS in the preferred alternative.

### RATIONALE:

- 1) Approximately 85 percent of the preserve (or 7.3 of 8.5 million acres) is already in Wilderness status. The EIS does not present clear rationale for designating an additional 330,846 acres as Wilderness.
- 2) ANILCA provides the NPS with ample authority to protect the land and resources of the northeast preserve. Section 201(4)(a) of ANILCA directs the NPS to manage the entire park and preserve for the following purposes, among others:

"To maintain the wild and undeveloped character of the area, including opportunities for visitors to experience solitude, and the natural environmental integrity and scenic beauty of the mountains, forelands, rivers, lakes, and other natural features; to provide continued opportunities, including reasonable access, for mountain climbing, mountaineering, and other Wilderness recreational activities; and to protect habitat for and the population of fish and wildlife, including, but not limited to, caribou, grizzly bears, dall sheep, moose, wolves, and raptorial birds."
- 3) The state understands that the northeast corner of the preserve was designated as non-wilderness preserve by ANILCA primarily to protect opportunities for sport hunting. Most hunters reach this area by aircraft. Although technically Wilderness does not prohibit or restrict aircraft access, Wilderness designation may, over time, lead to restrictions on mechanized access, including use of aircraft. Because the northeast preserve is remote and inaccessible, as noted on page 14, the state would not support curtailment of current access opportunities.
- 4) The draft EIS notes on page 55 that the Dalton Highway, part of which was opened to public use in 1981, may spur new development and demands for additional recreational access. Because most of the preserve is in Wilderness status, opportunities for the development of visitor facilities within the preserve near the road corridor are limited to

the northeast preserve. As the EIS states on page 72, "this area would not remain available for possible future development of facilities," if designated as Wilderness. As an example, the docking facilities and primitive campgrounds at Itkillik and Oolah lakes, which are contemplated under Alternative 1, (the no action alternative) would likely not be constructed if this area were designated as Wilderness.

- 5) Local sentiment does not appear to favor the designation of additional Wilderness areas in the preserve. Some residents of Anuktuvuk Pass fear that Wilderness designation will lead to eventual restrictions on subsistence hunting in the area. Residents of Coldfoot, Wiseman, and Nolan expressed their opposition to the Wilderness proposal at NPS' Wilderness public meeting on June 8, 1988, in Coldfoot.

YUKON-CHARLEY RIVERS NATIONAL PRESERVE

(See State of Alaska comments dated May 27, 1988.)

RECOMMENDATION:

The state requests that the Charley River corridor (one half mile on either side of the river) be excluded from the Wilderness recommendation.

RATIONALE:

- 1) The state asserts that the Charley River is navigable. Designation of the corridor as Wilderness could increase the potential for conflicts between the NPS and state regarding state management of the river.
- 2) The Charley River is a National Wild and Scenic River. This designation provides adequate protection of federal interests in the river corridor.

RECOMMENDATION:

The state requests that the the proposed Circle Hot Springs to Eagle road corridor and one half mile on either side of the proposed alignment be excluded from Wilderness designation.

RATIONALE:

Development of a road from Circle Hot Springs to Eagle has been discussed for years. The Alaska Department of Transportation and Public Facilities recently completed a reconnaissance study on the route. If this area were designated as Wilderness, it would be more difficult to receive approval for any future road development, as Congress must approve Title XI applications for projects within Wilderness areas.

The state notes that it will be continuing to review the Yukon-Charley Rivers recommendation based on information currently being requested from the NPS. Following this review, the state may have additional comments on this proposal.

BERING LAND BRIDGE NATIONAL PRESERVE

(See State of Alaska comments dated May 27, 1988.)

RECOMMENDATION:

The state requests that the Imuruk Lake and lands within one half mile of the lake be excluded from the Wilderness recommendation.

RATIONALE:

- 1) Options for future development in this area would be restricted if designated Wilderness. Possible developments include visitor facilities, docks, campgrounds, trails, research structures, and cabins. The EISs, in fact, list several "reasonably foreseeable" developments which would be precluded by Wilderness designation, including a dock at Imuruk Lake, a permanent air/water quality monitoring station, a permanent research structure, a five-site campground, 30 miles of trail, an interpretive sign, and a permanent reindeer herders, cabin. While it may be premature to decide to develop these facilities, the state believes that these options should not be precluded.
- 2) The state asserts that Imuruk Lake is navigable, and therefore holds title to the submerged lands. Wilderness designation of uplands surrounding the lake could increase the potential for conflicts between the NPS and state regarding state management of the lake.

ANIACHAK NATIONAL MONUMENT AND PRESERVE

(See State of Alaska comments dated August 12, 1988.)

RECOMMENDATION:

The state requests that the portion of the Wilderness recommendation adjacent to the possible RS 2477 right-of-way from Kujulik Bay to the headwaters of Lava Creek be deleted.

RATIONALE:

While development of this possible RS 2477 right-of-way is not envisioned, the state wishes to preserve maximum flexibility to improve this corridor if needed in the future. A Wilderness designation would not automatically preclude such development, but would undoubtedly make the process more difficult. Wilderness designation would also further complicate management of potential user conflicts.

RECOMMENDATION:

The NPS may wish to modify its proposed Wilderness boundary in the vicinity of state lands to protect Wilderness values from the possible impacts of adjacent development.

RATIONALE:

Wilderness values could be affected by oil and gas development occurring on state lands to the northwest of the unit. No oil and gas lease sales are currently scheduled or anticipated, but the long-term possibility of such activities should be considered by NPS.

## LAKE CLARK NATIONAL PARK AND PRESERVE

(See State of Alaska comments dated July 18, 1988.)

### RECOMMENDATION:

The state supports adoption of the Proposed Action (Alternative 1), which does not recommend any additional land for Wilderness designation.

### RATIONALE:

- 1) Approximately 65 percent of Lake Clark National Park and Preserve (or 2.6 of 4 million acres) is already in Wilderness status.
- 2) Several areas of the park which the NPS identified as suitable for Wilderness designation have complex land ownership patterns. In particular, the Cook Inlet coast between Redoubt Bay and Chinitna Bay includes extensive non-federal interests. Wilderness designation in this area would not be appropriate.
- 3) Wilderness designation could limit the NPS' ability to respond to the increasing level of visitation expected in Lake Clark. The EIS, on page 42, estimates that recreational visits will increase from 22,000 (1987 level) to 133,000 by the year 2020. Wilderness designation would restrict development of visitor facilities (e.g., campgrounds, trails, and public use cabins) and other uses and activities. The EIS, on page 47, describes several effects Wilderness designation can have over the long-term, including effects on "road locations and mileage, landing sites, extent and location of facilities, and degree of controls applied to activities such as mining, vehicle use, open and closed areas of use, and physical developments." The state believes NPS should maintain management flexibility in these areas.

NOTE: This page was inadvertently left off the attachment to State of Alaska comments on the NPS final EISs for the thirteen Alaskan park units, dated November 14, 1988.

KOBUK VALLEY NATIONAL PARK

(See State of Alaska comments dated August 29, 1988.)

RECOMMENDATION:

The state opposes designation of additional lands within the Kobuk Valley National Park as Wilderness.

RATIONALE:

- 1) Wilderness designation of the Salmon River drainage would increase the difficulty involved in gaining federal approval for a potential access route from the Red Dog port facility to the Ambler mining district. Given the scope of the Ambler district mineral deposits and the likelihood that they will be developed, the state can not support adoption of a land use designation which could complicate development of the access route.
- 2) Residents of northwest Alaska do not appear to favor designation of additional Wilderness lands. At the public meeting the NPS held on July 29, 1988, in Kotzebue, representatives of the Northwest Arctic Borough, Maniilaq Association, and NANA Regional Corporation spoke against additional Wilderness. In addition, many local residents expressed concern at the public meeting on July 28, 1988, in Kiana about the effects of Wilderness designation on their traditional lifestyles.
- 3) The state is concerned that, over time, public pressures could lead NPS to manage traditional subsistence, recreational and commercial uses in designated Wilderness areas more stringently than is currently envisioned by the NPS or described in the EIS. We are concerned that rural Alaskans who use the park will see rights and opportunities accorded to them under ANILCA (e.g., use of snowmobiles, motorboats, and airplanes) eroded as the NPS responds to pressures from other park users and national constituencies.
- 4) Wilderness management of lands adjacent to the Kobuk River could be complicated by the presence of 13 Native allotments and extensive motorized traffic along the Kobuk River. The state does not believe Wilderness designation would be appropriate in this highly used area.



