

**ALASKA STATE LEGISLATURE**  
**HOUSE RESOURCES STANDING COMMITTEE**

February 15, 2006  
1:06 p.m.

**MEMBERS PRESENT**

Representative Jay Ramras, Co-Chair  
Representative Ralph Samuels, Co-Chair  
Representative Jim Elkins  
Representative Carl Gatto  
Representative Gabrielle LeDoux  
Representative Paul Seaton  
Representative Harry Crawford

**MEMBERS ABSENT**

Representative Kurt Olson  
Representative Mary Kapsner

**COMMITTEE CALENDAR**

HOUSE BILL NO. 300

"An Act relating to the qualifications of the member of the Alaska Oil and Gas Conservation Commission who need not be certified, trained, or experienced in either the field of petroleum engineering or the field of petroleum geology."

- MOVED CSHB 300(O&G) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 14

Urging the United States Congress to pass legislation to convey land to the University of Alaska.

- MOVED CSHJR 14(RES) OUT OF COMMITTEE

HOUSE BILL NO. 324

"An Act banning the importation, transfer, and cultivation of orange hawkweed and purple loosestrife."

- MOVED CSHB 324(RES) OUT OF COMMITTEE

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: HB 300

SHORT TITLE: OIL & GAS CONSERVATION COMMISSION MEMBER

SPONSOR(S): REPRESENTATIVE(S) KOHRING

05/04/05 (H) READ THE FIRST TIME - REFERRALS  
05/04/05 (H) O&G, RES  
01/24/06 (H) O&G AT 5:00 PM CAPITOL 124  
01/24/06 (H) Moved CSHB 300(O&G) Out of Committee  
01/24/06 (H) MINUTE(O&G)  
01/25/06 (H) O&G RPT CS(O&G) 5DP 1NR  
01/25/06 (H) DP: GUTTENBERG, SAMUELS, DAHLSTROM,  
ROKEBERG, KOHRING;  
01/25/06 (H) NR: GARDNER  
02/15/06 (H) RES AT 1:00 PM CAPITOL 124

BILL: HJR 14

SHORT TITLE: URGE CONGRESS TO GRANT LAND TO UNIVERSITY

SPONSOR(S): REPRESENTATIVE(S) ELKINS

03/01/05 (H) READ THE FIRST TIME - REFERRALS  
03/01/05 (H) EDU, RES  
01/31/06 (H) EDU AT 11:00 AM CAPITOL 106  
01/31/06 (H) Moved CSHJR 14(EDU) Out of Committee  
01/31/06 (H) MINUTE(EDU)  
02/01/06 (H) EDU RPT CS(EDU) 3DP 4NR  
02/01/06 (H) DP: LYNN, WILSON, NEUMAN;  
02/01/06 (H) NR: SALMON, GATTO, GARA, THOMAS  
02/15/06 (H) RES AT 1:00 PM CAPITOL 124

BILL: HB 324

SHORT TITLE: BAN ORANGE HAWKWEED/PURPLE LOOSESTRIFE

SPONSOR(S): REPRESENTATIVE(S) LEDOUX

01/09/06 (H) PREFILE RELEASED 12/30/05  
01/09/06 (H) READ THE FIRST TIME - REFERRALS  
01/09/06 (H) RES, FIN  
02/15/06 (H) RES AT 1:00 PM CAPITOL 124

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  
02/13/06 (H) Heard & Held  
02/13/06 (H) MINUTE(RES)  
02/15/06 (H) RES AT 1:00 PM CAPITOL 124

**WITNESS REGISTER**

REPRESENTATIVE VIC KOHRING  
Alaska State Legislature  
Juneau, Alaska  
POSITION STATEMENT: Presented HB 300 as sponsor.

JOHN NORMAN, Chair  
Alaska Oil and Gas Conservation Commission (AOGCC)  
Anchorage, Alaska  
POSITION STATEMENT: Testified in support of HB 300.

JIM VAN HORN, Staff  
to Representative Jim Elkins  
Alaska State Legislature  
POSITION STATEMENT: Presented HJR 14 on behalf of Representative  
Elkins, sponsor.

JOE BEEDLE, Vice President of Finance  
University of Alaska  
Fairbanks, Alaska  
POSITION STATEMENT: Testified in support of HJR 14.

