

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

February 10, 2006

1:07 p.m.

MEMBERS PRESENT

Representative Jay Ramras, Co-Chair
Representative Ralph Samuels, Co-Chair
Representative Jim Elkins
Representative Carl Gatto
Representative Gabrielle LeDoux
Representative Kurt Olson
Representative Harry Crawford
Representative Mary Kapsner

MEMBERS ABSENT

Representative Paul Seaton

COMMITTEE CALENDAR

HOUSE CONCURRENT RESOLUTION NO. 29

Requesting the commissioner of natural resources to complete a management plan for the area encompassing the Pebble copper deposit and requesting a report to the legislature.

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HCR 29

SHORT TITLE: PEBBLE COPPER DEPOSIT MANAGEMENT PLAN

SPONSOR(S): REPRESENTATIVE(S) HAWKER

02/01/06	(H)	READ THE FIRST TIME - REFERRALS
02/01/06	(H)	RES
02/10/06	(H)	RES AT 1:00 PM CAPITOL 124

WITNESS REGISTER

REPRESENTATIVE MIKE HAWKER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HCR 29 as sponsor.

MIKE MENGE, Commissioner

Department of Natural Resources (DNR)
Juneau, Alaska
POSITION STATEMENT: Testified in opposition to HCR 29.

STEVE BORELL, Executive Director
Alaska Miners Association
Anchorage, Alaska
POSITION STATEMENT: Testified in opposition to HCR 29.

RICHARD JAMESON, President
Renewable Resources Coalition
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HCR 29.

ROGER BURGGRAF
Fairbanks, Alaska
POSITION STATEMENT: Testified in opposition to HCR 29.

JEFF PARKER, Attorney
for Trout Unlimited and Robert Gillam
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HCR 29.

MARK HELLENTHAL
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HCR 29.

BARBARA HUFF TUCKNESS, Spokesperson
Alaska American Federation of Labor and Congress of Industrial
Organizations (AFL-CIO)
Juneau, Alaska
POSITION STATEMENT: Testified in support of HCR 29.

BRIAN KRAFT, Director
Bristol Bay Alliance, Business Owner
Anchorage, Alaska
POSITION STATEMENT: Testified in support of HCR 29.

JACK HOBSON, President
Nondalton Tribal Council
Nondalton, Alaska
POSITION STATEMENT: Testified in support of HCR 29.

BOBBY ANDREW, Secretary
Bristol Bay Alliance
Dillingham, Alaska
POSITION STATEMENT: Testified in support of HCR 29.

ROBERT GILLAM

Renewable Resources Coalition
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 29.

ACTION NARRATIVE

CO-CHAIR JAY RAMRAS called the House Resources Standing Committee meeting to order at [1:07:57 PM](#). Representatives Ramras, Elkins, LeDoux, Crawford, Gatto and Olson were present at the call to order. Representatives Kapsner and Samuels arrived as the meeting was in progress. Also in attendance was Representative Carl Moses.

HCR 29-PEBBLE COPPER DEPOSIT MANAGEMENT PLAN

CO-CHAIR RAMRAS announced that the only order of business would be HOUSE CONCURRENT RESOLUTION NO. 29, Requesting the commissioner of natural resources to complete a management plan for the area encompassing the Pebble copper deposit and requesting a report to the legislature.

CO-CHAIR RAMRAS said Northern Dynasty, the mining company [proposing to mine the Pebble copper deposit], will speak on Monday. He referred to a letter from the Lake and Peninsula Borough, which states that it will provide a position on HCR 29 following a meeting on February 21, 2006.