## ALASKA OUTDOOR COUNCIL, INC.

3780 McGINNIS DR. JUNEAU, AK 99801  
(907) 789-3450

# WILDERNESS POSITION

January, 1989

The Alaska Outdoor Council is taking a firm position against the creation of additional wilderness in Alaska until independent comprehensive studies have been completed to evaluate the impact of existing wilderness areas on Alaskans and outdoor users.

The Alaska Outdoor Council is the largest conservation organization in Alaska with 52 affiliated sportsmen and outdoor user organizations and a collective membership of over 10,000 Alaskans.

The Council wishes to clearly state that it supports the concept of designating some areas as "Wilderness". It is, however, against the indiscriminate designation of wilderness areas just to foreclose all development or to stop traditional hunting, fishing and trapping, or public recreational pursuits. The Alaska Outdoor Council recognizes that representative wilderness parcels are important segments of Alaska's land planning and management systems. It should not, however, be used as a panacea for all land management woes.

In 1980, Congress created 56.28 million acres of instant wilderness in Alaska with the passage of the Alaska National Interest Lands Conservation Act (ANILCA). The legislation also placed in motion the review of another 84.80 million acres of Federal lands for possible inclusion into the Wilderness system.

The question is, what has happened to public uses on the 56+ million acres of wilderness since 1980? Have the implementing regulations followed the intent of Congress? Have traditional outdoor recreational uses and subsistence activities been integrated or systematically restricted or eliminated through implementing regulations? What has been the economic impact of the wilderness classification?

Unfortunately, there has been no comprehensive review of the impact of wilderness designations on the life styles and economies of Alaskans. For that matter, wilderness impact studies are practically non-existent for the entire 90+ million acre Wilderness System in the United States today. Lacking such studies, it seems ludicrous to consider doubling the entire Wilderness system.

The Alaska Outdoor Council has received numerous complaints from its members that the Federal agencies have not complied with the intent of Congress when ANILCA was passed. At least 18 exceptions to the Wilderness Act were built into ANILCA to guarantee that Alaskan life styles would be integrated into any wilderness management system in Alaska.

The Alaska Outdoor Council is concerned that although there are positive and distinct habitat protection and other human outdoor values from wilderness classifications, there may be significant negative recreational and other Alaskan uses trade-offs which must be identified and evaluated before proceeding further with any additional "wilderness designations".

A 1988 Idaho study conducted by Trent Clark and Stephen Ford was summarized in a report entitled "Analysis of Wilderness/Non-Wilderness Acreage and Recreation Visitor Day Trends on National Forest System Lands". Some of the conclusions give us great cause for concern about the potential impact of wilderness designation on outdoor recreational opportunities. In particular, it was concluded that "the designation of 1.4 million acres of wilderness this year (in Idaho) could cost Idaho's recreation industry \$730 million a year by the year 2000".

It is also imperative that the Federal managing agencies be forced to comply with the intent of Congress when it designates special exceptions for each wilderness area. Independent evaluations are the only way to carefully scrutinize how accurately the agencies have interpreted the intent of Congress in dealing with special Alaskan problems recognized in ANILCA.

Once Alaskan wilderness areas are carefully evaluated it can be determined if corrective legislative language is needed or whether the wilderness classification is actually suitable for Alaskans. If the legislative intent structured in the 1980 legislation is not being strictly followed then it makes sense to write even tighter legislation for future wilderness designations to guarantee agency compliance.

The Alaska Outdoor Council joins the National Rifle Association of America in opposing any expansion of the National Wilderness System until a comprehensive study of wilderness impacts in Alaska is completed and acceptable guarantees are built into future Wilderness designation legislation which protects outdoor user access, valid outdoor recreation pursuits, subsistence uses and sportsmen hunting, fishing and trapping activities.

It is the intent of the Council to place "Wilderness Designations" as one of its top priorities. Major emphasis will be placed on acquiring State and Federal funds for proposed studies, soliciting assistance from national sportsmen and outdoor user organizations plus directing Council resources towards public education and legislative lobbying in both Alaska and Washington, D.C.

The Council is transmitting this position statement to Alaskan political leaders and the Federal agencies now reviewing wilderness options in Alaska. The intent is to solicit support for our position and to request that our position of opposition be included in any agency reports to Congress.



# Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

## ISSUE PAPER: SJR 22 - FEDERAL WILDERNESS AREAS IN THE STATE

The Alaska Environmental Lobby strongly opposes SJR 22. Wilderness is a management option which is extremely valuable for Alaska, and which is strongly supported by many Alaskans. It would be very poor public policy to foreclose so useful an option.

Wilderness is Alaska's most valuable resource. It is a commodity which is growing increasingly scarce, and our state is one of the few places able to satisfy the demand. It is the existence of grand and wild country that is the basis of our thriving tourist industry. Wilderness also gives us a benchmark against which to measure the changes in our world; an issue of greater urgency as words like "ozone" and "greenhouse effect" become part of our everyday life.

Federal wilderness in Alaska is a very flexible classification that allows such activities as traditional airplane and snowmachine access, personal use timber cutting, trapping and hunting, guaranteed access to inholdings, mining on existing claims, and development of visitor facilities such as campgrounds and trails. Subsistence activities are specifically provided for. Those who are not physically able to do more strenuous wilderness activities can fly in and take guided raft trips; handicapped recreation programs commonly go on ski-and-dog sled trips on the wilderness glaciers around Denali. I have personally guided far more people than I can count who were not outdoor types at all, and they have found the wilderness to be both accessible and enjoyable. And I have encountered peniless adventurers in the most remote places; people who found that economics were no barrier to the innovative.

Alaska has plenty of land upon which tourism and other development can proceed, but it is essential to conserve the key wild areas upon which tourism depends. The recent federal proposals are notable mainly for their minimal emphasis on wilderness and their promotion of such major developments as tramways onto the Harding Icefield. A number of Alaskans are actively working to strengthen - NOT weaken - those proposals.

Wilderness enhances, rather than blocks, the opportunities for traditional activities; and ensures a stable base for future options in tourism, science, and human sanity. We ask you to take a positive look at the benefits it offers to our long-term quality of life.

February 22, 1989  
by Bill Glude

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER SIERRA CLUB • JUNEAU GROUP SIERRA CLUB • SITKA GROUP SIERRA CLUB  
KNIK GROUP SIERRA CLUB • DENALI GROUP SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY  
DENALI CITIZENS COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY  
KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • ALASKA WILDLIFE ALLIANCE  
SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL  
ANIK RANGITS AND NAIKERE



## Alaska Loggers Association Position Statement

SJR 22 - Relating to federal wilderness areas in Alaska

February 22, 1989

The Alaska Loggers Association fully supports SJR 22 in calling for a halt to any increase of federal Wilderness in Alaska. The 57 million acres of current federal Wilderness designations in Alaska makes up 62 percent of all Wilderness in the United States. In Southeast Alaska alone, 40% of all federal land is Wilderness (Forest Service and National Park lands).

Legislation has recently been introduced in Congress by Representative Mrazek which would establish 23 new Wilderness areas in the Tongass, comprising 1.8 million acres. If enacted, this would bring the Wilderness land base to 50% of all federal lands in Southeast Alaska. This addition to already excessive Wilderness would be a senseless addition to blind land management.

The federal land management planning process such as the current Tongass Land Management Plan is the best tool for designating land uses. The land planning process allows more flexibility by providing a variety of levels of use and protection.