DICK MYLIUS, Acting Director  
Division of Mining, Land and Water  
Department of Natural Resources (DNR)  
Anchorage, Alaska  
POSITION STATEMENT: Answered questions regarding HJR 14.

SUZANNE HANCOCK, Staff  
to Representative Gabrielle LeDoux  
Alaska State Legislature  
POSITION STATEMENT: Presented HB 324 on behalf of Representative  
LeDoux, sponsor.

KATE TROLL, Executive Director  
Alaska Conservation Alliance  
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 324.

ERIN WHIPPLE  
Kodiak, Alaska

POSITION STATEMENT: Testified in support of HB 324.

BLITHE BROWN, Noxious and Invasive Plants Coordinator  
Kodiak Soil and Water Conservation District  
Kodiak, Alaska

POSITION STATEMENT: Testified in support of HB 324.

VARSHA MATHRANI, Environmental Health Coordinator  
Alaska Community Action on Toxics  
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 324.

JANICE CHUMLEY, Master Gardener  
Kenai Peninsula

POSITION STATEMENT: Testified in support of HB 324.

DOUG WARNER, Manager  
Inspection/Marketing Services  
Division of Agriculture  
Department of Natural Resources (DNR)  
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 324.

JAMIE SNYDER, Invasive Plants Program Assistant  
Alaska Cooperative Extension Service  
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 324.

BRUCE JENKINS, Chief Operating Officer  
Northern Dynasty Mines, Inc.  
Vancouver, British Columbia

POSITION STATEMENT: Testified in opposition to HCR 29.

#### **ACTION NARRATIVE**

**CO-CHAIR JAY RAMRAS** called the House Resources Standing Committee meeting to order at [1:06:31 PM](#). Representatives Seaton, LeDoux, Gatto, Ramras, and Samuels were present at the call to order. Representatives Elkins and Crawford arrived as the meeting was in progress. Representatives Kapsner and Olson were excused.

HB 300-OIL & GAS CONSERVATION COMMISSION MEMBER

CO-CHAIR RAMRAS announced that the first order of business would be HOUSE BILL NO. 300, "An Act relating to the qualifications of the member of the Alaska Oil and Gas Conservation Commission who need not be certified, trained, or experienced in either the field of petroleum engineering or the field of petroleum geology."

1:07:25 PM

REPRESENTATIVE VIC KOHRING, Alaska State Legislature, sponsor of HB 300, said that because of the complexity and expansion of the oil and gas industry, the public seat on the Alaska Oil and Gas Conservation Commission (AOGCC) ought to have at least some understanding of the industry. He noted that there are three seats on the AOGCC and two require expertise in the field. Currently the third seat doesn't require any kind of petroleum background. He said it shouldn't be a wide-open spot and an on-the-job training opportunity.

REPRESENTATIVE LEDOUX asked what it will do with the current public member.

REPRESENTATIVE KOHRING said that member is doing a good job and it will have no impact on his position.

REPRESENTATIVE LEDOUX asked if there have been past problems that Representative Kohring is trying to fix.

REPRESENTATIVE KOHRING said no, but he is looking toward the future. He said the increased technology requires increased knowledge, and there is a growing volume of work because of the growing industry.

REPRESENTATIVE SEATON noted that the bill requires familiarity with the oil and gas industry in the State of Alaska, which is not a requirement for the other two members.

REPRESENTATIVE KOHRING said he does not know why that stipulation is in the bill.

REPRESENTATIVE SEATON suggested taking out that requirement.

REPRESENTATIVE KOHRING said he could take that out because someone qualified may come from the Colorado School of Mines.

CO-CHAIR SAMUELS said geology is geology, but in Alaska things are different because most land is not privately owned, and he

suggested that the knowledge of Alaska's tax system, for example, is important. He said the public member should be able to bring something to the table.

[1:14:56 PM](#)

REPRESENTATIVE GATTO suggested the third member should be a manager or "businessman" because the other two members are required to have technical knowledge. He asked if current members have exposure to business matters.

REPRESENTATIVE KOHRING said he did not know, but one is an attorney.

[1:16:16 PM](#)

REPRESENTATIVE GATTO said that the term "fundamental understanding" is general.

[1:16:50 PM](#)

REPRESENTATIVE CRAWFORD asked for an explanation of why a public member is not desired. He spoke of a previous member who did a fine job of looking out for the public. He pointed out the original intent of having a public member. "It was a good idea at the time, and why should we change that?" he asked.