[1:10:38 PM](#)

REPRESENTATIVE MIKE HAWKER, Alaska State Legislature, sponsor of HCR 29, said the proposed Pebble mine development in the Iliamna region has tremendous magnitude and potential consequences. He said he is absolutely amazed at the interest in this issue, and as public policy makers he feels that it is important to make sure policy reflects the state's interest. The planned mine and its potential benefits and conflicts rises to the level that policymakers need to take a particular interest and not get away from the role of assuring that the state conduct a fully open process in full compliance with the state's existing regulations. That is what the resolution is all about, so that Alaskans and others can have confidence in the state's process. He said his personal intent is to make a statement of support for Alaska's resource industry and a reaffirmation of the legislature's commitment to be sure there is responsible oversight. This is a resolution that discusses only existing

statute and regulations, he noted, and he is not proposing any new regulations or increased oversight. The Pebble prospect is subject, anyway, to current statutes and regulations, and he said he firmly believes the state has an adequate regulatory process to assure that if development is ultimately approved, it will be proper and responsible. He added that the process allows for all folks who are concerned, for or against, to participate.

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REPRESENTATIVE HAWKER said that Alaska's land planning and classification statutes state that the commissioner of the Department of Natural Resources (DNR) shall, with local government and public involvement, adopt, maintain and, when appropriate, revise regional land-use plans that provide for the use and management of state-owned land. He said statute requires considering fiscal, economic and social factors affecting the area; present and potential uses of state land; compatible surface and mineral land-use classification; and it must provide for meaningful participation in the planning process by local governments, state and federal agencies, adjacent landowners, and the general public. He said the process has worked well for the state. The Pebble copper deposit is within the Bristol Bay Area Plan which was done by the Department of Natural Resources.

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REPRESENTATIVE HAWKER said the plan was revised in spring, 2005. The Pebble mineral unit in the plan is designated for minerals development. He noted that the DNR management intent is as follows: "Mineral development in this unit is expected to be authorized after a public process that is as extensive as this area plan and with the benefit of site-specific data and design that is prepared for the development and not now available. Mineral development that is subject to an extensive public and agency process, that involves public meetings and comment in the area, and that involves site-specific design may require different widths and habitat protection measures than those specified in Chapter 2 [of the area plan]." He said it is clear that DNR staff realized that there are tremendous resource potentials. It is a phenomenal economic opportunity, but likewise, DNR concluded that the state needs to conduct further public process as detailed as the area plan itself was.

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REPRESENTATIVE HAWKER said he asked DNR what that statement is saying, and DNR staff pointed him to the regulations underlying area plan statutes which provide for "something they call a management plan." He noted that a management plan is a more site-specific, detailed review of a specific prospect and area. "DNR has said this is a great resource potential but we really need a good solid public process," and that is why HCR 29 asks for the public process contemplated in the area plan to be completed and a report of findings and conclusions be provided to the legislature prior to issuing final permits. He said he would really like to know the science, and added that HCR 29 will not interfere with the work underway.

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REPRESENTATIVE HAWKER said the language of the resolution came straight out of existing statutes, but the difference is the last resolve. He said he is not qualified to evaluate the science of the research, but DNR is. This resolution is not asking for a debate to be conducted in the legislative body, it is only saying there is a large enough debate out there that it should be conducted in a full and open process, he stated. The last resolve asks the commissioner to provide his conclusions, based on the science and arguments, on the appropriateness of classifying this land for mineral development. He said the legislature is not here to evaluate the merits of the issue, but it is important that the legislature is a responsible steward of the resources. "We do that by assuring that we have that complete and open public forum as mandated by our current statutes."

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REPRESENTATIVE HAWKER said he is asking the legislature to "consider if there is sufficient controversy, and is this issue significant enough to rise to the level that we want to remind the commissioner of natural resources that we are concerned that he conducts this process to ensure a responsible outcome." Former Representative George Jacko from Pedro Bay told him the process requested by HCR 29 would bring everyone to a more knowledgeable position.

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REPRESENTATIVE LEDOUX said it sounds like the only thing the resolution does is tell the commissioner to follow the law in

providing public process, and she asked if Representative Hawker feels that the commissioner won't do so otherwise.

