

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

February 13, 2006

1:11 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 Paul Seaton
Representative Harry Crawford
Representative Mary Kapsner

MEMBERS ABSENT

All members present

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
02/10/06	(H)	Heard & Held
02/10/06	(H)	MINUTE(RES)
02/13/06	(H)	RES AT 1:00 PM CAPITOL 124

WITNESS REGISTER

ED FOGELS, Deputy Commissioner
Department of Natural Resources (DNR)

Anchorage, Alaska

POSITION STATEMENT: Answered questions regarding HCR 29.

DICK MYLIUS, Acting Director
Division of Mining, Land and Water
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Answered questions regarding HCR 29.

GLEN ALSWORTH, Mayor
Lake and Peninsula Borough
Port Alsworth, Alaska

POSITION STATEMENT: Testified in opposition to HCR 29.

TREFON ANGASON, Contractor
Northern Dynasty
Anchorage, Alaska

POSITION STATEMENT: Testified in favor of the process of assessing the potential mining operations of Northern Dynasty.

GREG O'CLARAY, Commissioner
Department of Labor and Workforce Development
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HCR 29.

RALPH ANGASON, President
Alaska Peninsula Corporation

POSITION STATEMENT: Testified in opposition to HCR 29.

MR. SCOTT BRENNAN, Director
Alaskans for Responsible Mining
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 29.

WASSILLIE ITUKSIK, President
Aleknagik Tribal Counsel
Aleknagik, Alaska

POSITION STATEMENT: Testified in opposition to HCR 29.

LISA REIMERS
Iliamna, Alaska

POSITION STATEMENT: Testified in opposition to HCR 29.

EILEEN ZAISER
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HCR 29.

ELEANOR JOHNSON, Teacher
Anchorage, Alaska
POSITION STATEMENT: Testified in opposition to HCR 29.

MARTHA ANELON
Iliamna, Alaska
Iliamna Pebble Development
POSITION STATEMENT: Testified in opposition to HCR 29.

REPRESENTATIVE CARL MOSES
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Answered a question about a bridge in
Nondalton, Alaska.

DAN OBERLATZ, Owner
Alaska Alpine Adventures
Lake Clark, 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 [1:11:19 PM](#). Representatives Crawford, LeDoux, Ramras, Seaton and Olson were present at the call to order. Representatives Gatto, Samuels and Kapsner arrived as the meeting was in progress. Representatives Mike Hawker and Carl Moses were also present.

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 questioned the fiscal note for HCR 29 and asked for clarification from the Department of Natural Resources.

ED FOGELS, Deputy Commissioner, Department of Natural Resources (DNR), said he did not have it.

CO-CHAIR RAMRAS said he was embarrassed because he had clearly asked for it.

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MR. FOGELS said DNR is mandated to be the coordinating agency for large mine projects. There is a large projects group within DNR that coordinates all state agencies that are involved in permitting large mine projects. The agencies include the Department of Environmental Conservation, DNR, Alaska Department of Fish & Game, Department of Transportation & Public Facilities, Department of Commerce, Community, & Economic Development, and Department of Law. He said there is a core group of state officials that have been working on large mine projects for many years. He spoke of mines that the group has worked on. He said the group is a huge body of expertise with advanced degrees and experience. A typical large mine project, such as Pogo, will take about 50 state and federal permits, and it is a huge job to coordinate the permits. The permits cover a range of issues, including ensuring that reclamation money is set aside, structures are technically sound, air quality is maintained, waste is disposed properly, and much more. An application for such a project may take up several bookshelves.

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MR. FOGELS said the mining team is in charge of permitting, enforcement, monitoring and compliance. He added that federal permits typically require an Environmental Impact Statement (EIS), and the state has learned how to dovetail with that process. There are at least two rounds of public meetings and three rounds of public involvement in a typical EIS process, including data gathering and alternative suggestions. The public is noticed after the alternatives are presented and analyzed. A draft EIS is produced and put out for public notice. It is often thousands of pages long, and permits are not usually written until that phase is over. He envisions that this process would be followed for the Pebble mine, and it would be a multiple-year process.