REPRESENTATIVE KOHRING said he just thinks that person should have the expertise because of the technical nature and the volume of work. He said the person could have some knowledge of the industry and still advocate for the public.

[1:18:44 PM](#)

REPRESENTATIVE CRAWFORD said he had to learn about a lot of issues, but he is a representative of the people and it was up to him to get up to speed on things that he had no background in. He said the oil and gas industry develops mindsets and culture within the industry, and that is why the state wanted to have the public member.

[1:20:04 PM](#)

REPRESENTATIVE KOHRING said that the person is not required to work for the industry.

REPRESENTATIVE LEDOUX asked about other public commissions where the members are not required to have a fundamental understanding of the issues.

REPRESENTATIVE KOHRING said he was appointed to the Alaska Housing Board without much knowledge, and it was a tough challenge to get up to speed before he could be productive.

[1:21:49 PM](#)

REPRESENTATIVE GATTO asked about the job description of the commission itself.

[1:22:24 PM](#)

REPRESENTATIVE KOHRING requested that a commissioner answer that question.

[1:22:58 PM](#)

JOHN NORMAN, Chair, Alaska Oil and Gas Conservation Commission (AOGCC), said the AOGCC is one of the oldest commissions in the state. The creation of the AOGCC represented a tremendous amount of foresight, he noted. He said the makeup of the commission has evolved over the years, and he has known every commissioner since statehood and "virtually all" would fit the requirements of HB 300. He then said that a few were not up to the level of having minimal understanding of the industry. He said the bill is a step in the right direction, and it allows flexibility while still requiring knowledge of the industry. He said he has had considerable experience in the industry.

[1:27:48 PM](#)

MR. NORMAN said every other day, he is "sent back to the books" to understand the issues. He said there is a framework of legalities, vocabulary, and other things that need to be understood. He added that Alaska's regulatory structure and oversight is respected around the world. The understanding of the industry does not mean a person is in the pocket of the industry. He said he has represented Native corporations against the oil and gas industry. A person's experience need not be gained in the industry, he stated. He said that holding hearings is part of the work of the AOGCC, so he thought his law experience was helpful, "but we are best to leave it that we have an Alaskan that would represent the public...but I don't think it's too much to ask that that person have a basic

understanding of the industry." He concluded that a person would not know the questions to ask if she or he was not knowledgeable, and that person might be overly suspicious of the industry. He said all producing states have professional commissions.

[1:33:02 PM](#)

REPRESENTATIVE SEATON said that the words "in the state" may restrict the number of applicants to the commission.

MR. NORMAN said he can support that change, because that preference will still be in Section 1. He added that Alaska is unique, so it is desirable to have someone who is from Alaska.

[1:35:55 PM](#)

REPRESENTATIVE GATTO asked what the commission does.

MR. NORMAN said the AOGCC was convened when the industry was unregulated, and its job is to oversee the orderly development of oil and gas. It tries to ensure that best engineering practices and best geologic science is applied. The AOGCC also convenes hearings for disputes, similar to the Superior Court. He said the commission oversees every hole in the ground to find oil or gas and continues oversight until a well is put to bed. He gave examples.

[1:40:38 PM](#)

CO-CHAIR RAMRAS said the committee has an outline of what the commission does.

[1:41:19 PM](#)

REPRESENTATIVE SEATON moved Amendment 1 as follows:

Page 2, lines 26 and 27, after "industry"  
Delete:  
"in the state"

CO-CHAIR SAMUELS objected.

REPRESENTATIVE KOHRING said it takes away the specific requirement but it doesn't change the intent of the bill.

REPRESENTATIVE GATTO noted that the original bill asked for the public member to be an attorney or be experienced in business management. He said the current version eliminates all of that, and it asks for the exact opposite. He asked how that happened.

REPRESENTATIVE KOHRING said the original bill contained his initial thoughts without conversing with other people. He said he spoke with people in the oil and gas industry and decided to change it.

[1:44:14 PM](#)

REPRESENTATIVE GATTO surmised that the bill started in the House Committee on Oil and Gas and the entire bill was changed.

REPRESENTATIVE KOHRING said he wanted to make sure the bill was amenable to most interests, including the administration.

[1:44:55 PM](#)

REPRESENTATIVE SEATON said the current language requires that a person's training or experience has to have been in Alaska, and he doesn't think that was the intent.