The public planning process allows local citizens a better opportunity to say how the land should be used. Congressional Wilderness withdrawals take away the ability of the citizens of Alaska to make future land use decisions. If changes are needed in land plans, they can be revised without an act of Congress.

We fully agree with the resolution language that an increase in Wilderness is "unnecessary, unacceptable and against the best interests of the residents of the state."

STATE OF ALASKA

Criteria for Review of Federal Wilderness Proposals

The State of Alaska recommended the following areas be excluded from Wilderness designation.

1. Areas where Wilderness designation would eliminate, reduce or restrict existing uses, structures or activities that are allowed by the Alaska National Interest Lands Conservation Act (ANILCA) and are not degrading resource values;
2. Areas where there is a current or foreseeable interest in or need for:
  - a) FWS visitor facilities or recreational development (e.g., visitor centers, campgrounds, trails, lodges, public use cabins);
  - b) developed access (e.g., roads, airstrips, docks, helicopter landing sites);
  - c) state or federal administrative/management facilities (e.g., ranger stations, air/water quality monitoring stations, research facilities);
  - d) utility corridors or facilities (e.g., pipelines, power transmission lines, remote communications equipment);
  - e) habitat manipulation or permanent fisheries improvement facilities;
  - f) mariculture, commercial fishing, and/or oil and gas support facilities;
  - g) core sampling or seismic studies;
  - h) hydroelectric or geothermal development;
  - i) sand and gravel removal;
  - j) commercial timber harvest;
  - k) oil and gas leasing.
3. Areas with valid and/or patented mining claims;
4. Areas that have reasonable potential for inclusion in land exchanges or where unit boundaries are in dispute;

February 21, 1989

5. Areas where cabins or other structures are used for commercial (e.g., guiding or commercial fishing) or residential purposes;
6. Areas where mechanized equipment (e.g., chainsaws, generators) has traditionally been used to support commercial, recreational, subsistence, or management activities;
7. Areas immediately adjacent to roads, mining activity, recreational facilities, land with oil and gas potential or existing leases, or other existing or proposed development;
8. Areas where off-road vehicles have been traditionally used; and,
9. Areas immediately adjacent to state lands, navigable waterbodies, submerged lands, tidelands, and possible Revised Statute (RS) 2477 rights-of-way.

# Alaska State Legislature

JUDICIARY  
CHAIRMAN  
907-465-4523

JAN FAIKS  
POST OFFICE BOX V  
JUNEAU, ALASKA 99811

## Senate

February 6, 1989

FEB 7 1989

### MEMORANDUM

TO: Senator Bettye Fahrenkamp  
Chairman, Senate Resources Committee

FROM: Senator Jan Faiks  
Chairman, Senate Judiciary Committee

SUBJECT: SJR 22 "Relating to Federal Wilderness Areas  
in Alaska"

SJR 22 has been referred to the Senate Resources Committee for its consideration. I request that you schedule it to come before your committee at its earliest convenience. The resolution calls on Congress and the federal government to stop any further increase in the acreage committed to wilderness designation in Alaska. SJR 22 promotes efforts to trade land to improve or consolidate wilderness area.

The resolution was written at the request of our congressional delegates who felt it was essential to convey the Alaska Legislature's opposition to further increases in federal wilderness in Alaska. Congress is considering adding approximately 12 million acres to the wilderness area in our state.

Almost half of the Arctic National Wildlife Refuge (ANWR) is designated wilderness. When added to lands under similar designation, almost 92% of ANWR is currently not available for development. Congress is now considering wilderness designation for the remaining 8 % of ANWR. Eliminating oil exploration in the most promising area of the entire U.S. would inflict irreparable and long-standing harm on Alaska's already withered economy.

Wilderness area in Alaska totals 57 million acres, an area nearly comparable in size to that of the entire state of Oregon. A total of 62% of the federal wilderness in our nation is here in Alaska. Under the Alaska National Interest Lands Conservation Act (ANILCA) of 1980, Congress set aside 104 million acres in conservation units. Overall, Alaska has 158 million acres already set aside in federal conservation

OUT OF SESSION

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

### DIVISION OF GOVERNMENTAL COORDINATION

STEVE COWPER, GOVERNOR

P.O. BOX AW  
JUNEAU, ALASKA 99811-0165  
PHONE: (907) 465-3562

February 22, 1989

The Honorable Bettye Fahrenkamp  
Chairman, Senate Resources Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

At your request, I am writing regarding the Administration's position on Senate Joint Resolution 22.

As you are aware, the State has long maintained that wilderness designation is not mandatory to achieve any State interest. The State has pursued the interest of SJR 22 on several fronts. Generally, the State attempts to negotiate area specific recommendations with the Department of Interior (DOI). This is done initially with the federal agency director in Alaska. The Alaska Land Use Council forum is utilized, where appropriate. The State's Washington office has also assisted in bringing these issues to the attention of the Alaska delegation and to continue negotiation efforts with the DOI.

The State's experience has led us to conclude that focusing on wilderness proposals individually is the most effective way to influence DOI's wilderness proposal process. Recent examples include:

- 1,000,000 acre deletion from Denali National Park to provide for Kantishna mining area access and tourism development.
- A provision to allow access of an electrical transmission line from Bradley Lake to Anchorage across the Kenai Refuge.
- Ambler mining district exclusion.

In addition, DOI appears to be willing to recommend to Congress the deletion of several bays (of commercial fishing interest) from the present Glacier Bay wilderness.

The State is likewise attempting to influence the DOI area management planning process. These federal lands exist throughout Alaska. While these management plans do not recommend wilderness

February 22, 1989

classification, they nonetheless can have serious ramifications for Alaskans. For instance, the State has sought provisions to allow for lake fertilization and hatchery development in the Kodiak Refuge and has secured valuable access rights with navigable rivers arguments. We will continue to advocate for these interests as the federal land planning process evolves.

Thank you for the opportunity to comment. Please call if you have questions.

Sincerely,



Robert L. Grogan  
Director

cc: Senate Resources Committee  
Members

# Alaska Wilderness

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*How much  
is too much?*

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© 1988 by the Wilderness Society

## Federal Wilderness in Alaska



If 57 million acres of designated Wilderness were added to one state, it would be the 11th largest state in America or larger than the combination of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware and Maryland.

### Comparative state acreage:

10. Oregon .....	62 million acres
11. Alaska designated Wilderness .....	57
12. Utah .....	54
13. Minnesota .....	54
14. Idaho .....	53
15. Montana .....	52

## Federal Lands in Alaska

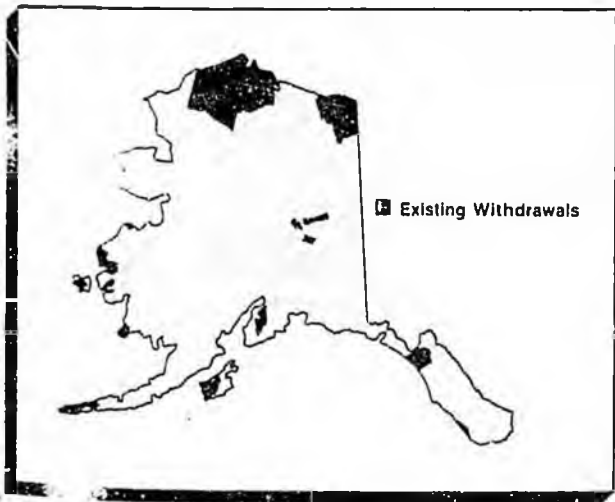


The 220 million acres of federal lands within Alaska alone would comprise the second largest state in the union. This acreage, a large portion of which severely restricts or prohibits economic development and public access, is comparable in size to the following combination of 15 eastern states or more than three West Coast states as shown above.