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DICK MYLIUS, Acting Director, Division of Mining, Land and Water, Department of Natural Resources, said the planning process begins with public meetings for identifying issues and concerns, which is similar to the scoping process of an EIS. The second step is collecting data based on issues that were uncovered. He said he envisions using the data collection that will be used as part of both the large mine and EIS process, "so we don't envision a major data collection effort just for the land use plan." He said the next step is developing plan

alternatives with some sort of public involvement, which is not always public meetings. The preferred alternative is then chosen, the draft plan is formulated, and public review begins. Public meetings may be held, and then a final plan is adopted that reflects changes from the public comment period. The plan can be appealed to the commissioner and finally to court. One land use plan has been appealed to the court level, he said.

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CO-CHAIR RAMRAS asked about the \$400,000 fiscal note.

MR. MYLIUS said the process would be run concurrently and a separate document would be produced. He said DNR does not do a land use plan as part of the large mine process. The National Environmental Policy Act of 1969 process "is a very long detailed document, and this would more summarize a lot of that information, or compile into kind of one planning document, and we'd have to give separate public—the process would be combined with this but we would have to address public comments separate from this—or maybe not necessarily separate, but there would be different issues the public would raise. For example, we might get into—the plan might address more of some of the uses on some of the adjacent land that may not actually get addressed in the EIS in as great a detail...It's going to be a separate public commenting process. It will occur concurrently but we'll have to respond to all those comments coming specific to the plan, and one of the reasons for the fiscal note, is that we envision, with this process in particular, that it would be a fairly contentious process and we'd get an awful lot of public comments we would need to address through the whole process."

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CO-CHAIR RAMRAS said, "This is where you've lost me." He said he wants to understand the fiscal note, and he asked for a side-by-side comparison of the two processes to be faxed to his office in the next hour.

REPRESENTATIVE SEATON asked about the last lines of HCR 29 regarding the commissioner's conclusion on the appropriateness of classifying the area for mineral development. He asked what the alternative classifications may be. "If we would go through a land use planning process that reclassifies this mining district for something else, and we have permitted and encouraged mining claims and expenditures to delineate that amount, are we looking at a takings claim?" He mentioned the

coal bed methane leases in the Homer area, where the state had to pay money based on potential, recoverable resources.

MR. MYLIUS said generally management plans do not end in wholesale reclassifications. Area plans are the broad level of planning, he said, and they deal with lands of one to fifteen million acres, and lay out the general management intent. He said the Bristol Bay Area Plan was revised last year, and a large part of the claims area is in designated minerals. A management plan is a step-down that is more focused on a smaller area and gets into greater detail. He noted that as a general rule, a management plan will not change the overall intent of the area plan, so "we don't envision, through a management plan, that we would do a wholesale reclassification." He said even if DNR does do a wholesale reclassification, all state land is open to minerals under state law unless it is specifically closed by the legislature. He said even if the area is classified as recreation, it is still, under statute, open to mineral entry. He added that the commissioner can only close up to 640 acres of land from mineral entry, "and this is obviously a lot larger than 640 acres." He said reclassification might create more restrictions on how the area is mined, but there could not be a prohibition on mining. Regarding the takings issue, "there are valid mining claims out there, so no matter what we did through land use planning, or even no matter what the legislature did, there are still valid existing mining claims there, and even if we closed the area to mineral entry, any mineral closing order done by either DNR or even by the legislature is always subject to valid existing rights, and so the existing mining claims would be considered a valid existing right." DNR could not prohibit any development of the mining claims, but it could make administrative restrictions. He said the legislature would have the authority to take away the mining rights, but there might be a takings claim against it. He added that the state actually leased an oil and gas area in Kachemak Bay, and the legislature closed it and a takings claim was "advanced".

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CO-CHAIR RAMRAS reminded DNR that he wants a side-by-side explanation.