A roll call vote was taken. Representatives Seaton, Gatto and LeDoux voted in favor of Amendment 1. Representatives Samuels, Elkins, Ramras and Crawford voted against it. Therefore, Amendment 1 failed by a vote of 3-4.

[1:46:22 PM](#)

CO-CHAIR SAMUELS moved to report CSHB 300(O&G) out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE ELKINS objected.

REPRESENTATIVE ELKINS said there are a lot of people who are qualified and the bill will "keep a Bill Gates-type person from setting on the board." He said he cannot support it.

[1:47:13 PM](#)

CO-CHAIR SAMUELS said at least the member should understand the terminology of the industry. He said the person should understand how the Alaska Native Claims Settlement Act or Alaska taxation works. "You have this huge staff; you get paid a whole

lot of money; you should bring something to the table." He said the person does not need to be an expert.

CO-CHAIR RAMRAS concurred.

[1:48:03 PM](#)

REPRESENTATIVE LEDOUX said it eviscerates the idea of the public member. The state has a concept of public membership on commissions: people who are not part of the industry. She said she sees this bill as dissolving that concept.

[1:48:56 PM](#)

CO-CHAIR SAMUELS said this commission, as well as the Boards of Fish and Game, don't compare with other boards. The Board of Real Estate Appraisers is not dealing with tens of billions of dollars. He said the public should have their seat, but ask that they understand the terminology. The commission maximizes hydrocarbon recovery. The public needs a member, but it is not asking for a very minimal standard of understanding. An attorney might not have that understanding, he said. The public member could be a roughneck on the slope who has no ties to the industry. He said an oil and gas tax lawyer could be a member.

[1:50:46 PM](#)

REPRESENTATIVE CRAWFORD said he had reservations initially. The present bill will still leave the appointment to the governor and legislature. He said Richard Fineberg could be appointed under this language, so he will not object. He doesn't think it will change things.

[1:52:02 PM](#)

CO-CHAIR RAMRAS said there are three bills to discuss today and Northern Dynasty will be making a presentation.

REPRESENTATIVE GATTO said he likes the first version, but he supports the current version, because the governor can still choose a person within the oil and gas industry who has a business background.

REPRESENTATIVE ELKINS removed his objection.

Hearing no further objections, CSHB 300(O&G) passed out of the House Resources Standing Committee.

[1:53:15 PM](#)

HJR 14-URGE CONGRESS TO GRANT LAND TO UNIVERSITY

CO-CHAIR RAMRAS announced that next order of business would be HOUSE JOINT RESOLUTION NO. 14, Urging the United States Congress to pass legislation to convey land to the University of Alaska.

JIM VAN HORN, Staff to Representative Jim Elkins, sponsor of HJR 14, said the resolution urges Congress to pass legislation to convey federal land to the University of Alaska. It voices support for a federal university land bill introduced by Senator Lisa Murkowski. As the largest landholder in Alaska it is important that the federal government support the land grant University of Alaska to make it financially independent. He referred to the land grant passed by the Alaska State Legislature last year. This land grant package will give the university as much as 760,000 acres and make them the envy of universities around the globe, he said. He said HJR 14 will tell Congress how important the United States Senate Bill 293 is to Alaskans. He referred to the committee packet and a report by Terrence Cole called, "A Land Grant College without the Land," which stated that from 1917 to 1946, the total revenue to the university from land sales and rentals was only \$227.50 due to the lack of adequate surveys of land that was originally conveyed to the university, he said.

[1:56:53 PM](#)

CO-CHAIR RAMRAS said the most valuable piece of legislation in 2005 was the university land grant bill. He supports getting land out of the hands of the public and getting money to the university.

[1:58:02 PM](#)

CO-CHAIR SAMUELS asked about the resolve of line 11 that allows for public access to fishing streams, and he expressed concern that land will be eliminated due to this resolve.

MR. VAN HORN said that was inserted by the House Special Committee on Education. He said the Senate bill is very specific as to the sideboards in transferring the lands, but the committee added it and the sponsor had no objection. He said he has no knowledge of how much land that might entail. Traditional access should be maintained for fishing and recreation, he said.

[1:59:38 PM](#)

REPRESENTATIVE ELKINS said he thought there was a bill last year that the committee passed that required access to fishing on state lands.