REPRESENTATIVE HAWKER said he has been in the legislature for four years and he has found that sometimes the administration doesn't do what the legislature wants without being reminded. He said he saw a quote from DNR staff saying there would not be a more extensive management plan, which is contradictory to what was published in the area plan. This rises to the level of requesting an extraordinary effort, he opined.

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REPRESENTATIVE LEDOUX said there have been a number of large projects and asked if any have had a similar resolution.

REPRESENTATIVE HAWKER said the legislature passed a resolution endorsing a Kensington Mine project only a year ago. He said he needs more information to have absolute faith that the Pebble project should proceed.

REPRESENTATIVE LEDOUX asked what information the legislature had before the passing the Kensington project resolution.

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REPRESENTATIVE HAWKER said he did not know what Representative LeDoux relied upon in order to make her decision. He said he does not have enough information to judge the Pebble project.

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REPRESENTATIVE GATTO asked if the public perceives HCR 29 as a way to kill the project.

REPRESENTATIVE HAWKER spoke to an article from Alaska Magazine that defined the issue colloquially. He said he is not debating the merits of the mine or making a conclusion for or against the mine, and he noted that he has given the committee information provided by the mining company on the potential economic benefits of a mine. This is a public process, and he is not taking a position for or against, he stated.

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REPRESENTATIVE ELKINS said that some of this communication only speaks to an open pit mine, and he has been told it may not be an open pit mine.

REPRESENTATIVE HAWKER said that is his own consternation; people are making judgments before the information is known. That is why he believes it is imperative that the legislature get information that would help determine whether the project should be developed.

REPRESENTATIVE ELKINS said the state is trying to streamline the permitting process, and this is a 180-degree turn from that. He asked if HCR 29 creates uncertainty for developers.

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REPRESENTATIVE HAWKER said we need to know what we are doing before we do it.

REPRESENTATIVE ELKINS asked if the state is doing that now.

REPRESENTATIVE HAWKER said the state has an adequate regulatory process, but this project rises to another level. He said he worked on offshore oil and gas prospects that proceeded with extreme caution. This is a mega-project and needs the same degree of attention.

REPRESENTATIVE ELKINS said, "It's not broke but let's fix it anyway."

REPRESENTATIVE HAWKER said he has received requests to repeal all mining regulations in Alaska.

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CO-CHAIR RAMRAS asked for a definition of a mega-project in relation to Alaska mine projects.

[1:40:04 PM](#)

REPRESENTATIVE HAWKER said he is not prepared to describe all other projects, but the Pebble project has been on his radar screen, and his level of concern is high.

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REPRESENTATIVE LEDOUX asked if this same type of resolution should be applied to all major projects in Alaska.

REPRESENTATIVE HAWKER said all projects should comply with statutory and regulatory requirements.

REPRESENTATIVE LEDOUX repeated her question.

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REPRESENTATIVE HAWKER said he believes the first two resolves are a reminder to the commissioner, and regarding the last point, how many times have we asked for a report? "We do it all the time, but we don't do it for everything," he noted. The legislature has the ability to make a policy statement that says it cares about something. The legislature and the public would be well served in this particular case to have the highest possible degree of confidence that the process has been open, objective, and fair, he said.

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REPRESENTATIVE LEDOUX asked if Representative Hawker would do this for all projects.

REPRESENTATIVE HAWKER said no; he would evaluate any future prospect on its own merits.

REPRESENTATIVE CRAWFORD said there are a number of projects in sensitive areas, like oil and gas exploration in Bristol Bay. He asked if Alaska's environmental regulations and oversight have been weakened to the point of taking this step. "Is that what we are saying?" he asked.

[1:45:01 PM](#)

REPRESENTATIVE HAWKER said he has not implied that the legislature has weakened any environmental standards. He said he wants to gain the public confidence.

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REPRESENTATIVE GATTO said the title uses the word "requesting", but then the resolve uses the word "should". He said he is supportive of what Representative Hawker is doing.

