

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON FISHERIES**

February 28, 2007

8:38 a.m.

**MEMBERS PRESENT**

Representative Paul Seaton, Chair  
Representative Kyle Johansen  
Representative Craig Johnson  
Representative Gabrielle LeDoux  
Representative Peggy Wilson  
Representative Bryce Edgmon  
Representative Lindsey Holmes

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 134

"An Act relating to conservation and protection of wild salmon production in drainages affecting the Bristol Bay Fisheries Reserve; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 134

SHORT TITLE: PROTECTION OF SALMON SPAWNING WATER

SPONSOR(S): REPRESENTATIVE(S) EDGMON

02/14/07	(H)	READ THE FIRST TIME - REFERRALS
02/14/07	(H)	FSH, RES
02/28/07	(H)	FSH AT 8:30 AM BARNES 124

**WITNESS REGISTER**

LORIANNE RAWSON

Naknek, Alaska

POSITION STATEMENT: Testified in opposition to HB 134, and responded to questions.

PETER CHRISTOPHER, SR., Member,  
New Stuyahok Limited Corporation

Nushagak District Advisory Board for the Bristol Bay Native Corporation (BBNC)

New Stuyahok, Alaska

POSITION STATEMENT: Testified in support of CSHB 134.

RAE BELLE WHITCOMB

Dillingham, Alaska

POSITION STATEMENT: Testified in support of CSHB 134, and responded to questions.

MARILYN KONUKPEOK

New Stuyahok Limited

New Stuyahok, Alaska

POSITION STATEMENT: Testified in support of CSHB 134.

WASSILLIE ILUTSIK

Aleknagik, Alaska

POSITION STATEMENT: Testified in opposition to HB 134.

BRUCE JOHNSON

Dillingham, Alaska

POSITION STATEMENT: Testified in support of CSHB 134.

TREFON ANGASAN, Board Member

Alaska Peninsula Corporation

Contractor for Northern Dynasty

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 134, and responded to questions.

GLEN ALSWORTH, Mayor

Lake and Peninsula Borough

Port Alsworth, Alaska

POSITION STATEMENT: Testified on HB 134, responded to questions, and provided a recommendation.

RALPH ANGASAN, President

Alaska Peninsula Corporation (APC),

King Salmon, Alaska

POSITION STATEMENT: Testified in opposition to HB 134, and responded to questions.

GARY NIELSON

Kokhanok, Alaska

POSITION STATEMENT: Testified in opposition to HB 134.

RANDY ZIMIN

King Salmon, Alaska

POSITION STATEMENT: Testified in opposition to HB 134.

RAYMOND WASSILLIE, Shareholder

Alaska Peninsula Corporation (APC)

Member, Lake Iliamna Advisory Committee (AC)

Alaska Boards of Fish and Game

Newhalen, Alaska

POSITION STATEMENT: Testified in opposition to HB 134.

EVA NIELSON KING

South Naknek Village Council

South Naknek, Alaska

POSITION STATEMENT: Testified in opposition to HB 134.

MARLENE NIELSEN

Kokhanok, Alaska

POSITION STATEMENT: Testified in opposition to HB 134, and responded to questions.

KEVIN JENSEN

Pedro Bay, Alaska

POSITION STATEMENT: Testified in opposition to HB 134.

GABRIEL ANDREW

Stuyahok Limited

New Stuyahok, Alaska

POSITION STATEMENT: Testified in support of CSHB 134, and responded to questions.

NICK LEE

Bristol Bay Driftnetters Association

Seattle, Washington

POSITION STATEMENT: Testified in support of CSHB 134.

VALLE PETERSON

South Naknek, Alaska

POSITION STATEMENT: Testified in support of CSHB 134.

SCOTT BRENNAN

Chief Operating Officer

Renewable Resources Coalition

Anchorage, Alaska

POSITION STATEMENT: Testified in support of CSHB 134.

STEVE BORELL, Executive Director

Alaska Miners Association

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 134.

LINDSEY BLOOM,

Alaska Independent Fisherman's Marketing Association (AIFMA)

Bristol Bay Driftnetters Association (BBDA)

Contractor, Trout Unlimited

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 134, and responded to questions.

JASON BRUNE, Executive Director

Resource Development Council (RDC)

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 134, and responded to questions.

#### **ACTION NARRATIVE**

**CHAIR PAUL SEATON** called the House Special Committee on Fisheries meeting to order at [8:38:28 AM](#). Representatives Wilson, Johnson, Johansen, LeDoux, and Edgmon were present at the call to order. Representative Holmes arrived as the meeting was in progress.

[8:38:57 AM](#)

#### HB 134-PROTECTION OF SALMON SPAWNING WATER

[8:39:51 AM](#)

CHAIR SEATON announced that the only order of business would be HOUSE BILL NO. 134, "An Act relating to conservation and protection of wild salmon production in drainages affecting the Bristol Bay Fisheries Reserve; and providing for an effective date."