CO-CHAIR SAMUELS said the bill allowed the state to buy lands for public access. The fear he has is that, "We want the land, whether or not there is public access or not, and then we're going to tell the university not to mess with it. You don't want the feds to come in here...try to find enough land and stay 50 feet from every stream and every river in Alaska, and every hunting, dog mushing, motorized vehicle, mining, recreational trail and try to find a quarter million acres that don't have a stream running through them." He said he would defer to Joe Beedle to see if he is reading too much into the wording.

[2:01:02 PM](#)

JOE BEEDLE, Vice President of Finance, University of Alaska, thanked the committee for state land that was given to the university last year. He said the university is working with the Alaska congressional delegation on Senate Bill 293.

CO-CHAIR SAMUELS said he would rather tell the university to provide public access and take care of the streams rather than tell the "feds" that the state doesn't want those lands.

MR. BEEDLE said the language is a "limiting issue," and the university agrees with Co-Chair Samuel's assessment. It is redundant with state regulations, he added. He recommends that that section be removed and to address the issue in the future.

[2:04:20 PM](#)

DICK MYLIUS, Acting Director, Division of Mining, Land and Water, Department of Natural Resources (DNR), said when the state acquires land from the federal government, it prefers that the land be unencumbered. He said the legislature can impose restrictions for public access. If Congress did deal with such language, he thinks the state would advocate that it just allows for certain easements to be reserved to insure public access, but "you wouldn't want to have some provision where Congress could actually reject parcels because they want to protect public access. That would not be a good thing to have."

REPRESENTATIVE ELKINS said there needs to be a covenant that guarantees access after the land is transferred to the university, and he is not sure the state would have the authority to require access after the land is transferred to the university without a covenant in the transfer.

[2:06:16 PM](#)

REPRESENTATIVE SEATON asked how the legislature could ensure public access for land that is transferred to the university.

MR. MYLIUS said he does not know.

MR. BEEDLE said the university is subject to the constitution and the laws of the state. He said there are laws for anadromous streams that the university would have to follow. He said the legislature can put on additional restraints.

[2:07:49 PM](#)

REPRESENTATIVE ELKINS asked if the state would be required to pay for the access.

MR. BEEDLE said it depends. If it is a protected right, the university could not charge for it. If it was an additional right or a special easement such as power lines, the university could charge for it.

[2:08:36 PM](#)

CO-CHAIR SAMUELS said the legislature could do as it sees fit.

[2:09:10 PM](#)

CO-CHAIR SAMUELS moved Amendment 1 as follows:

Page 2, lines 11-14:  
Delete all material.

Hearing no objections, Amendment 1 carried.

[2:09:47 PM](#)

REPRESENTATIVE ELKINS moved to report HJR 14, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Hearing no objections, CSHJR 14(RES) was moved out of the House Resources Standing Committee.

HB 324-BAN ORANGE HAWKWEED/PURPLE LOOSESTRIFE

2:10:42 PM

CO-CHAIR RAMRAS announced that the next order of business would be HOUSE BILL NO. 324, "An Act banning the importation, transfer, and cultivation of orange hawkweed and purple loosestrife."

SUZANNE HANCOCK, Staff to Representative Gabrielle LeDoux, presented HB 324 on behalf of Representative LeDoux, sponsor. She said the bill bans the exportation of orange hawkweed and purple loosestrife in response to concerns from constituents. These invasive plants are devastating because they crowd out native plants in the wild and cultivated plants in residential gardens. She noted that purple loosestrife is a threat to wetlands and waterfowl, and volunteer groups in Kodiak have been pulling out and disposing of orange hawkweed. She said the Department of Natural Resources (DNR) would have jurisdiction, and the bill has the commissioner adopting regulations to prevent further propagation. She said statute currently lists many weeds, but it has not kept up with new species. The bill only applies to those who knowingly plant these weeds, and it will be a class A misdemeanor, but the intent is not to have weed police, but to provide education. Representative LeDoux sponsored the bill because it is good public policy.

2:13:10 PM

REPRESENTATIVE CRAWFORD noted that the two species in the bill have been listed as the worst offenders. He said there is a large list of other noxious weeds, so why stop at these two.

MS. HANCOCK said eventually DNR will update the list, but this is a rapid response to two weeds that are causing serious problems. She said these weeds are especially pernicious, and she compared them to kudzu. She added that purple loosestrife is now choking Chester Creek in Anchorage, and orange hawkweed is a problem in Kodiak and Yellowstone Park. She noted that DNR has not been able to keep up, "and these two are...sort of the poster children of bad weeds."