REPRESENTATIVE HAWKER said he was advised that the constitutional separation of powers allowed the legislature to only request this from the commissioner. He said he is taking the advice of legal counsel.

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REPRESENTATIVE GATTO said that the conformity of the resolution is his only concern.

CO-CHAIR RAMRAS said the committee should look at the resolution the legislature passed regarding the Kensington mine.

REPRESENTATIVE HAWKER said he is in awe of the passionate debate regarding the mine, but his intent is to make sure the science is debated on the merits.

REPRESENTATIVE KAPSNER said a resolution is generally innocuous, but the governor and many in the legislature say we are open for business. She said that means we are open for all businesses, and HCR 29 sends mixed messages and creates hurdles.

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REPRESENTATIVE OLSON asked if the Pebble is under more scrutiny than the gasline.

REPRESENTATIVE HAWKER said each project must be evaluated, and he does not believe the Pebble project is under more scrutiny than the gasline.

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MIKE MENGE, Commissioner, Department of Natural Resources (DNR), said he will speak from the heart. He said large projects have a lot of emotion, and when there is emotion it is DNR's responsibility to be cold and unemotional. A project of this magnitude will include local, state and federal government, he said, and it will be looked at from a thousand different directions. The people of Alaska will ultimately decide whether this project will go forward, and this is done through the permitting process, and it cannot begin before a project description because each permit is specific. "We take a great deal of pride in our ability to organize all of the information and all of the analysis into a meaningful process." He said the process will be played out before everyone in the country.

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COMMISSIONER MENGE said it is his job to synthesize the information, and the project will receive all the scrutiny necessary. He said the resolution is a step beyond what DNR usually does, and he warned that it may become a precedent. It will not affect the way all of the agencies involved will deliberate, and he told the legislators that they should play an active role. He said he respects the legislative process, and the body will be able to determine if it needs to go beyond "what we already have, and we will certainly honor and respect that will." He said the resolution comes with a price tag: \$400,000 for a two-year process. He said it is a solid, defensible fiscal note. It represents one full-time employee and three part-time staff for two years. The fiscal note has a heavy travel component, he added. He said his hard-bitten professionals have been through the process many times, and he has tremendous faith in them. He said the legislature will hear many impassionate individuals, but in most cases, only a portion of what is heard will be correct.

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CO-CHAIR RAMRAS asked about the cost being more than what the agency would do anyway.

COMMISSIONER MENGE said the fiscal note is the best guess to fulfill "this effort," and he might be able to trim it some.

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CO-CHAIR SAMUELS noted that the resolution is not for or against the mine, and asked if there will there be a delay due to the extra layer of permitting.

COMMISSIONER MENGE said the effort would have to run concurrently with an additional layer of activity.

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CO-CHAIR SAMUELS asked if the parameters of the mine changed, will the management plan have to be redone. He also asked if the national environmental community would use this "as yet another tool" to stop development.

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COMMISSIONER MENGE said it certainly is an issue that will garner national and international attention, and no opportunity will be missed to advance the agenda of those who support or oppose the mine. "Additional process is that—additional process—and will provide some small opportunities." He continued, "This will not present a unique challenge that would not have presented itself in abundance throughout both the state and the federal permitting process."

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REPRESENTATIVE LEDOUX said she is confused because the sponsor said the resolution just makes sure DNR follows the law by conducting an open and transparent process, and she asked why it would need additional money.

COMMISSIONER MENGE said he appreciates the confusion. He said there is a tremendous amount of statute regulation that dictates what DNR does. He said a land-use plan has a life in and of itself; it allows for the classification of lands. "It does in no way allow for the permitting," he said. The permitting process will grind each issue to powder, leading to the issuance of the permits necessary to do the activity. The land-use plan is a process about what to do with the lands, he said, and it will be two processes running parallel. He said the two can affect each other, but they have their own separate origin, process and ending.