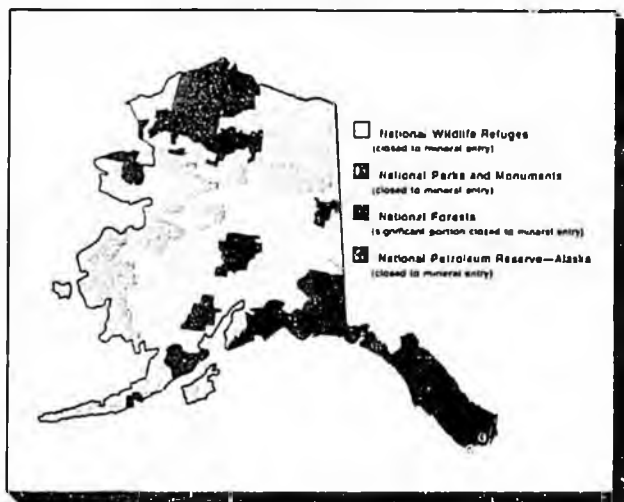
Maine (21.2)	(millions of acres)	Pennsylvania (28.9)
New Hampshire (5.9)		Ohio (26.4)
Vermont (6.1)		Delaware (1.3)
Massachusetts (5.3)		Maryland (6.7)
Rhode Island (.7)		Virginia (26.1)
Connecticut (3.2)		North Carolina (33.7)
New York (31.4)		South Carolina (19.9)
New Jersey (4.9)		

## Alaska Land Withdrawals

Pre-1971



Post-1980



# Opportunities

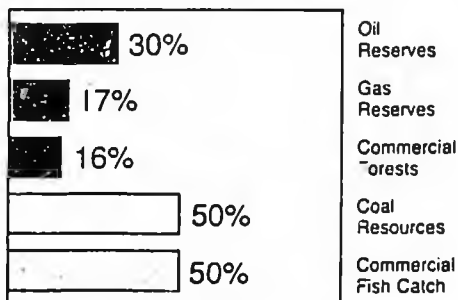
The 49th star of America is a challenging land, for beneath all its vast climatic and geologic diversity lies much of the future wealth and security of the United States.

Alaska is indisputably a land of tremendous resource potential, abounding in rich opportunity. With its vast resources, Alaska has the means — and the raw materials — to help secure a prosperous America:

- With over 30 percent of the proven oil reserves in the U.S., the surface of Alaska's huge petroleum potential has only been scratched.
- Trillions of cubic feet of natural gas lie under Alaska's arctic coast.
- At several trillion metric tons, Alaska's coal reserves are estimated to equal the total coal reserves of all other states combined.
- Strategically, Alaska is a vast domestic source of critical minerals. Of the 30 minerals that the U.S. must now purchase abroad, 22 are found in Alaska.
- Alaska's timber potential is measured in billions of board feet.

With its key geographic location, Alaska is the hub of the vital air corridor for the Western Hemisphere and the front line defense for North America. Perched on the Pacific Rim, Alaska is poised to be a major force in International trade, and a vital contributor to the security and economic well-being of the U.S.

**Alaska's percentages  
of total U.S. resources**



# Wilderness

The crown jewels of Alaska were acknowledged by Congress in 1980 when it established 104 million acres of conservation system units in the state through the Alaska National Interest Lands Conservation Act (ANILCA). Overall, 158 million acres in Alaska have been set aside into federal conservation units. These units, which nearly equal the combined size of California and Oregon, comprise 70 percent of America's national parks and 90 percent of its wildlife refuges. They are tightly restricted and regulated to assure strict environmental protection.

Designated Wilderness is not a term that means just an uninhabited piece of land. It is federal zoning where development of any sort is statutorily prohibited:

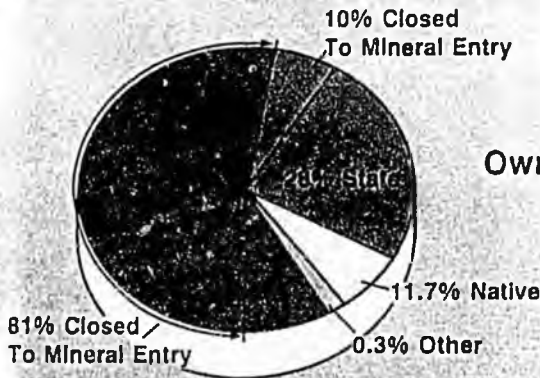
- No commercial activity is permitted, including the construction of public and private recreation facilities.
- With a few exceptions, roads as well as new access trails and cabins are banned.
- Resource development, including hydroelectric generation, timber harvesting, commercial fishing, oil development and new mineral entry is not allowed.

The facts show Alaska has more than its fair share of designated Wilderness.

- Alaska has some 33 million acres of designated Wilderness in its national parks, 18.6 million acres in national wildlife refuges and some 5.4 million acres in national forests.
- Alaska contains 57 million acres of designated Wilderness — 62 percent of all federal Wilderness in the United States.

Throughout Alaska a cumulative overlay of federal and state land withdrawals restricts or prohibits development. With the exception of the narrow trans-Alaska pipeline corridor, it is impossible to cross the vast mainland of Alaska from south to north without entering at least one restrictive conservation unit.

Wilderness and other land withdrawals preclude multiple uses, effectively foreclosing on future opportunities to explore for and develop Alaska's vast natural resources. These withdrawals embrace the valuable resources needed by Alaska to develop flourishing industries to support itself and its people.



## Who Owns Alaska?

378 Million Acres

## Wilderness and Energy

The nation's increasing dependency on foreign oil makes it more vulnerable to petroleum price increases and oil supply disruptions. The inherent risks will only grow larger with the continued withdrawal of hundreds of millions of acres of federal lands from petroleum exploration and development.

America's oil industry is struggling to replace the petroleum now being produced from domestic oil and gas fields. Most of these fields are in a declining state of production and require new technology to enhance recovery. Land withdrawals are limiting new operations to areas that have already been heavily worked over.

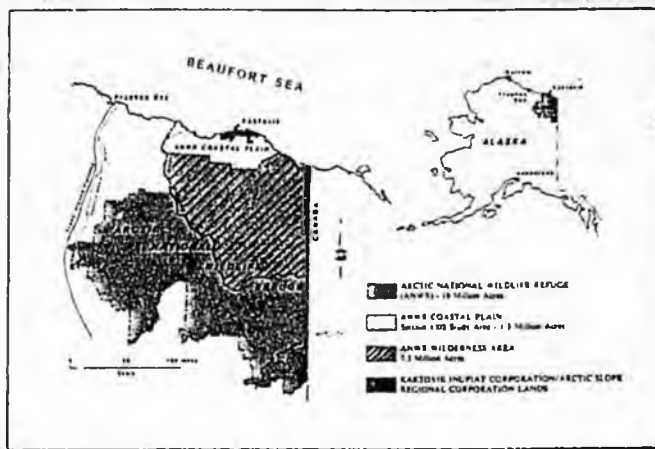
Along with conservation, the best opportunity for reversing the nation's increasing reliance on foreign crude is finding more domestic oil. But only a fraction of federal lands are being leased while millions of acres are being withdrawn into federal designations prohibiting development.

The energy industry is not seeking to open designated Wilderness areas to oil and gas exploration and development. However, it is deeply concerned with proposals to add millions more acres of federal lands across Alaska into the wilderness system.

## Mapping Alaska's Vast Potential

A case in energy security is pending before Congress and needs America's attention.

The Coastal Plain of the Arctic National Wildlife Refuge (ANWR) is considered this nation's most outstanding onshore petroleum prospect. ANWR is located 65 miles east of Prudhoe Bay, the largest oil field in North America.



The part of ANWR being considered for oil and gas development — the 1002 area — represents 8% of the total wildlife refuge. However, 47% is already designated Wilderness.

Nearly half of ANWR's 19 million acres is already closed to development under a Wilderness designation. When combined with similarly managed lands within the refuge, some 92 percent of ANWR is off-limits to development. Legislation to designate the remaining 8 percent of the refuge Wilderness, including the Coastal Plain where large oil reserves are thought to exist, is being considered by Congress.