[8:41:03 AM](#)

REPRESENTATIVE JOHNSON moved that the committee adopt proposed CS for HB 134, Version 25-LS0381\M, Kane, 2/22/07, as the working document.

REPRESENTATIVE HOLMES objected for discussion.

CHAIR SEATON announced that Version M was before the committee [for discussion].

8:41:26 AM

REPRESENTATIVE EDGMON pointed out that the CS was drafted to include addition language on page 2, lines 22, and 23. The new paragraphs read:

- (5) unincorporated communities; or
- (6) transportation projects, energy projects, or seafood processing.

REPRESENTATIVE EDGMON explained that a controversial resource development project is pending in Southwestern Alaska, in direct correlation to the Bristol Bay drainage area; home to the world's largest sockeye salmon fishery. The environment in the area is pristine, wild, and supports commercial and sport fishing industries, as well as a generational subsistence lifestyle. The intent of the bill is to bring attention to the current use of the area in relationship to the proposed development of a non-renewable resource project, of mammoth proportions. He stated that the constituents, he represents, do not believe that the measures currently in place are capable of protecting the habitat and wild fish runs against this type of development. As proposed, CSHB 134 will ensure that any development taking place in the region protects the fishery, and that violations of those protections are treated seriously. This bill, he underscored, provides "salmon comes first ... legislation." He continued:

There are going to be those that say that this is a transparent attempt to stop the Pebble Mine, or to stop any industrial exploration out there. ... The intent of this legislation is to protect our way of life and to protect our fisheries first. What happens afterward in terms of development, in terms of any other industry coming in ... that's an after the fact matter. I also want to put forward that ... I am not anti-mining, I'm not anti-development. I'm pro-development and I'm also pro-commercial fisheries.

8:44:41 AM

REPRESENTATIVE EDGMON described the areas current mining activities: 12 exploration sites, including the Liberty Star "Big Chunk" claim encompassing 153,000 acres, or 421 square miles; and a proposal by the Bureau of Land Management (BLM) to open up 2.5 million acres of public land for mineral entry. He

acknowledged that the Bristol Bay Management Plan was recently rewritten emphasizing the promotion of the regions mineral development. The two critical industries to be considered are the historical, productive fisheries and large scale mining, of a magnitude never experienced before in Alaska. The [Pebble] mine will be developed in an area noted for its wild abundant salmon runs and other wildlife. He underscored that this bill raises the bar regarding protective measures for salmon, and makes a public statement that "we as a state ... place a higher value on our existing fisheries and ... a higher value on our pristine wilderness." This does not exclude other industrial development, he said. Speaking directly to the bill, he directed attention to the LEGISLATIVE FINDINGS and provided a brief review of the creation of the Bristol Bay Fisheries Reserve, and the subsequent implementation of the Alaska National Interest Lands Conservation Act (ANILCA). The preservation concepts of these two acts, as well as Title 16, Alaska Department of Fish & Game (ADF&G), were the base materials used to draft HB 134. Building on the current measures, and focusing on the five major salmon producing watersheds of Bristol Bay, CSHB 134, includes substantial violation penalties for persons, or corporations. He detailed Section 2, page 2, paragraphs (1) and (2); the new prohibitions proposed as additions to AS Title 16. He read the exemptions to the prohibitions, as stipulated in subsection (b), paragraphs (1)-(6). Finally, he pointed out subsection (c), which establishes the monetary penalties to be imposed on violators. He stated that the bill is "a work in progress" and invited the committee process to take its course to create an improved and viable bill.

[8:52:43 AM](#)

CHAIR SEATON invited the committee to ask questions of the sponsor, prior to the opening of public testimony.

[8:53:09 AM](#)

REPRESENTATIVE LEDOUX acknowledged that this bill may have unintended consequences, and asked why it has not been limited to imposing restrictions on mining; is there a reason to include other forms of development.

REPRESENTATIVE EDGMON explained that HB 134 is not about excluding development, but it is about protecting salmon. He pointed out that mining may not be the only threat to the fisheries. Although it is not feasible to anticipate every

possible future development that may have negative impacts on the fish habitat, he ascertained that it is possible to craft a bill with stringent measures to ensure the protection of the fisheries.

8:55:09 AM

REPRESENTATIVE HOLMES observed that HB 134 is regional with a primarily effect on the sponsors constituents. She asked what the local residents concerns were, regarding the proposed mining project [Pebble Mine].