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REPRESENTATIVE LEDOUX concluded that the resolution is more than simply doing his job.

COMMISSIONER MENGE said yes because it asks for a management plan.

REPRESENTATIVE LEDOUX asked the position of the administration.

COMMISSIONER MENGE said the administration does not support the resolution because the current process is sufficient, but if it is the will of the legislature, DNR will not oppose it.

REPRESENTATIVE ELKINS asked if the resolution will have a negative impact on other businesses desiring to do resource development.

COMMISSIONER MENGE said there is no way to predict how the resolution will be used. It does not represent any risk, but how an individual will contort it or portray it "is left to the imagination of those we've all dealt with over the years."

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CO-CHAIR RAMRAS asked about the term "mega-project".

COMMISSIONER MENGE said that by convention a mega-project is something that costs more than \$5 billion. Depending on how much resources are found, the Pebble mine could be a mega-project. "We don't know what this project is ultimately going to be," he noted. With each successive drill season, it appears that the resource is richer and more widespread, which could make the project less invasive, he added. It could be the largest gold/copper project in the world.

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STEVE BORELL, Executive Director, Alaska Miners Association, said this bill duplicates what is already in state law. He said once an application is made, an Environmental Impact Statement (EIS) and permit process takes place. He noted that the EIS for the Pogo mine took three years to complete and had multiple opportunities for public participation. He said it is not an innocuous resolution. It will be carried to Wall Street, Toronto and London and make investors afraid of investing in the Pebble mine and in all of Alaska. It will spill over to the Arctic National Wildlife Refuge and the gasline, he warned.

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RICHARD JAMESON, President, Renewable Resources Coalition, Anchorage, said his group is pro-development, but the Pebble mine is in the wrong place. "It is a huge, monstrous area," he said. He played a video for the committee.

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REPRESENTATIVE KAPSNER asked for a list of contributors to the Renewable Resources Coalition.

MR. JAMESON said he is not allowed to provide one.

REPRESENTATIVE KAPSNER asked how many members and contributors there are.

MR. JAMESON said there are several hundred.

REPRESENTATIVE KAPSNER asked if they are mostly from the Bristol Bay area.

MR. JAMESON said they are from a wide variety of places, and many are from the Bristol Bay area.

REPRESENTATIVE KAPSNER asked if a majority is from Bristol Bay.

MR. JAMESON said that that is probably correct.

REPRESENTATIVE LEDOUX asked if the Renewable Resources Coalition supports HCR 29, and if it views it as a way to stop the mine.

MR. JAMESON said it supports the resolution and it does not see it as a way to stop the mine. He said his group thinks that it does only a little bit more than existing regulations, but not much. It will draw attention to the project forcing DNR to give it more careful consideration.

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REPRESENTATIVE GATTO asked what a [501c6] organization is.

MR. JAMESON said it is similar to a trade organization or a chamber of commerce, and his group is made up primarily of businessmen. He said contributions are not treated as charitable for tax purposes.

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REPRESENTATIVE GATTO asked if the Alaska Center for the Environment contributes to his organization.

MR. JAMESON said he borrowed its map, but the group is not a contributor.

REPRESENTATIVE CRAWFORD asked his position on oil and gas exploration in Bristol Bay.

MR. JAMESON said the organization does not have a position and that "we are businessmen and are pro-development, but this is just the wrong place."

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REPRESENTATIVE CRAWFORD asked how long the group has existed.

MR. JAMESON said about six months.

REPRESENTATIVE CRAWFORD wondered why there is no position on oil and gas development in the same area as the Pebble mine.

MR. JAMESON said the group may take a position on it at some point.

REPRESENTATIVE GATTO noted that Mr. Jameson can't identify who contributes, but he wants to know how much money and if there are overseas contributors.

MR. JAMESON answered that there are no contributors from overseas.