A significant portion of the Coastal Plain is included in the designated Wilderness zone. This frequently overlooked portion of the Coastal Plain adjoins Canada's three million-acre Northern Yukon National Park, also closed to development. Together these closed areas provide a major continuum of Coastal Plain Wilderness that would remain untouched by oil and gas development.

Even under a full leasing scenario and assuming development of three major prospects outside the Wilderness zones, petroleum operations would affect fewer than 15,000 of ANWR's 19 million acres. This is less

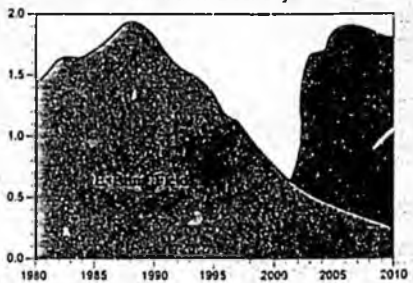
than one-tenth of one percent of the refuge. Over 99 percent of the area would remain untouched.

The Department of the Interior, the State of Alaska and some 80 percent of the state's residents — including Eskimos who live on the North Slope — favor oil and gas development on the Coastal Plain.

It would take up to 15 years after a lease is acquired before an oil field in ANWR's remote arctic environment could be brought into production. During that period, environmental studies would continue and advances in technology would further ensure development takes an environmentally-sound approach.

### Potential Alaska North Slope Production (With ANWR)

Million Barrels Per Day



# The Price Tag \$

# Beyond

What has been the environmental price tag of developing Alaska's energy reserves? More than 20 years of development and production show insignificant consequences. Intensive monitoring programs show no evidence that oilfield activities have produced any measurable change in the populations of fish or wildlife species that visit the North Slope. In addition, development has not intruded on designated Wilderness. In fact, federal Wilderness in Alaska has expanded, diminishing the state's energy, mineral and timber base.

What would be the costs to the nation if Prudhoe Bay had not been developed? A reflection on the positive economic benefits of Alaska oil production provides the answer:

- Prudhoe Bay accounts for about 25 percent of U.S. oil production.
- In 1987, Alaska oil production cut America's energy bill for imported oil by over \$12 billion.
- Alaska oil production supported 7,800 direct jobs within the 49th state in 1987 and many more nationwide. It also accounted for 85 percent of all state revenues.
- The oil industry has spent over \$44.8 billion developing North Slope oil fields. At least \$10.5 billion was spent in all 50 states between 1980 and 1986.
- Alaska has collected \$26 billion in revenues from North Slope oil production.

While a Wilderness designation across the Coastal Plain would increase Alaska's Wilderness block by less than three percent, the opportunity costs of denying America 25 percent of its future domestic oil production would be enormous. A major find on the Coastal Plain could cut the nation's energy bill for imported oil by **tens of billions of dollars annually**. Furthermore, development of a major ANWR oil field would create **tens of thousands of jobs nationwide** by the year 2005, generating **billions of dollars in annual salaries**, while strengthening America's energy future.

It is vital that oil and natural gas resources underlying federal onshore and offshore lands be explored and developed to reduce the nation's growing dependence on foreign oil. An approach encouraging exploration and development in a timely manner is the only way to ensure environmentally-sound development.

New Wilderness designations are unwarranted and unjustified in a state where so much natural and designated Wilderness already exists. State and federal lands in Alaska are managed to very high standards to protect the environment. It is not clear that an additional layer of protection is needed. But, it is clear that Wilderness designations result in stiff and inflexible management. The present management system in non-designated Wilderness areas provides a more responsive and flexible system, allowing management decisions that are sometimes necessary when an unexpected need arises — without an act of Congress.

Since nearly all Wilderness designations in the past have been made without any consideration of the cumulative social and economic impacts created by such withdrawals, there is a need to stop and reflect upon the costs of federal Wilderness and a multitude of state designations before any further additions are considered.

Alaska has contributed greatly to the nation's wilderness system and should not bear the cost of more restrictive set-asides.

- With your help, Alaska can make a contributing difference to the security and economic well-being of America.
- Pass this brochure to someone who needs to know more about Alaska land facts.
- If you agree that our country needs energy security through sensible development, write your Congressional representative today.

## Resource Development Council for Alaska, Inc.



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FAX 276-3887

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ADDRESS CORRECTION  
REQUESTED

## Resource Review

February 1989

Ms. Bettye M. Fahrenkamp  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

# Prudhoe production enters new phase

## Cost-per-barrel will rise

by Carl Portman

Oil production from the super-giant oil field at Prudhoe Bay is entering a new phase. With over half of Prudhoe's recoverable oil already produced, tapping new economic reserves from the big field will become increasingly difficult and expensive with the cost-per-barrel rising substantially.

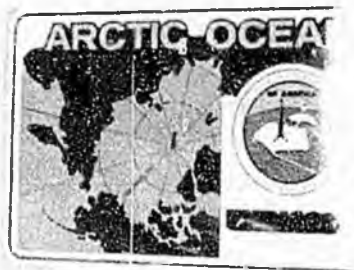
The Prudhoe Bay and Kuparuk fields have now reached a point where their ongoing development is a series of individual projects, large to small. Each project is coordinated with others, but each is largely dependent upon its own economics.

Much of the oil yet to be produced on the North Slope is located within the Prudhoe Bay reservoir. Prudhoe will produce about 11 billion barrels, leaving another 11 billion barrels trapped in the reservoir. Advancing technology may allow up to several hundred million barrels of that oil to be economically recovered, equal to discovering a major new oil field like Endicott or Lisburne.

"The Prudhoe Bay field is so large that people often overlook its enormous potential for marginal production," according to BP Exploration's Jim Buckee, Vice President, Development Programs.

With Prudhoe's natural decline approaching, engineers are looking for ways

(Continued on page 6)



Tapping new economic reserves from Prudhoe Bay will become more difficult and expensive as the field matures. Photo by Carl Portman.

JOBS

Multiple Use and Resource Opportunities for Alaska  
... see program update pages 4-5

# RDC Director addresses President Bush

January 31, 1989

The Honorable George Bush  
President of the United States  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear President Bush:

Congratulations on being elected President of the United States. Our thoughts are with you as you take office and begin to shape history.

I have enclosed a letter commending your strong and prudent stand on the opening of the ANWR coastal plain to oil and gas development. It was sent to over 200 newspapers across the country.

As you know, in the heat of the protectionist feeding frenzy of the 1970s, a compromise was struck to have Dept. of Interior look at the so-called 1002 (h) area more closely for all its values, then report to Congress.

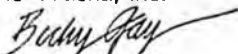
This was done. Unfortunately, especially for Alaskans, another lands battle has ensued. A "mini-D2; Son of ANILCA; Return of the Public Land Battle" real-life drama is going on, with Alaska lands supposedly every Congressman's "cheap, environmental vote."

In the midst of all the rhetoric about ANWR, it was a real blessing to hear your clear-cut message on the subject.

Thank you again for your foresight and conviction.

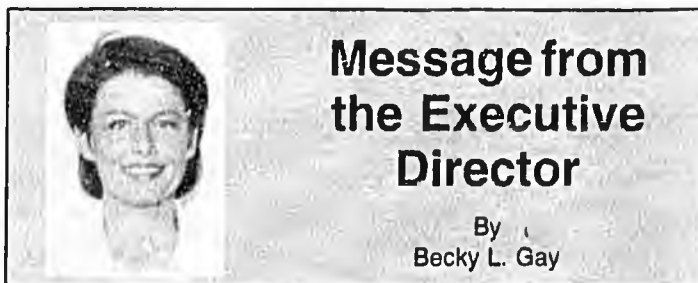
Sincerely,

RESOURCE DEVELOPMENT COUNCIL  
for Alaska, Inc.



Becky L. Gay  
Executive Director

cc: Senator Ted Stevens  
Senator Frank Murkowski  
Congressman Don Young  
Secretary of the Interior Manuel Lujan, Jr.



Open letter to:

February 1989

Mayor Jerome Selby, Kodiak Island Borough  
President, South West Municipal Conference  
Kodiak, Alaska 99615

Dear Jerome:

Thank you so much for your kind hosting of the South West Municipal Conference, Jan. 20-22.

