

March 29, 2010

Honorable Bert Stedman, Chair Senate Finance Committee
Honorable Donny Olson
Honorable Lesil McGuire
Honorable Reggie Joule
Honorable Mark Neuman
Honorable Craig Johnson
Honorable Bill Wielechowski
Alaska State Legislature
Capital Building
Juneau, AK 99801

Re: SB-4 and HB 74, Changes to the State of Alaska Coastal Zone Management Program

Dear Senators and Representatives:

I am writing to express great concern with the above proposed bill. Alaska is a resource rich state which cannot exist without resource based industries that put our people to work. The Alaska Coastal Zone Management Program (ACMP) certainly could be improved to better incorporate the concerns of citizens; however, as proposed, this bill will increase uncertainty, risks, and costs to future business investments which are needed to provide jobs in our state.

Our specific concerns with the bill include the following:

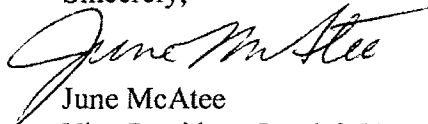
- Alaska Coastal Policy district boards will be local individuals appointed and put in charge and in control of the ACMP program. The concern: the ability to make laws and regulations should reside with State of Alaska elected officials and regulatory departments, to ensure broad statewide perspectives and public policies are maintained for the good of all citizens.
- Coastal districts will have authority to obtain grants and staff to directly carry out the process of approving or disapproving permits. The concern: the transfer of the authority of the legislature and state departments to non-elected persons or staff appointed by coastal districts. The bill could put individuals without the required technical expertise into a role of making wide ranging policy decisions that impact business and the economic health of the entire state.
- The districts will have authority to change existing statewide Alaska Department of Environmental Conservation (ADEC) established standards and permits for water, wastewater, and air quality. These technical, scientific, quantitative-based

regulations took years to develop and receive federal Environmental Protection Agency (EPA) approval for long sought-after Alaska primacy to administer. The concern: multiple districts possessing the ability to over-ride, change or eliminate complex scientific based standards and permits will create unacceptable confusion, inconsistency, and uncertainty in Alaska.

- Established timelines for agency and coastal districts taking permit actions would be eliminated. The concern: Lack of timelines for action creates a process that lacks accountability and cost restraint, and raises compliance issues due to policies and regulations that are unenforceable.
- Coastal district boards could regulate any project that “may” impact a coastal use or resource. The concern: This expands the inland and offshore boundaries of the coastal zone to an unknown extent, while potentially placing Alaska and State agencies in conflict with federal jurisdictions, such as offshore.

Stable, consistent rules, standards, and timelines are critical to all business interests, financiers, and any development effort. Those certainties would no longer exist, making it extremely difficult for anyone needing permits for projects. The proposed bill as written imposes more unknowns on a process already quite complex and burdensome, and will drive good businesses elsewhere to friendlier environments as we have been seen over the past couple of years.

Sincerely,



June McAtee
Vice President, Land & Natural Resources
Calista Corporation