REPRESENTATIVE GATTO said, "It is disconcerting and it creates an certain air of suspicion" about a group that seems to be fairly large and "substantially well funded and probably by some groups, and I personally would like to know which groups." He said he can't prove or disprove that members are from Bristol Bay, and it seem incredulous to him. "It just lays the suspicion down right on the ground," he stated.

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MR. JAMESON said, "To date, there are no organizations that are funding us. It is all from individual contributions."

REPRESENTATIVE KAPSNER asked how many other projects the group has looked at.

MR. JAMESON repeated that the group has only existed for six months and Pebble is its primary concern.

REPRESENTATIVE KAPSNER said it seems like a brown paper. She said legislators have to list their contributors and whom they work for and what the check number is. "To have somebody join the public process who has a very secretive membership is disturbing."

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CO-CHAIR RAMRAS pointed out that Alaskans for Responsible Mining, for example, have a list of secret contributors. He

said it is not right to demonize this group. "There's plenty of secrecy out there lobbying all kinds of different ways."

MR. JAMESON said his group is in favor of the resolution and opposed to the mine, "as we understand its location and its manner of construction." He said he understands that Northern Dynasty keeps coming out with new plans, but at a minimum HCR 29 should be adopted as a reasonable first step in making sure that this incredible area is protected.

2:30:06 PM

CO-CHAIR SAMUELS asked if the mine permitting system should have an extra layer in general. He said he grew up in the area, and he asked if the Pebble mine would be different from other mines in Alaska.

MR. JAMESON said open pit mines are so much different. When the Bristol Bay Management Plan was created, people didn't do open pit mines to get small quantities of gold and copper. Since then, the process has been developed, and it is a very dangerous process. He said he didn't think the existing management plan ever considered a huge open pit mine like Northern Dynasty is proposing.

REPRESENTATIVE GATTO asked his group's response if the resolution passed, and then the report indicated that the mine could operate safely.

MR. JAMESON said that is a possible outcome, but DNR will probably conclude that the headwaters of the Bristol Bay watershed is not a place for an open pit mine. He noted that Northern Dynasty is not willing "to let DNR take a good close look at this."

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REPRESENTATIVE GATTO said the Renewable Resources Coalition supports HCR 29 in hopes that it interferes [with the mine].

MR. JAMESON said the resolution will give closer scrutiny by DNR to the process, and then DNR may conclude that this is not an environmentally sound project.

REPRESENTATIVE KAPSNER asked if the group would still oppose a mine if it weren't an open pit mine.

MR. JAMESON said he doesn't know the ramifications of a mineshaft mine for a sulfide mineral deposit.

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REPRESENTATIVE GATTO asked him if he has a position on mines in other countries, because mines in the United States are cleaner than elsewhere.

MR. JAMESON said that is not true as far as open pit mines are concerned. He noted that many states have prohibited cyanide mining because open pit mines have fouled their streams. "Maybe we are better off than Argentina...but there's a lot to be learned about methodology for open pit mines."

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ROGER BURGGRAF, Fairbanks, said he has been appalled by special interest groups locking up Alaska and denying Alaskans good paying jobs. He said that Northern Dynasty doesn't know what it is going to do, so he questioned studying the issue now. He said studying delays projects. He added that there are adequate regulations in place, and the public will have an opportunity to review the facts. He pondered the impacts on the state's permanent fund if the project is stopped. He noted that one of the individuals who opposes the project is an investor who has a lodge in Iliamna, and he takes his clients out there to "do investments." Mr. Burggraf said he believes this individual has an investment firm with between four and six billion dollars of Alaska's permanent fund money.

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JEFF PARKER, Attorney for Trout Unlimited and [Robert] Gillam on transportation issues related to the Pebble mine, said he supports the resolution, which provides a step-down management plan, allowing the public to focus on the affected portion of the Bristol Bay drainage and whether a large-scale, open-pit, sulfide mine should be allowed prior to going through the permitting process. He noted that DNR has done these plans in the past, and he gave several examples. He said that DNR should complete the step-down process prior to the permitting process because it will be focused and much cheaper. He said a permitting process will include fifty agencies with hundreds of experts, and he noted that a recent mailing to federal experts on the Pebble project included about 250 federal employees. He stated that HCR 29 lets the people speak on whether this kind of

mining should be allowed in such an important drainage. "It's cheaper; the commissioner's fiscal note that is already submitted shows you that."