REPRESENTATIVE GATTO said dandelions and vetch can't be controlled at this point, so "can we control these two species?"

MS. HANCOCK said prevention is part of the goal, and education of the problem is key. She said communities are destroying the weeds as a community effort.

REPRESENTATIVE GATTO again asked if the weeds can be stopped.

MS. HANCOCK said it is difficult, but the plan is to get ahead of it. She noted that many states are spending millions of dollars to eradicate the weeds as well as spending money to replant areas with native species.

[2:17:31 PM](#)

CO-CHAIR SAMUELS asked about the penalty on page 2, line 4.

MS. HANCOCK said it is a class A misdemeanor.

CO-CHAIR SAMUELS asked about adding the word "knowingly" on page 1, line 7, regarding the importation language. He suggested that seeds may be accidentally brought in.

MS. HANCOCK said that could happen.

REPRESENTATIVE LEDOUX said she doesn't have a problem with that change. She said the intent is not to be the weed Gestapo. But in any criminal law she assumes it has to be knowingly.

CO-CHAIR SAMUELS asked about page 1, line 10, regarding the language "to another person."

[2:19:37 PM](#)

KATE TROLL, Executive Director, Alaska Conservation Alliance, said HB 324 is a good start for Alaska. She noted that orange hawkweed can harm wildlife and riparian areas, and purple loosestrife aggressively out-competes native wetland plants. She noted that there are other invasive species, and that being proactive can save millions and billions of dollars. She said in solving one problem it is important not to create another problem, which would be the use of pesticide, so she asked the committee to offer an amendment. She suggesting adding: "In developing these regulations, emphasis should be placed on using the most strategic and least toxic method of eradication." She said that wouldn't eliminate the use of pesticides, "but it just talks about it in the proper context."

[2:23:21 PM](#)

ERIN WHIPPLE, Kodiak, said she works for a Native corporation and strongly supports the bill because it is a huge step forward in preventing the importation of noxious and invasive species. She has seen what orange hawkweed can do; it is only 10 inches high but it can out-compete six-foot [indecipherable] until it becomes the only species in a field. It serves no purpose, whatsoever, for native animals, and it out-competes plants that wildlife depend on. She said Montana has identified 8.2 million acres infested with noxious weeds, and it will take \$47 million to implement a weed management program "that slows weed spread and reduces current infestations by 5 percent." She noted that it will cost billions of dollars considering Alaska's vast acreage, "if we don't take these first steps now."

[2:26:15 PM](#)

BLITHE BROWN, Noxious and Invasive Plants Coordinator, Kodiak Soil and Water Conservation District, said she is also a volunteer for the Kodiak National Wildlife Refuge. She noted that the Karluk Lake area is Kodiak Island's most productive salmon and bear habitat, and orange hawkweed is showing up there. Kodiak has made some headway with volunteer efforts, and has taught people to stop sharing certain plants between gardeners and to quit planting troublemakers. She said the problem is larger than Kodiak, and a small community effort might not be enough. She added that a major method of spread of the plants is people. Japanese knotweed and spotted knapweed need to be dealt with too. She said the state needs to tie this bill to a species list that can be changed without a new law or regulation. She pointed out that current weed laws in Alaska are agricultural seed laws. The agricultural community is taking care of their weeds, "but now the rest of Alaska needs to realize that they too are part of the problem and can be part of the solution. Orange hawkweed and purple loosestrife do invade undisturbed habitat; they are not just common garden weeds."

[2:28:29 PM](#)

VARSHA MATHRANI, Environmental Health Coordinator, Alaska Community Action on Toxics, said her group approves of the bill.

CO-CHAIR RAMRAS said the committee has the letter that she is reading from and asked her if she would like to add anything.

MS. MATHRANI emphasized the importance of prevention and education about invasive plants and finding integrative, non-toxic biological and mechanical strategies to eradicate them.

2:30:20 PM

JANICE CHUMLEY, Master Gardener, said she has seen the problems of plants running amok, including a Homer cemetery that went from one small orange hawkweed plant to the entire cemetery being nothing but hawkweed in 15 years. She said she is concerned about preserving Alaska's wildlands, and she wants HB 324 to be part of an invasive species list that can be grown without additional legislation. She noted that one small plant can change fishery and wildlife habitat in the entire state.