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GLEN ALSWORTH, Mayor, Lake and Peninsula Borough, said the people in his borough depend on clean water and good fish and are not willing to sacrifice that, "but I come personally from

the stance that development and environment can coexist if it's done right." He said he does not "buy into no-net-loss," and he wants to "buy into net gain." He said, "We can enhance and come out ahead whenever we do projects." He said he has been very pleased to experience "the largest public process" that he has ever been involved in, regarding the Pebble mine proposal. He added that he has never seen any agency or any entity come in with such an incredible process of public involvement. He said his community on Lake Clark has had several meetings, and he really appreciates that. He said his villages are either going to go to work or die. The long-term effect of no economic opportunity creates hopelessness, helplessness and depression. He noted that people aren't worried about where to spend next year's vacation, they are trying to figure out how to pay the sewer bill. He said he is not saying that mining is the answer, "I am saying that we need to allow the state to allow economic development in some form or another in our area." "If we deny this, our villages will continue to die." He said school enrollment has declined due to an out migration.

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MR. ALSWORTH said not to change operating rules midstream when projects come along. He flies to Russia often, and it is difficult to do business there because there is no set standard. The process is important no matter what the outcome. There are safeguards and foresight so when the facts are there residents can make decisions on supporting or not supporting the project.

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MR. ALSWORTH said he grew up in Port Alsworth and the community has grown from 13 people to over 100 people in 50 years. He said there are 7 people on the borough assembly representing 1,600 to 1,700 people. He said the next meeting with the full assembly will be on February 21, and HCR 29 will be on the agenda for discussion and public testimony. He said he will report back to the committee after that.

CO-CHAIR RAMRAS asked if the members of the borough assembly have any economic relationship with Northern Dynasty.

MR. ALSWORTH said he does not know about others, but he himself has an air service that has flown Northern Dynasty and others.

REPRESENTATIVE GATTO asked if he is representing the borough or just speaking as an individual.

MR. ALSWORTH said he is representing the borough today.

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TREFON ANGASON, Contractor, Northern Dynasty, said he serves on several boards in the Bristol Bay region, and he has been involved in Native issues. He noted that he came from a funeral and borrowed a four-wheeler, which took him to the local fuel depot where he needed money. He said communities are cash dependent, "and it could be because we are a victim of our own success." He said, "We have fought for years to improve the quality of life, and...quality of life has come in." The need for cash came with it. He said it was too cold to gather wood, so people are dependent on oil. He has a contract with Northern Dynasty who hired him to connect the company to the people and to perform outreach to the communities. He said he doesn't promote the mine "or anything else." He said he will withhold his judgment until it can be shown that the mine can be developed safely. He left his job as the vice president of the Bristol Bay Native Corporation to work for Northern Dynasty because the Kvichak River in the area has not had any escapement. The Alaska Department of Fish & Game has designated it as a river of concern, he said. Now Northern Dynasty is doing studies and spending millions of dollars to find out what happened to that fishery, because it will be blamed for the problems. He said when he was on the Board of Fisheries he tried to get the board "to at least examine [the Kvichak River]," and there was just a cameo fly-over, but there was no research—"no white-collared jackets running around the streams in the dead of winter checking out the quality of the water and the quality of the smolt the way that Northern Dynasty is doing today." He said he thinks that Northern Dynasty should go through the process, and the federal government has done well to protect his interests. He added that the National Environmental Policy Act of 1969 has prohibited poor mining operations.

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REPRESENTATIVE GATTO said the information is powerful and he understands the negative consequences of either doing something or nothing. He said he was aware that the Kvichak River did not have a proper escapement, and that river needs to be assessed instead of the "whole process."