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MARK HELLENTHAL said he performed a public opinion survey in the impacted area in January. He reported that 265 residents were surveyed out of a population of 4,200, which included 11 villages and the town of Dillingham. He said 96.2 percent had heard of the Pebble mine. After screening for registered voters, only 8.7 percent strongly favored the development of the mine, 11.3 percent somewhat favored the development, 15.1 were somewhat opposed, and a resounding 56.6 percent strongly opposed the development. He said a series of questions were asked after giving information on employment, and more people answered that they opposed the mine.

CO-CHAIR RAMRAS said the committee had those results.

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REPRESENTATIVE GATTO asked who paid for the survey.

MR. HELLENTHAL said no one yet, but two life-long Alaskans contacted him to conduct the survey: Art Hackney and Bob Gillam.

CO-CHAIR SAMUELS asked if there was a political subdivision to the boundaries of the survey, and he noted that some areas were notably absent from the survey.

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MR. HELLENTHAL said he used a map to find the closest villages and ran it by the client. He said that no political boundaries were considered, and the general guideline was a concentric circle around the impacted area.

REPRESENTATIVE GATTO asked what the statewide response would be.

MR. HELLENTHAL said most of the state has not followed the issue. He suspects 96 percent of people in Fairbanks wouldn't have the foggiest idea what the Pebble gold mine is.

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BARBARA HUFF TUCKNESS, Spokesperson, Alaska American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), said her group supports the resolution. She said other projects have had legislative input, and the North Star project had an actual bill devoted to it. She said local hire and local contracting was in that bill, but it is not in HCR 29, and that issue should be looked at as the Pebble project moves forward. She noted that the gas pipeline Stranded Gas Act is another example of legislative input. She said the AFL-CIO supports the public process and wants to make sure the information is provided to the public. She said the group is absolutely not anti-Pebble but has a history of supporting mining and oil development. She concluding by requesting the committee support a thorough review of the process.

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CO-CHAIR RAMRAS asked the advantage to organized labor of slowing down the process.

MS. TUCKNESS said it is not slowing down the process, but an open public process is a good thing. She said the group's membership is not public, but that does not mean it is a secretive organization.

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BRIAN KRAFT, Director, Bristol Bay Alliance, Business Owner, said the Bristol Bay Alliance was created to educate people in the area on mining issues. He stated that the Pebble project is a massive issue. Open pit mining has long-term negative impacts. He told the committee to look at other states, such as Montana, Wisconsin, Idaho, Nevada and Arizona where open pit mines have done damage. In some of those states open pit mining is now banned. He said he started out in favor of the mining project, but after learning more, he came to his conclusions. He also noted that it takes a long time to learn the issues. The public needs a wide opportunity, not 45 days, to speak their mind and to learn about the process.

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MR. KRAFT said if HCR 29 adds another layer of protection, "I embrace it." He added that he is not trying to stop the mine, but he wants DNR to have all necessary tools. He stated that Northern Dynasty will do a presentation to the committee on Monday, and he has seen it various times. He said Northern

Dynasty will do its best to convince the legislature that it will operate safely. He said Northern Dynasty wants to do a safe and environmentally sound project, so it should embrace any kind of legislation that adds protection to the residents of Alaska.

[2:56:25 PM](#)

REPRESENTATIVE KAPSNER asked about the membership of the Bristol Bay Alliance.