DOUG WARNER, Manager, Inspection/Marketing Services, Division of Agriculture, Department of Natural Resources, said HB 324 may not be necessary because "it would seem that we have existing statutory authority to implement some of the regulations necessary to control it. As this bill moves forward, we begin the process of updating regulations to include provisions for the control of weeds" and maybe with a broader perspective where weeds could be added and taken off a list. He said DNR would support a more comprehensive package that allows the process of adding weeds. He said DNR introduced a zero fiscal note because staffing would remain the same, but he said he doesn't know how effective DNR can be with a zero fiscal note.

JAMIE SNYDER, Invasive Plants Program Assistant, Cooperative Extension Service, said prevention is extremely cost efficient--much cheaper than treatment and restoration after-the-fact. "This is a great first step to address these two species of concern while we cross our fingers and hope that state agencies can develop a functional state noxious weed list."

2:35:18 PM

CO-CHAIR SAMUELS said in order to make the bill consistent "and so we do not become the weed police," he offered Amendment 1 as follows:

Page 1, line 7, before "import"  
Insert "knowingly"

Hearing no objection, Amendment 1 was adopted.

2:36:06 PM

REPRESENTATIVE LEDOUX moved to report HB 324, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Hearing no objections, CSHB 324(RES) moved out of the House Resources Standing Committee.

The committee took an at-ease from [2:37:02 PM](#) to [2:38:55 PM](#).

HCR 29-PEBBLE COPPER DEPOSIT MANAGEMENT PLAN

CO-CHAIR RAMRAS announced that the final 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.

BRUCE JENKINS, Chief Operating Officer, Northern Dynasty Mines, Inc, said there will be plenty of opportunity for the public process and a dialogue on the merits of the Pebble mine project, "and the risks and the benefits, and that now is not the time to do that." He gave the committee a letter that addresses some of the concerns he has about HCR 29, and he said it addresses what he sees as inflammatory comments from previous testimony. He said Northern Dynasty Mines is against the resolution because it provides the mechanism for changing the rules at the end of the permit process by reclassifying land-use that would prohibit mining. He said this concern has been validated by some testifiers "where it was clearly stated that the intention is to use this resolution as a mechanism to stop the pebble project." It would create uncertainty and deter the international investment community, and it would seriously undermine resource development and investments in Alaska, he concluded.

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REPRESENTATIVE CRAWFORD said he is an ironworker and he likes jobs that require ironworkers and welders, and he supports development of Alaska's natural resources, "but I have a lot of trepidation here." He said the area is very sensitive, with millions of spawning salmon, and "there is a lot riding on what you are doing here." He said he wants Mr. Jenkins to know "how very much I want you to do this right."

MR. JENKINS said his organization is committed to responsible mineral development and that is why he was asked to be the Chief Operating Officer. He has more than 30 years of experience in controversial resource development, and he has a master's degree

in fisheries ecology. That should be "a signal that we take this very seriously," he stated. He said he knows of no other mining company that has a fisheries ecologist in his position with "more than 30 years of experience in applying that degree." He noted that his company recognizes the importance of water quality and preserving the fisheries resource. Contrary to testifiers, it is possible to have mine development and protect fish, he said, but there are horror stories in the mining industry in the last 50 years. "No industry has a perfect track record," he said, but the mining industry has modern techniques, modern processes, and a responsible approach to developing mines properly." He said Northern Dynasty has not even defined its project or applied for permits. Without that information, "a reasonable person would look for other precedents." He asked if there are other case studies. He said he is from British Columbia and he spoke of the Fraser River system.

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MR. JENKINS said the Fraser River has the largest salmon populations in Canada. He said one of his sister companies operates a 70,000 ton a day open pit copper mine at Gibraltar, near Williams Lake. It has operated for 26 years, and Northern Dynasty purchased it four years ago. It is closer to the Fraser River than the proposed Pebble mine site would be to the main stem of Nushagak-Mulchatna River by a large margin, and the net impact on the Fraser River salmon and the price paid for them has been zero. Experience doesn't support many of the wild claims of mine impacts, he said, and he only asks for due process with science and facts before an independent adjudicating body. He said he hopes the company will be held as accountable as anyone else who comments on the project, "and that's not possible before the permitting process."