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GREG O'CLARAY, Commissioner, Department of Labor and Workforce Development, said he has been to a meeting with Northern Dynasty officials and addressed the governor's desire to employ Alaskans. He said the company was receptive and has gone out of their way to hire Alaskans. He said there were 609 employees and 75 percent were Alaska residents, many from the Bristol Bay area. He said it is evident why his department is interested in the mining project. People in the villages need to have some hope. He noted that everyone is cash dependent, and Representative Elkins operated a bar in Ketchikan and understands cash. "Any employer that comes through the door that's willing to invest in the local hire...is someone that I think we owe, at least, a mutual trust to assist them in their process," he said. He said he is not here for or against the resolution. He stated that the resolution requires more delay, and "any delay in bringing prosperity to that region to those villagers, in my opinion, is not worth your time and effort." This resolution has caused the creation of jobs for lobbyists. He said not to put up a barrier to this company for the project.

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RALPH ANGASON, President, Alaska Peninsula Corporation, said the Alaska Peninsula Corporation is the largest adjacent landowner to the Pebble deposit and is made up of five villages. He warned that there is a new threat to "our survival" and the survival of the Bristol Bay region, and "that threat is in the form of HCR 29. This resolution is nothing more than a pandering to special interests that are rich and famous, and powerful outside interests that do not have a stake in the economic future and potential of the Pebble deposit." He said the deposit is the richest in the world. Millions of dollars have been spent by private interests in studying the deposit and the mine feasibility, which includes studies of the biota and culture of the area. "The private interests will use the land only as a playground, proposed to re-study, re-plan, to lock up all of it for their own personal pleasures," he stated. He said that if HCR 29 is passed, the Bristol Bay Management Plan will be meaningless. The millions of dollars in studies will be wasted, and DNR will have to "carve Pebble from its foundation as part of the Bristol Bay Plan's fabric to spend still more money, which this time will be the state's money," he added. The research for new sources of power will come to a screeching halt, he said, and the very real potential economic development to the region will become a pipedream. The state will waste millions more on studies that could be used for roads and power in the region, "so that the rich and powerful can come and play

for a few weeks a year, and leave, and leave nothing for our shareholders to purchase fuel at over \$5.00 a gallon." He said youth will continue to leave the region because there is no opportunity. "The problem, we are told, is that the Bristol Bay Management Plan contemplates only 25 percent of the riches at Pebble and are now believed to exist. To me that is not a problem, it is an opportunity." He asked the committee to wait and see if the mine is even possible under existing law and technology. He said the Alaska Peninsula Corporation has taken a wait and see approach. "We do not tear up its plan and carve out a new regime for the purpose of locking up the riches DNR do not think existed. Please give us a chance," he concluded.

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MR. SCOTT BRENNAN, Director, Alaskans for Responsible Mining, said he has taught environmental science and resource policy. He also wrote a textbook on the topic, giving him a unique opportunity to study resource development proposals, projects, and impacts—both positive and negative—all around the world. Alaskans for Responsible Mining is a coalition of nonprofit organizations, and its mission is to ensure that the mining industry in Alaska meets the four criteria set forth by former Governor Jay Hammond for responsible resource development. A profitable, job-creating project may not necessarily benefit the state, according the Governor Hammond, he said, and a project must meet four criteria: it must be environmentally sound; it must pay its own way; it must be supported by most Alaskans; and it must provide the constitutionally mandated maximum benefit to all Alaskans, not just to a select few. Mr. Brennan said he supports HCR 29 because it exemplifies the oversight role of the legislature and its role of providing the citizen voice. The proposed Pebble mine is unparalleled in size, type and location, he said, and it is only 10 percent of the total claims in the area. The geochemistry poses a higher risk, he added.

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MR. BRENNAN said the Bristol Bay plan was updated a few years ago, and, since then, there has been a huge increase in the size of Pebble itself and the same increase in the surrounding area. There are risks associated with open pit cyanide leach sulfide mines, he warned. He read a quote written by Northern Dynasty: "Unexpected environmental damage from spills, accidents, and severe acts of nature, such as earthquakes, are risks which may not be fully insurable and, if catastrophic, could mean the total loss of shareholder equity." The state of Montana has

banned open pit cyanide leach mining of gold and silver, he said, and in 1997, Wisconsin put a temporary hold on sulfide mines until one had operated for 10 years without adverse effects. He noted that the ban still stands because the state has not been able to document a mine that fulfilled those requirements. Mr. Brennan read from a Northern Dynasty report: "Northern Dynasty's management may not be subject to U.S. legal process. As Canadian citizens and residents, certain of Northern Dynasty's directors and officers may not subject themselves to U.S. legal proceedings." Recovery on judgments issued by courts may be difficult or impossible, he said. Based on those statements, he asked the legislature to play the oversight role and ensure that the closest scrutiny is applied to the Pebble project.