REPRESENTATIVE EDGMON agreed that the catalyst for this bill is the proposed Pebble Mine development. Having canvassed a good portion of the region, he reported widespread concern. The residents realize that there will be long term impacts, from a mine of this size. Concerns are for irreparable damage, and a lingering, continuous degradation to the environment, which many large scale mine sites have demonstrated long after activities have been completed. Furthermore, communities are receiving mixed messages from Northern Dynasty, "of what the mine will be." He reiterated that the purpose of HB 134 is to focus, acknowledge, and support the fishing industry, as the long-term backbone of the regions economic wealth.

8:57:55 AM

REPRESENTATIVE WILSON referenced page 2, line 20, paragraph (3), and express concern for the word "future." She asked how this language allows for the possibility of growth for the Native communities in the region.

REPRESENTATIVE EDGMON assured that "this bill is forward looking," and acknowledged that some communities are expanding while some are struggling to maintain population. This divergent nature is occurring throughout rural Alaska, and he opined that the trend is for the populace to move to urban areas. The economic factor has been a primary reason for this pattern, and the current high cost of energy has become prohibitive in the Bush.

9:01:57 AM

CHAIR SEATON requested clarity on page 2, line 23, and whether the language prohibits the development of oil and gas projects.

REPRESENTATIVE EDGMON responded the intent of that provision was not to prohibit such development.

CHAIR SEATON recommended revising the language, on line 23, in a future version of the bill, to clarify the intent.

[9:02:55 AM](#)

CHAIR SEATON called attention to page 2, section 2, lines 20 and 22, and queried the intent of the language "municipal uses" [line 20] and the stipulation of "unincorporated communities" [line 22].

REPRESENTATIVE EDGMON requested deference to the drafters of the bill for the specific language crafting, however, the intention is to exempt municipal uses and the uses by unincorporated communities.

CHAIR SEATON asked how the stipulation of "uses" might effect tribes, villages, or Native Corporations, not listed in the bill, and if the provision proposes to exempt uses but not specific entities.

REPRESENTATIVE EDGMON pointed out that page 2, line 21, paragraph (4) identifies "traditional, cultural" uses and he suggested that the necessary specificity could be brought to this section through committee discussion.

[9:06:38 AM](#)

REPRESENTATIVE LEDOUX requested clarity of the language on page 2, lines 17-23, and how the "uses" relate to the entities.

REPRESENTATIVE EDGMON reiterated that this is a drafting question, and pointed out that the intent of the section has been defined.

CHAIR SEATON offered that the confusion appears to be whether the stipulation for "use" refers to a specific entity or the resource use of that entity.

[9:08:00 AM](#)

REPRESENTATIVE LEDOUX asked:

What happens to transportation, energy projects, or seafood processing, which hasn't been authorized,

approved, or permitted before the effective date [of this act]; like a new seafood processor ... or a new energy project, or a new transportation project.

REPRESENTATIVE EDGMON responded that, under this section, such projects would be exempted.

[9:08:44 AM](#)

REPRESENTATIVE JOHANSEN warned against elevating one industry above another. Southeast was once dominated by the timber industry, resulting in a long-term conflict between the fishermen and lumber workers.

CHAIR SEATON requested that committee questions to the sponsor be directed towards clarifying the intent of the bill.

REPRESENTATIVE JOHNSON asked:

If unincorporated communities are exempt ..., what would keep the nearest community to Pebble Mine from annexing that as part of their community and proceeding anyway they chose.

REPRESENTATIVE EDGMON the intent is to exempt unincorporated communities, during the course of ordinary types of activities involving waters that pertain to salmon habitat; the uses that are already taking place.

[9:11:48 AM](#)

CHAIR SEATON opened public testimony.

[9:12:34 AM](#)

LORIANNE RAWSON, Naknek, Setnet Commercial Fisherman, stated opposition to HB 134, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

There used to be 13 operating processing plants in the Naknek and Kvichak river systems. The Kvichak today has none and the Naknek has four operating each summer.

In our village of South Naknek, we had five operating processors using four-to-five canning lines. Today we have none.

We used to commercial fish both Naknek and Kvichak river systems, now we are fishing in a special harvest area inside the Naknek River. The Kvichak River for many years has not produced enough salmon to allow any commercial fishing. The outside district of the Naknek section has been closed to help the Kvichak River salmon run shortage.

We used to be able to make our annual income from commercial fishing. Currently, if we don't have steady employment which is scarce; commercial fishing contributes very little to annual income needs.

Of course you always hear about the very few fishermen who do extremely well. However they are just a few. The majority of our village fishermen are setnetters; our village has approximately 55 salmon permit holders.

The processors used to buy all five species of salmon, now in the Naknek they only buy one; sockeye. Our season used to start early June and end late August or early September. Now our salmon season at best is approximately 4 ½ weeks.

Not only do we have low runs of sockeye to harvest and very low salmon prices, the Kvichak River can not produce enough to allow us to harvest to make up the difference in volume.