I commend you for an excellent regional attempt at pursuing economic development from the local level up.

It was especially rewarding to see Senator Fred Zharoff, Representative Cliff Davidson and Representative George Jacko spend their time at the forum, learning and listening.

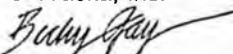
Pursuing SWMC goals while educating on issues made the conference worthwhile. Bringing the financiers to the community was an excellent stroke. Getting the weather to cooperate so that all the important people who attended were captured for one more day in Kodiak was quite clever! I am still not sure how you did it.

Of course, you do have John Levy to assist you and he is very experienced in bad weather. Congratulations to the both of you for the very fine time had by all!

I am sure we will be working closely together on issues ranging from essential air service and marine transportation to how to finance resource development in Alaska.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL  
for Alaska, Inc.



Becky L. Gay  
Executive Director

P.S. Thanks to all the people who made my Superbowl Sunday layover so delightful.

<p><b>Resource Development Council, Inc.</b></p> <p>The Resource Development Council (RDC) is Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in an orderly manner and to create a broad-based, diversified economy while protecting and enhancing the environment.</p>	<p><b>Executive Committee Officers</b></p> <p>President ..... J. Shelby Stasny Vice President ..... Ethel H. "Pete" Nelson Vice President ..... John Forceskie Secretary ..... Stephen Ellis Treasurer ..... Larry Laughman Past President ..... Joseph Henri</p> <p><b>Staff</b></p> <p>Executive Director ..... Becky L. Gay Public Relations Director ..... Carl Portman Finance and Member Services Director .. Anne M. Bradley Projects Coordinator ..... Debbie Reinwand Staff Assistant ..... Kimberly R. Duke</p>	<p>Resource Review is the official monthly publication of the Resource Development Council, Box 100516, Anchorage, Alaska 99510 — (907) 276-0700.</p> <p>The RDC business office is located at 807 G Street, Suite 200, Anchorage.</p> <p>Material in the publication may be reprinted without permission provided appropriate credit is given.</p> <p>Carl Portman Editor &amp; Advertising Manager</p>
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# Big "W" Wilderness...

(Continued from page 3)

further additions to the statutory Wilderness inventory threaten Alaska's future economic viability. With the passage in 1980 of the Alaska National Interest Land Conservation Act an assurance was given that there would be no more additions to the big "W" type of Wilderness. Don't forget that ANILCA set up a complicated system of land ownership and classification as well as management designations on the federal public domain. Consequences include greatly reduced access and severe restrictions on many development opportunities especially in mining. Now, despite the assurances of the ANILCA "no more Wilderness" provision, moves to the contrary are under way. In 1984, just four short years after passage of ANILCA, the Wilderness Society (for sure with a big "W"), in a flagrant abrogation of trust, devised an agenda to grab more withdrawals of the restrictive big "W" type. Such action was needed, they say, to correct "serious omissions and weaknesses" in the original ANILCA legislation. There are several components to the Wilderness Society 1984 agenda which should raise anger in the hearts of Alaskans. Let me list a few.

Firstly, Wilderness Designation is sought for the Coastal Plain of the Arctic National Wildlife Refuge. This location is probably the site of America's last onshore jumbo-sized oil reservoir, the drilling and development of which is crucial for Alaska.

Then the Wilderness Society seeks repeal of Section 705 of ANILCA, which mandates an annual offering of 450 million board feet of timber from the Tongass National Forest. Repeal could cripple Southeast Alaska's timber industry.

Thirdly, the agenda seeks designation of the 23.5 million acres contained in the National Petroleum Reserve Alaska as a National Wildlife Refuge — only one step removed from statutory Wilderness and a move that would preclude oil, gas and mineral development in an area of enormous potential.

Then there is the proposal to designate 150,000 acres surrounding the Quartz Hill molybdenum mine near Ketchikan as Wilderness. This is a transparent move to derail and prevent efforts to develop this property, which contains 10 percent of the world's known molybdenum reserve.

Close to home in Fairbanks, the Wilderness Society wants to confer Wildlife Refuge or Wilderness status over the entire Steese/White Mountain Conservation Area. This action would permanently lock up known highly prospective mineral terrain.

In yet another proposed action, the Wilderness Society wants to revoke a provision in ANILCA that provides for access across the southern boot of the Gates of the Arctic National Park and Preserve. This is access which may be essential for major mining projects in the Ambler district and elsewhere in Northwest Alaska.

Driving the nail into the coffin, the Wilderness Society wants to mandate Wilderness review for 76 million acres of BLM land — a move that would surely end any vestige of true multiple use management on the federal public domain by the BLM.

The list of agenda items goes on and the effect of even limited success by the Wilderness Society could be extremely grave for Alaska.

Alaska is primarily a resource state; a provider of new wealth from its lands in the form of oil and gas, coal, minerals, and timber, as well as fish from its waters. Each and every item of the Wilderness Society agenda is a major threat that seeks to foreclose on legitimate and vital economic endeavor in Alaska.

To gauge the seriousness of the threat be aware that bills addressing the first three agenda items were introduced during the last session of Congress.

Passage of Tongass National Forest legislation is highly likely in 1989. An ANWR bill allowing drilling in the 1.5 million acres of the coastal plain — if it passes — will certainly not be without a steep price in terms of "trade offs."

The public must wake up to the fact that when Congress (prodded by the Wilderness Society) in its "infinite wisdom" legislates new Wilderness it is not of the benign variety that is user-friendly, but rather the crippling restrictive kind that stifles economic opportunity and is intolerant of human presence.

I maintain that more Wilderness is contrary to Alaska's best interests. Alaska needs more big "W" Wilderness about as badly as an Amazon Indian needs antifreeze for his dugout canoe!

# New oil production...

(continued from page 6)

of fields like Niakuk much more difficult, if not impossible.

Despite years of experience with onshore development, even small fields located on land can face this problem. Companies must still negotiate permits through as many as 25 government agencies. Habitat concerns frequently result in costly stipulations being added to permits, requiring major modifications.

Even the cost of ongoing environmental monitoring is increasing. At BP's new Endicott field, environmental monitoring currently costs about \$5 million annually. Since 1981, ARCO and BP Exploration have spent about \$20 million for environmental studies pertaining just to causeways in the shallow coastal waters.

According to ARCO Alaska President Bill Wade, continuing industry investment is essential to maintaining oil production on the North Slope which could otherwise decline at a rate of up to 20 percent a year.

"That rate of decline won't be nearly as rapid because of the yearly investments being considered," Wade said.

Meanwhile, industry will be forced to take another look at its Alaska investments, given an increasingly onerous regulatory and taxation environment.

Current Alaska tax laws encourage producers to invest in new oil recovery projects. However, some state policy makers are advocating an increase in oil taxes by repealing or revising the Economic Limit Factor (ELF).

That would bring the state more money in the short term, but the consequences could mean fewer jobs, less development and less state revenue over the long term.