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CO-CHAIR SAMUELS asked who made up the membership of the group.

MR. BRENNAN said membership is public record and is made up of 19 organizations, including the Bristol Bay Alliance, Kachemak Bay Conservation Society, Alaska Wilderness Recreation and Tourism Association, Northern Center, Southeast Alaska Conservation Council, Indigenous Environmental Network, Center for Science and Public Participation, and others.

CO-CHAIR SAMUELS asked if the group supported any mines.

MR. BRENNAN said, "Absolutely." He said there are mines in Alaska that are doing things well. He said his group points to best practices, and it uses those as examples that could be applied more broadly. He said the Red Dog mine does a great job with Native hire; Greens Creek has an innovative reclamation plan; and Fort Knox has an outstanding record of water quality control. He noted that the group actively monitors mines by pointing out best practices and areas where improvement is called for.

CO-CHAIR SAMUELS asked Mr. Brennan if he would have sat in the same chair and said we need more permitting when the Red Dog mine was being developed, or any individual mine. "Do you think the process in Alaska for permitting mines is broken?"

MR. BRENNAN said he thinks there could be statewide improvement to enhance the benefit of the mining industry to the state and reduce the risk to other businesses and downstream users.

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CO-CHAIR SAMUELS said he doesn't know if open-pit mining is an abomination or if Northern Dynasty will ever build the mine, "or if I want them to build this mine," but if the process needs fixing, it should be done for the entire state, and not pick and choose.

CO-CHAIR RAMRAS asked if Mr. Brennan has an economic relationship with Bob Gillam or Northern Dynasty.

MR. BRENNAN said that Mr. Gillam has contributed, but it has been less than 5 percent of the group's annual budget.

REPRESENTATIVE LEDOUX asked if the group existed when other Alaska mines were permitted.

MR. BRENNAN said the group is only four-years old and staffed even more recently.

REPRESENTATIVE GATTO said nearly everything has a side effect, so what does responsible mining mean?

MR. BRENNAN said the group adopted former Governor Hammond's work on what is environmentally sound. He said both former governors Hickel and Hammond have said that the mining industry is not paying fair market value, especially today when metal prices are at record highs. He said he wouldn't want to be the arbitrator of what is responsible, but have the legislature and DNR use Governor Hammond criteria instead of the blunt tool of jobs. He said this issue should become the foundation of a broader, statewide dialogue on that question.

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CO-CHAIR RAMRAS said Governor's Hammond's legacy will remain for generations.

REPRESENTATIVE SEATON said he appreciates citizens working together for best practices in mining; it is admirable and necessary. He asked how requiring a detailed management plan, separate from the permitting process, gets to the advancement of best practices.

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MR. BRENNAN answered that this committee hearing enables a conversation of best practice. He said there is a precedent for management plans being conducted prior to permitting, within existing management plans, for much lesser projects. He said if Hatcher Pass deserves that treatment, the Pebble mine certainly does. It sounded like DNR would be able to run the process concurrently with the permitting process.

REPRESENTATIVE SEATON asked how best practices get incorporated into a land use plan that are not incorporated in the mining permitting process.

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MR. BRENNAN said there is a potential for a conflict of interest during the permitting process, and he noted a memorandum of understanding between DNR and Northern Dynasty to expedite completion of the permit process. Perhaps there is a predetermined conclusion, he said, and the concern is amplified because Northern Dynasty pays DNR to expedite permitting. He stated that DNR can't conduct the oversight for itself, and the legislature should pay closer attention.