MR. KRAFT said it is a nonprofit, and the board members are seven people, four are Native Alaskans from the Bristol Bay area, and there are 125 members with paid membership. The majority are Alaskans, but there are some from the lower 48. He said the mailing list is massive, and it is basically every person in Bristol Bay. He said he started the alliance to give the people in the area a chance to learn both sides of mining issues. He said Northern Dynasty was visiting all the villages doing presentations, but the communities weren't seeing both sides. The purpose is not to stop the mine, but the decisions can't be made without education.

[2:58:17 PM](#)

JACK HOBSON, President, Nondalton Tribal Council, said the council has over 400 members, and all 220 members from Nondalton are opposed to the Pebble mine. He said he has been to meetings with Northern Dynasty where promises are made, "and we all know that promises are made to be broken." He stated that if Northern Dynasty could guarantee that there would be zero net loss, the Council may look again at the issue. The people of Nondalton support HCR 29 because Northern Dynasty has a Memorandum of Understanding with DNR where Northern Dynasty is paying DNR workers, which may cause biased decision-making. Opinions might be tainted because DNR is getting money from Northern Dynasty, and he concluded that Native Alaskans rely on renewable resources, especially pure water.

[3:00:55 PM](#)

BOBBY ANDREW, Secretary, Bristol Bay Alliance, said he is speaking on the behalf of some of the villages in the area and Dillingham. Those villages support the resolution, which places a strong foundation to protect subsistence resources and reinforces DNR to follow requirements. It will help get rural villages involved in the process, he said, which is very

important. Education is key at the local and regional level. The Bristol Bay area has educated and uneducated individuals, he stated. There are promises of many jobs, he said. Many of the positions require at least five years of mining experience, and most residents don't have that experience. "Once those permit applications go through, there's many of us *tariingituput* (who won't understand)." The applications and statements will be foreign to the local people. "This resolution will give us the opportunity to educate ourselves also."

3:05:45 PM

CO-CHAIR RAMRAS said the next speaker, Robert Gillam, is "one of the moving forces behind" HCR 29. Co-Chair Ramras said he wanted to correct the earlier testimony of Roger [Burggraf] who suggested that Mr. Gillam manages a disproportionate amount of the Alaska permanent fund, "and that is not the case." He said Mr. Gillam has a private-sector job managing money for the Public Employees and Teacher's Retirement fund and the permanent fund. It is regulated in law, and "this notion that it is some disproportionate sum and there is any undue influence in the room as a result of that, I want to dispel that and say that whatever your opinion is about HCR 29, that the integrity Mr. Gillam is resolute." He added that Mr. Gillam has contributed to many institutions and communities in Alaska. "I am always concerned when we get personal about people, and you're a good man," he said.

3:08:20 PM

ROBERT GILLAM, Renewable Resources Coalition, said his company manages about one percent of the Alaska permanent fund and the Public Employees and Teacher's Retirement funds using 100 percent Alaskan-born young people who have held their own against other investment firms around the world. He said he and his company own about \$1 billion worth of mining company stocks around the world. "We are, in fact, the fifth largest owner of Teck Cominco in the world." He said he is not here to bad mouth the mining industry. He added that as a professional investor he can tell the committee what makes sense and what does not make sense. He said HCR 29 asks if open pit mining makes sense in the Bristol Bay watershed. Northern Dynasty is a second tier mining company and it has never mined gold; they have never had a dollar worth of revenue, he said. This company is a promotion company, he added, therefore, the promises being made by Northern Dynasty are being made on behalf of a company that has not been identified. It is not the promises of Northern Dynasty

that matter, it is the promises of people who are yet to be determined. He said never, ever in the western hemisphere has a sulfide mine been done properly. "They always pollute." He said when sulfur hits oxygen and water it turns into sulfuric acid. He said mines in Fairbanks do not do that. He said his company has invested billions of dollars in mining stocks because it can be done right - but not with sulfuric rock.

[3:11:55 PM](#)

CO-CHAIR RAMRAS said the discussion of HCR 29 will continue on Monday. HCR 29 was held over.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at [3:12 PM](#).