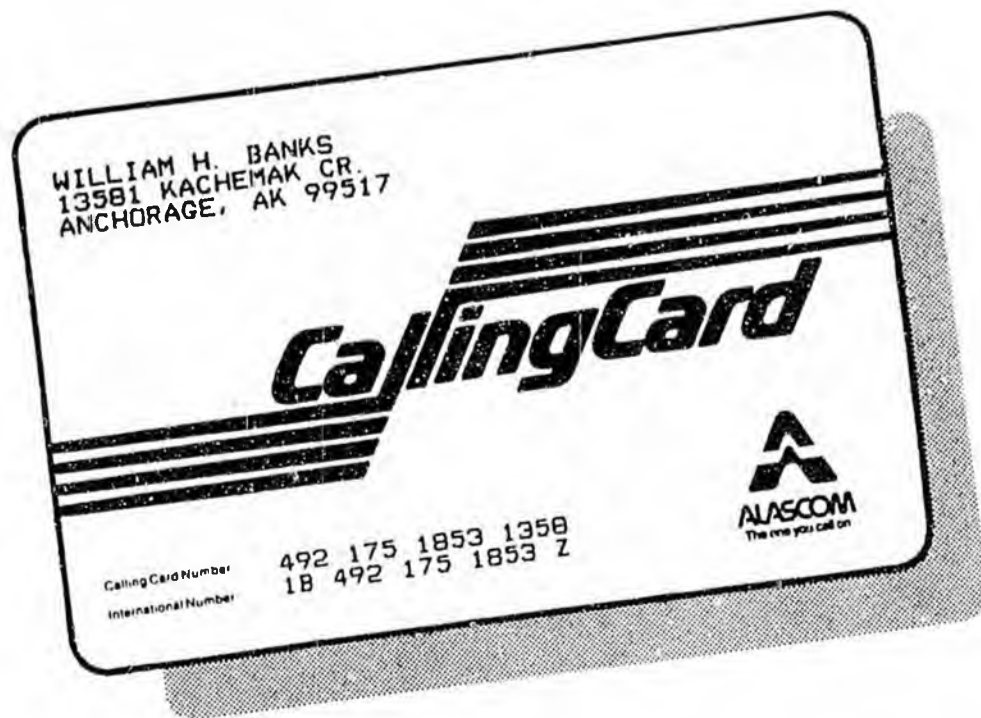
Oil taxes and royalties contribute more than 85 percent of the state's income. For ARCO, taxes are its single largest cost item, more than all other expenses combined.

The proposed revision in ELF would amount to a tax increase. Legislation would increase severance taxes at Prudhoe Bay by more than 40 percent and at Kuparuk by more than 100 percent over the next ten years.

ARCO's Wade believes that oil investments are not only the real source of Alaska's wealth, but the key to long-term health of the state treasury.

The performance of the Prudhoe Bay field has been "nothing short of phenomenal," Wade said. The plateau of oil production has been extended three years beyond the time Prudhoe production was expected to begin falling off.

Encouraging new production is the surest way to continue a healthy level of royalties and tax revenues to the state. Additional production will happen under a stable tax policy, as will further investment in technology.



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# JOBS

## Multiple Use and Resource Opportunities for Alaska

February 24-25, 1989  
Sheraton Anchorage Hotel

Friday, February 24, 1989

- 7:00 Registration and "Eye-Opener" refreshments
- 8:30 Opening Remarks, *Shelby Stastny*, President, Resource Development Council for Alaska, Inc.
- 8:40 Welcome, *Mayor Tom Fink*, Municipality of Anchorage

### Alaska Jobs Depend on Strong Industries

- Moderator, *Mano Frey*, Executive President, Alaska AFL-CIO, RDC Executive Committee member, Anchorage.
- 8:45 **JOBS! American Productivity at Stake**, *Arnie Weinmeister*, Director, Western Conference of Teamsters and Vice President, Executive Board, International Brotherhood of Teamsters, Seattle, WA.
- 9:20 **JOBS! The Coming Gold Rush**, John Zigarlick, Chief Executive Officer, Echo Bay Mines, Ltd., Edmonton, Alberta
- 10:00 **JOBS! The State's Perspective**, *Governor Steve Cowper*
- 10:30 **JOBS! Oil and Gas**, *Ben Odom*, Senior Vice President, Operations, ARCO Alaska, Inc., Anchorage
- 11:00 **JOBS! Fisheries**, *Clem Tillion*, Chairman, International Northern Fisheries Commission, Halibut Cove, AK
- 11:30 Break for the All-Alaska Expo
- 12:30

### Luncheon Keynote:

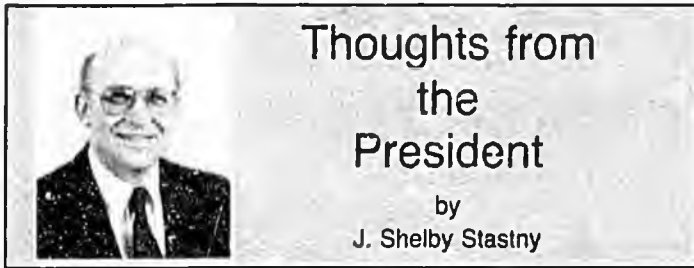
#### Resource Production in a Public Land State

*Bill Horn*, Attorney, Birch, Horton, Bittner, Cherot and Anderson, and former Under-Secretary of the Department of the Interior, Washington, D.C.

### Access Means Jobs

- Moderator, *Bill Horn*, former Under-Secretary of the Interior
- 2:10 **Title XI of the Alaska National Interest Lands Conservation Act and the RS2477 Issue**, a special panel examination featuring:  
**Public Sector Perspective:** *Mike Penfold*, Regional Director, Bureau of Land Management, Anchorage, *Walter Stieglitz*, Regional Director, U.S. Fish & Wildlife Service, *Tom Hawkins*, Assistant Commissioner, Alaska Department of Natural Resources.

# Final countdown to JOBS conference



## Thoughts from the President

by  
J. Shelby Stastny

**QUESTION:** Why is the Resource Development Council holding a JOBS conference?

**ANSWER:** Alaskans want to pursue their choice of job and lifestyle in the Greatland and the state's abundant resources offer the best solution to economic diversification and new job creation.

The countdown to RDC's annual conference on February 24-25 is underway and as you can see from the updated conference agenda on pages 4-5, the array of speakers will be impressive and the topics covered will be informative.

Jobs and the creation of new employment opportunities are of utmost importance to all Alaskans, and RDC takes pride in hosting this event. The list of outstanding speakers confirmed for the conference includes those whose innovative efforts have created jobs, and reports from others of jobs that could be created if the political and economic climate of our state would allow specific efforts to proceed.

We will hear from industry, labor and government leaders as well as the founders of pro-development national activist groups. Detailed presentations focusing on employment trends within each resource sector will be featured. Key roadblocks to job growth will be identified with emphasis on overcoming obstacles to new job creation. Participants will learn about pending access issues which may help or kill future resource development opportunities. There will be eye-opening discussions about multiple-use land issues and the human factor in intelligent resource allocations.

As Alaskans we must demand economic accountability from our public officials regarding unnecessary regulations which impede the private sector's ability to create economic activity and jobs.

Speaking to a group of business and education leaders in Anchorage last month, Lodwick M. Cook, Chairman of ARCO, said "If the extremist element of the environmental movement wants a pristine environment with no traces of human activity, they must accept the economic consequences that go with it and then the American people should be given all of the facts." Cook added, "The environmental leaders should have to tell us how many U.S. jobs, how much of our standard of living, they are asking us to sacrifice."

Cook pointed out that much business activity today requires an Environmental Impact Statement. He asked, "Shouldn't we also require another EIS — an economic impact statement of equal stature? Only then will we really understand the tradeoffs."

In his presentation, Cook noted Alaska state law requires that water overflow from holding pits at Prudhoe Bay meet drinking water standards. Cook said that "water naturally standing in pools all over the North Slope doesn't meet drinking water standards." He continued, "At a time when there are very serious threats to the environment all around the world, demanding drinking water standards from holding pits seems to me to be overreaching."

We all know that similar water standards have recently shut down many of the state's placer mining operations, eliminating jobs in rural Alaska.

Alaska's economic health is largely dependent on a strong and consistently growing PRIVATE sector. Unlike the public sector, jobs in the private sector are usually required to pay their own way.

Come to the RDC JOBS conference Friday and Saturday, February 24-25 and learn about jobs that make a strong economy and even provide ways to pay for themselves.

JOBS! Multiple Use and Resource Opportunities is an investment in the career of your choice.

# Alaska and big "W" Wilderness

By John Sims

The average citizen is likely to define wilderness as land in which one can commune with and enjoy pristine natural conditions. A land where he or she may camp, hike, fish and hunt, breeze through on a snowmachine or trek on horseback — in short a land hospitable to man; a land wherein many of the concerns of city life can be left behind for a while.