REPRESENTATIVE LEDOUX asked how much time the organization spends on the Pebble project.

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MR. BRENNAN said he is the one full-time employee, and about 20-25 percent of his time is spent on the Pebble mine.

REPRESENTATIVE LEDOUX asked what Mr. Brennan does regarding other mines.

MR. BRENNAN said that all work is done by invitation of a community group. He noted that the Association of Village Council Presidents invited him to come to Akiak for a public forum. He said he provided information and gave the community tools for protecting other resources.

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WASSILLIE ITUKSIK, President, Aleknagik Tribal Counsel, said he is also on the city council and the village corporation board. He is from the village of Aleknagik, which is a gateway to Wood-Tikchik Park—the largest state park in the country. He said he was the first chair of the Wood-Tikchik management council.

There are 48 lodges in the park and all employees are white. There are young men with six-pack boat licenses in the village, "but they don't get hired," he said. He said there are 14 young men sitting in the village without jobs who are certified as heavy equipment operators. He said they have taken state training programs, but they are sitting in the village with no jobs. Lodges don't hire Natives, he stated, and he has called the department of labor and was told that they can hire anybody they want. He said [employees] at Lake Clark and Katmai National Parks are all white. "We desperately need economic development in the Bristol Bay region," he opined. He added that he is a drift net troller in Bristol Bay, and in the recent years, every time the fish hit, the American processors put on a pound limit. "They let you watch the fish go by at 60 cents a pound. You can't hardly make a living," he said. He mentioned flying over what was once a village with an airport and a school, and it was completely dark. The people have moved away because there are no jobs. He noted that gas is \$6.60 gallon, making it difficult to make a living by fishing. "We desperately need some kind of economic development in Bristol Bay," he concluded.

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REPRESENTATIVE GATTO asked why lodge owners are discriminating or if Natives Alaskans are not willing to do the work.

MR. ITUKSIK said the lodges hire people from out of state, "and they don't need the Natives."

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LISA REIMERS, Iliamna, said she doesn't have a master's degree and is not employed by Northern Dynasty. She noted that she lives 15 miles away from the mine and that the proposed road is on her land, "so we are major stakeholders." "As leaders of Iliamna Natives Limited, we were skeptical when Northern Dynasty first came in." She said "we" would like to protect the environment but need to be open-minded because commercial fishing has declined due to farmed fish. She said every year hopes are high for commercial fishing, but it costs money to fish and most people cannot afford to "go down there anymore". She said her mother owns a lodge but can't compete with other lodges because she cannot afford a \$1 million airplane for the fishermen. She said her mother is competing with the high-end market but is trying to reach the lower-end market.

MS. REIMERS expressed concern about the survey that was done because only communities that were 70 miles away from the proposed mine were included. Iliamna was not included in the survey, and she asked who paid for a previous presentation. She reported that she doesn't have "a lot of money, we don't have a billionaire backing us up." She said everyone is worried about paying \$5.00 per gallon for fuel and are worried about how to sustain themselves. She asked about how to diversify the area's economy. She said the state will do a good job making sure this mine is safe, and if it can be safe, "we are looking at it, because what other options do we have?" She said certain parties stopped a bridge connecting Iliamna to Nondalton, and lives have been lost trying to cross the river. She said the process for Northern Dynasty should continue. She said Northern Dynasty has hired locals, used local businesses, shared information from studies, and has been a good neighbor.

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REPRESENTATIVE GATTO asked if the road from the mine all the way to Pedro Bay exists.

MS. REIMERS said it is only proposed. She said she has flown with Northern Dynasty so she can be part of the process. She said the company has done studies on fish and plants.

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EILEEN ZAISER, Anchorage, Alaska, said she supports the mining industry and grew up placer mining. She noted that when she first heard about the Pebble mine she was excited, but now she is skeptical. She said Northern Dynasty doesn't seem to have a track record, and she urged the committee to err on the side of caution. She said often the concern comes after the problem. She said she does not have a direct economic interest in the project but would be affected if a catastrophe occurred.