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REPRESENTATIVE GATTO said Mr. Jenkins has an impressive title, and he spoke of fishermen and the most valuable fisheries in the world, "and they don't want to see it jeopardized." He said it is difficult to tell fishermen that he has assurances from the C.E.O., who is "the one guy who stands to gain the most from this operation." He asked what would happen if an impact reached the fisheries.

MR. JENKINS said he is not here to ask anyone to believe what he says because the facts have not been collected and the project has not been designed. He is not asking the committee to

believe that the mine will have no impact, because the mine has not been designed. He said the company will do the best job with the best environmental and engineering team designing the project, and then present the project to the permitting process. Permits will take multiple years with hundreds of experts, and if the company can't convince people that the project is safe, "then we don't deserve to get a permit." We are willing and ready to spend the hundred-plus million dollars, and "we're in this for the long haul." The project won't get permits if the company fails the state and federal permitting process.

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MR. JENKINS said there are similar mines in other jurisdictions that have the same water and fish concerns, "and mines have been developed safely there." He respects the concerns that have been raised and is factoring them into the project design. He said to bring concerns to the table during the permitting process, and the outcome will speak for itself.

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REPRESENTATIVE LEDOUX asked about an Securities and Exchange Commission statement that directors and officers would not be subject to United States courts. She asked if opponents had taken that out of context.

MR. JENKINS said he "believes it has definitely been taken out of context because an erroneous spin has been put on that quotation to create the impression that Canadian executives and directors have a get-out-of-jail-free card. That is patently wrong in law and in practice." He said, "It is erroneous to infer from any peculiarity of a Securities disclosure the Northern Dynasty Mines is not subject to U.S. or Alaska law." He said British Columbia has provisions with the State of Alaska that allows for judgments to be made against British Columbia citizens. He said, "We're damned if we do, and damned if we don't," because his company follows the law and provides "these disclosures because we're required to by the Securities and Exchange Commission and then we get criticized for doing it."

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REPRESENTATIVE LEDOUX said that [quote] was about insider trading and derivative action suits, "and things of that nature as opposed to environmental catastrophe litigation. Wasn't it?"

MR. JENKINS said it was. The assets of the Pebble mine reside in Alaska and are there to support any damages or claim, and the multi-billion dollars in the ground are assets. The bond and cash posted for reclamation will be in Alaska, he noted, "so there are lots of assets that reside in the state within the American subsidiary that are available to support any kind of a claim or action."

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REPRESENTATIVE SEATON asked if it is true that the mine did not intend to use a chemical pollution mixing zone.

MR. JENKINS said there is no simple answer. He said the current base case does not envision a surface water discharge. The project is not known, and the company has found a higher-grade deposit to the east at greater depth, and it is investigating underground mining techniques, and "whether that engineering effort will result in a change, I cannot predict."

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CO-CHAIR RAMRAS asked the harm in "just" a resolution.

MR. JENKINS said DNR described how this unprecedented resolution would work, and he said he still didn't understand if the process would be parallel to the permitting process; how well it would work; and how long it would take. "So I don't share the same degree of confidence that it wouldn't impose delays and significant additional hurdles." The concerns are delays, risk of additional expense, and a lack of certainty. He said Northern Dynasty was invited into the state, and the land is state-owned and open to mining. The land-use plan confirmed that the land was zoned for mineral development, and "that provided us a high degree of certainty." He said the company knows what is involved in a permitting process, but this resolution provides a new threshold that creates uncertainty, "and that threshold is that the Department of Natural Resources commissioner has to take a report to the legislature at the end of this process and this expense and this time, and it provides an opportunity for the zoning to be changed and for the opportunity for the mine to be taken away, independent of what the permit review process says. That is a major threat." He said Northern Dynasty may have made a different conclusion on acquiring the property and spending \$70 million.

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REPRESENTATIVE GATTO said we all wish there was certainty. He asked if the resolution sends a bad message to Wall Street, which raises the interest rate for borrowing money.

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MR. JENKINS said he believes this resolution can be walked into investment houses in New York, Montreal, Montreal, London, Paris and Zurich—the sources of Northern Dynasty's finances—to present the case that Alaska is not open to the mining industry and is a bad place to invest. He said he is not suggesting he gets a risk-free situation; he is in the risk business and already has significant uncertainty. The resolution could be the straw that breaks the camel's back, he surmised.

[HCR 29 was held over.]

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#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at [3:00 PM](#).