Small wonder that this concept of wilderness is popular with the American people. Few are aware of the yawning chasm of differences between the popular concept of wilderness which I will term wilderness with a small "w" — and legislative Wilderness characterized as Wilderness with a big "W." The differences between the two are like chalk and cheese.

The small "w" variety is user-friendly and represents that part of man's environment where one can truly get away from it all and enjoy the great outdoors. The big "W" variety is totally different and basically is defined as an environment in which man is alien. Wilderness is a setting in which humans have little or no right to be, let alone conduct any activity, be it for pleasure or profit. The big "W" variety does have its supporters who pull the wool over the eyes of the American people by lobbying for more and more of the public lands to be set aside as Wilderness, the big "W" variety. Their efforts are largely an exercise in mass deception, a classic case of what you think you are getting is not what you get!

Why be so uptight over wilderness, or rather Wilderness, you may ask? Well, it is the big "W" variety that concerns me because  
(Continued on page 7)

## Federal Wilderness in Alaska



If Alaska's 57 million acres of designated Wilderness were made into one state, it would be the 11th largest state in America or larger than the combination of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware and Maryland.

### Comparative state acreage:

- 10. Oregon ..... 62 million acres
- 11. Alaska designated Wilderness ..... 57
- 12. Utah ..... 54
- 13. Minnesota ..... 54
- 14. Idaho ..... 53
- 15. Kansas ..... 52

- 3:15 Break for the All-Alaska Expo
- 3:45 **Private Sector Perspective: Kathy Weeks**, Attorney, Pacific Legal Foundation and **Don Argetsinger**, Regional Vice President, Resources, NANA Development Corporation, Kotzebue, AK
- 5:00 Reception in the Yukon-Kuskokwim Rooms at the All-Alaska Expo (No-host bar)

**Saturday, February 25, 1989**

**The Human Factor in Resource Allocations**

- 8:00 Coffee service and refreshments
- 9:00 **Prompt! Call to order with "early-bird" business card drawing (must be present to win)**  
**Moderator, Bill Schneider**, Executive Director, Associated General Contractors, Anchorage
- 9:05 **JOBS! The Tongass National Forest, Don Finney**, Executive Director, Alaska Loggers Association, Ketchikan
- 9:30 **JOBS! The Timber Outlook on State Lands, Robert Dick**, Alaska State Forester, Alaska Department of Natural Resources, Juneau
- 10:00 **JOBS! The Visitor Industry, Dana Brockway**, Executive Director, Alaska Visitors Association, Anchorage
- 10:30 **Job Creation through Privatization, Dr. Phillip Fixler, Jr.**, Director, Local Government Center, Santa Monica, CA
- 11:00 Break for the All-Alaska Expo
- 12:00
- Luncheon Keynote:**  
**Preserving Multiple Use Opportunities,  
Access and Jobs on Our Federal Lands**  
**Chuck Cushman**, Executive Director, National Inholders Association and  
Multiple Use Land Alliance, Sonoma, California
- 2:00 **Jobs and the Opportunity Cost of Wilderness, Grant Gerber**, Chairman, Wilderness Impact Research Foundation, Elko, Nevada
- 2:30 **Multiple Use and the Consumer, Barbara Keating-Edh**, President, Consumer Alert, Modesto, CA
- 3:00 **Leading America to a Sensible Policy of Multiple Use, Ron Arnold**, Executive Director, Center for the Defense of Free Enterprise, Bellevue, WA
- 3:30 Break for the All-Alaska Expo
- 4:00 **Taking the ANWR Message Outside: Keeping People in the Equation, Merrill Sikorski**, National Director, Environmental Task Force, American Freedom Coalition, Soldotna
- 4:30 **Wilderness Expansion**, a new highly-acclaimed national film
- 5:00 Grand Raffle Drawing (Tickets now on sale, call 276-0700)

# Producers weigh costs of new projects

## Prudhoe marked by marginal projects

(Continued from cover)

to encourage new production. Their prime targets are the small, undeveloped pools of oil bypassed in earlier production, as well as fringe areas along the periphery of the big field that were previously uneconomic when little infrastructure was in place during the early stages of development.

A number of new developments are underway on the North Slope, many of them small or medium-sized. Other efforts are aimed at squeezing more oil from the maturing reservoirs. Such projects will not only soften the expected decline of oil from Prudhoe, but they will add new reserves, extending the life of North Slope oil fields. This is good news for Alaska because it means new jobs and more state revenues over the long term.

But the oil industry warns that economic margins are very narrow and that its confidence to push ahead with new projects could be shaken if costs rise. Any extra cost, whether from new taxes or costs imposed by regulatory agencies, can easily kill a project.

A prime example is the Niakuk oil field near Prudhoe Bay where development is not economical without a permit to construct a breached causeway to reach the small island about one mile offshore. The field contains an estimated 58 million barrels of recoverable oil, making it the largest field discovered in the U.S. since 1971.

Prudhoe Bay producers have invested about \$24 billion in field development to bring North Slope crude to market. In 1984, the industry spent \$2 billion on a field-wide waterflood project aimed at enhancing oil recovery. This ongoing program involves injecting seawater into certain parts of the reservoir to push oil out of the rock toward production wells. The added oil production resulting from waterflood alone will result in more than \$4 billion in additional oil revenues to local, state and federal governments.

Billions of more dollars will be spent as the companies initiate new, more expensive development work.

Prudhoe Bay producers will spend an estimated \$750 million in 1989 on projects designed to maximize recovery. A \$350 million expansion of gas handling facilities is expected to increase oil production by some 90,000 barrels a day in 1990, and will result in the recovery of at least 400 million barrels over the life of the field.

Without the expansion, oil production at Prudhoe will soon be limited by the ability to handle natural gas produced in associa-



*The Prudhoe Bay and Kuparuk fields have now reached a stage where their ongoing development is a whole series of individual projects, large and small. Each is planned in coordination with others, but each must also stand on its own economics, which is often marginal.*

tion with crude oil. Natural gas is presently reinjected into the reservoir.

Increased oil production resulting from this project will partially offset the anticipated natural decline in Prudhoe Bay production. It will allow wells to remain on production longer, thereby increasing oil recovery.

The State of Alaska could receive more than \$1.5 billion in royalties and taxes over the next 20 years as a result of additional production. The project will also generate an estimated 1,750 jobs in Alaska.

In the next ten years, one oil company alone — ARCO Alaska, Inc., — plans to spend more than \$5 billion in Alaska. Of that total, more than \$3 billion will go to development of known reserves. Other opportunities include investment for ongoing operations in fields now in production and for exploration and development of new fields.

Much remains to be done at Prudhoe Bay and Kuparuk where over 1,000 additional wells could be drilled. These wells will be drilled at a cost of \$2 billion to \$3 billion to field owners.

Another major upcoming expenditure for industry is the initial development of the West Sak field. West Sak could contain up to 20 billion barrels of oil, but this field is a great technical challenge to develop because its sands are shallow and contain heavier oil. The first phase of full field development at West Sak could cost over \$2

billion with development planned to begin in the early to mid-1990s. In the meantime, ARCO plans to launch a multi-million dollar test program at West Sak this year, drilling one well while continuing a vigorous and expensive research program aimed at bringing the field into development. West Sak could eventually add 50,000 to 200,000 barrels of oil to daily production levels. But getting at this oil will prove challenging and expensive.

Meanwhile, BP Exploration is developing Eileen West End, one of Prudhoe's fringe areas. BP started production in 1988 and eventually will recover more than 100 million barrels. BP will also start development drilling at Hurl State, a marginal section of reservoir along Prudhoe's southern edge. With waterflood, this area should add 35 million barrels to reserves.

Each is considered a separate project, like small oil fields with the larger Prudhoe field. If a reasonable portion of that oil can be recovered, and if other costs look affordable, drilling may proceed.

There are other oil accumulations in the shallow coastal waters near Prudhoe Bay, but permitting agencies do not always agree with companies about how to access these deposits. A recent Corps of Engineers policy statement discouraging the construction of causeways will make development

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