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ELEANOR JOHNSON, Teacher, said she is originally from Nondalton, and there are 16 siblings in her family and all but two left Nondalton for employment opportunities. There are a handful of jobs but they are already filled, and many are seasonal, she noted. She said she left at age 12 to go to school, and that "shouldn't have to be." She said she has still managed to hang on to her subsistence lifestyle, never missing a year of subsistence activities. She asked if the resolution means that

the current process is not adequate and why not just make the process better. She also asked who is going to pay for "this." She said the legislature is not supposed to look at specific projects. "Your job is to take care of all of the citizens of the State of Alaska." She said she didn't think she nor her children should have to leave home to pursue a living.

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MS. JOHNSON said two of her siblings have jobs in Nondalton, but there weren't jobs for "the rest of us." She noted that she left to go to high school.

REPRESENTATIVE GATTO asked if she went back to Nondalton and then couldn't find work there, so had to leave.

MS. JOHNSON said she taught elementary school in Nondalton for ten years without a teaching degree, and then she left again to go back to school and got a job with the Anchorage school district after getting a degree. She said she got married and raised three daughters in Anchorage. She said she continued to be involved in the village corporation, but she is not representing it today. Something disturbing is going on, she said, and she doesn't like it. She said people should not be governed by the person with the largest bank account.

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MARTHA ANELON said she lives in Iliamna and is employed by a joint venture of the Calista Corporation and the Iliamna Development Corporation called Iliamna Pebble Development whose client is Northern Dynasty. She is the local hire coordinator, and she has seen all the studies Northern Dynasty has done on the environment. She noted that Northern Dynasty asks for help from local people, and working with Northern Dynasty provides people with skills. It is unique for a company to come in and hire people from villages like Togiak, she said, and fly them in to Iliamna and provide food and housing during their shifts. They go back to Togiak on their time off, she said. "Where else do you get that in rural Alaska?" She said as the local hire coordinator she pushes for local hire. She said last season she had two local people in the office and this season, there will be three local positions and one position is a bookkeeper.

REPRESENTATIVE CARL MOSES, Alaska State Legislature, said five or six years ago the legislature appropriated a large sum of money for the Nondalton bridge, which has been held up by a

billionaire, and he has been told that the people of Nondalton don't want the bridge, and that is hard to believe.

MS. ANELON said she doesn't know, but she think people want the bridge to lower the price of gas, "and you would not believe the number of people who have died...crossing over in the spring and even in winter."

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REPRESENTATIVE LEDOUX said two people died there last year.

REPRESENTATIVE GATTO asked if people are divided on the bridge.

MS. ANELON said she does not know.

[2:40:24 PM](#)

MS. JOHNSON said she didn't think the notion of people being against the bridge was "a true picture." She said it doesn't take much to change someone's mind. At some point the tribal council was told that Northern Dynasty was going to use the bridge, but that is not true as far as she knows, but some vocal people spread that rumor. She said six years ago there was a unanimous show of hands for the bridge when the three communities were all together with the Department of Transportation & Public Facilities. Her nephew died in that river, and many lives have been lost. Mr. Gillam files lawsuits against the bridge because it interferes with his scenic view.

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DAN OBERLATZ, Owner, Alaska Alpine Adventures, said his company is a very small adventure travel company, and that he is the blonde-hair, white guy mentioned in previous testimony. He has live on Lake Clark for 11 years and he understands the cash economy. He said he owes Mr. Alsworth \$1,500 for oil for his oil tank. He said he is passionate about the Lake Clark and Katmai area; it is one of the world's most perfect ecosystems and home to the world's largest sockeye salmon fishery and the Mulchatna caribou herd. It has tremendous value to Alaskans, and there is a lot at stake. He noted the growing tourism economy and said local hire needs to be addressed, but he opposes risking the tourism industry in favor of a large open pit mine. He said of the two competing resources, ecological diversity and the ore deposit, one will go at the expense of the other. He said that is why Northern Dynasty owes Alaskans the

assurance that it is not going to have an accident. He supports HCR 29 in order to scrutinize a project that is unprecedented in size and scope.

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CO-CHAIR RAMRAS said the committee now has a flow chart from DNR showing the large mine permitting process next to the land planning process that HCR 29 generates.

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MR. FOGELS said DNR first reviews the mine application, and then the land planning process would start with the step of identifying issues and holding public meetings. The meetings would be combined, he said, but DNR has never done this process before so it is the best guess on how it would be intertwined with the large mine permit process. The issues would be different for the large mine permitting process, which may be very specific to the design of the project, like the soundness of tailings facilities. The land planning process may have different issues, but the data collection would be done under the permitting process. Both documents will develop alternatives regarding where the mine is or where access is, and the land planning process would consider broader issues like how DNR would manage the land surrounding the mine. There would be a series of public meetings, concurrently, and then DNR would develop a final plan or a final EIS. He said sometimes there are public meetings at that point depending on the level of controversy. He said the next step includes the appeals process, and then the final decision is made on implementing a permit and implementing a land use plan.

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REPRESENTATIVE SEATON asked about the difference between the permitting issues and the land plan issues.

MR. FOGELS said the land plan could affect the mine plan, but it would be broader and would take into account some of the surrounding land uses. He noted that the land plan typically wouldn't get into the level of detail of the mine's tailing pond, for example, but may provide guidance for where a tailings pond could be sited.

REPRESENTATIVE SEATON asked if those things, like the location of the tailings ponds, are considered in the alternatives during the permitting process.

MR. FOGELS said yes; that would be a clear duplication.

REPRESENTATIVE LEDOUX asked if the land planning process would oversee the construction of the mine and worker safety and whether the mine was structurally sound.

MR. FOGELS said that process would be strictly under the permitting process.

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CO-CHAIR RAMRAS said in California there is a coastal commission that considers view sheds and trails, and he asked if the permit process deals with the mine itself and the land plan looks at the environmental impact on the greater area and at some of the more intangible aspects.

MR. MYLIUS said that is a good way to describe it. Normally the land planning process would deal with more specific items like where the mine, road, or tailing pond could be, but those issues will already be dealt with through the large mine project, "so the planning process doesn't really add anything to those kinds of decisions, but it could deal with some of the more aesthetic concerns or impacts on adjacent land uses, or things that are not quite so tied to the actual development of the mine site, or are not so technical."

CO-CHAIR RAMRAS asked if the application has been submitted.

MR. MYLIUS said it will probably be submitted a year from now at the earliest.

CO-CHAIR RAMRAS asked if the land planning process would begin concurrently with the EIS process, blending the meetings.

MR. MYLIUS said that would be DNR's intention, but it has never done the two processes together.

CO-CHAIR RAMRAS suggested that the resolution action would begin during scoping and public meetings, and at that time DNR would assess "softer issues" affiliated with the greater use of the area. "Presumably more people and other resources would be used, and although a lot of the data would be shared, you would

generate two reports." He asked if the reports would be finalized at the same time.

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MR. MYLIUS said the intention would be to wrap them both up at the same time. He said the large mine process would take longer with its detailed analysis, but the goal would be to keep them together because the outcome of one may affect the other.

CO-CHAIR RAMRAS said if HCR 29 moved, it would be a \$400,000 report on the softer issues surrounding the mine and possibly satisfy some of the concerns that were expressed by both sides today. It would be an augmentation to the permitting process, he surmised.

MR. MYLIUS said that is a fair assessment.

[3:02:27 PM](#)

REPRESENTATIVE SEATON said the mine permit process would fully include the impacts on fisheries, wildlife, subsistence and such.

MR. FOGELS said the large mine permit would include all those and more, including socio-economic impacts and air quality.

[3:03:10 PM](#)

[HCR 29 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at [3:03 PM](#).