In addition to low runs and low fish prices, the Alaska Board of Fish places more and more restrictions on our local setnetters. Last year we were only allowed six openings to twenty-two openings for the drift fishermen in the Naknek River Special Harvest Area. We were forced by new regulations to remove all running lines whether we had a skiff or not and many of our people were cited because of these unbelievable regulations.

The Alaska Board of Fish in December 2006 did not hear us when many of our village setnetters gave testimony and placed even more restrictions on us. More than likely we will have even less fishing time than we had last season. The Alaska Board of Fish caters to the

lower 48 drift fishermen, not Alaskans, especially the setnetters. We seem to be the enemy.

I don't think the Alaska Department of Fish and Game could give you an answer why the Kvichak River, Iliamna Lake, Lake Clark, Kokhanok Lake an[d] all of the streams can't produce. Local commercial fishermen believe the reason is prior years of over escapement.

God only knows when we will ever be able to commercial fish like the days Alaska was a territory and our salmon was under Federal management.

With what I am telling you about our state of commercial fishing, if you were in our shoes wouldn't you support any kind of natural resource development like the Pebble Project?

The fish processors have had 120 years to hire locals; they did not in the late 1800's and still do not today. In just a few years Pebble Mine has hired more locals than the processors ever did in the last 120 years. The lodges do not hire locals, with one exception; one of the fine lodges in Senator Gary Stevens' district hired "one Native" to pick up their garbage.

The low runs of the Kvichak River and Iliamna Lake systems cannot be blamed on any natural resource development because there isn't any yet.

I am opposed to any legislation that will either restrict or make it financially unfeasible for me and my family to live in my village. We need to develop our natural resources. We can not make it on commercial fishing, we need jobs.

[9:17:41 AM](#)

REPRESENTATIVE JOHNSON clarified that only one Native Alaskan is employed at one of the area lodges.

MS. RAWSON answered, "That is what I was told. ... The lodge owners bring in their own personnel, as well as the seafood processors."

REPRESENTATIVE JOHNSON asked how many lodges are in the area.

MS. RAWSON estimated that there are more than ten.

[9:19:06 AM](#)

PETER CHRISTOPHER, SR., Member, New Stuyahok Limited Corporation, Nushagak District Advisory Board for the Bristol Bay Native Corporation (BBNC), stated support for CSHB 134. He called attention to the City of New Stuyahok, Resolution 2007-02, Resolution Supporting House Bill 134, contained in the committee packet; signed by 230 of the communities 520 residents. Everyone in the community are dependent on the Nushagak River fish runs, he said, and detailed the subsistence and commercial harvest of the river. He reported on the high volume of fish experienced in the recent harvests of the Nushagak River and stated that he participates in the driftnet fisheries in four districts: Kvichak, Igiahk, Nushagak, and Togiak. Not only are the wild salmon a concern for the residents in these areas, but the freshwater fish must be protected, as well. He described the subsistence fishing in the various waters of the area, and the importance of the health of these waters. He reported that New Stuyahok is the second largest village on the Nushagak River, and he named the eight villages that have organized to become the majority shareholders of the BBNC; given the Yupik name for "The Caretakers of Our Land."

[9:26:29 AM](#)

RAE BELLE WHITCOMB, Dillingham, stated support for HB 134, as a subsistence user and generational resident of the area. She opined that this bill is an important means to support the Native's cultural way of life. Furthermore, she said, the use of the water correlates to every activity, for every use: drinking and bathing, as well as for the fish and game. The communities survive on the food that the land supplies. She countered that the lodges will hire locals who want to work, and that they support the economy in a variety of ways. She stated concern that the inappropriate use of the land will be detrimental to the villages and the wildlife: putting a road through may effect the caribou migration pattern, chemicals in the water could be harmful to the health of future generations, and a dam could cause problems when an earthquake occurs.

[9:29:45 AM](#)

CHAIR SEATON inquired if Ms. Whitcomb would support transportation projects such as road construction.

MS. WHITCOMB responded that if a road were built "from Dillingham all the way through," it would depend on the use, users, and how it is built.

9:30:24 AM

REPRESENTATIVE WILSON asked how far the proposed Pebble Mine would be located from Dillingham.

MS. WHITCOMB answered that it would be sited about 80-90 miles [northeast] from Dillingham. However, she said, the Nushagak River is huge and effects a large area, including the caribou range. She stressed that this is an issue of protection.

9:31:40 AM

MARILYN KONUKPEOK, New Stuyahok Limited, stated support for CSHB 134, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

I am still, and plan to be forever, a resident of New Stuyahok. I am raising my three kids there, as it is our place where we call home. I've been raised and taught to live a subsistence life style and yes, subsistence is our main source of living in New Stuyahok. I'm instilling this type of living within my own family, as subsistence is our way of life. Subsistence is our Yupik cultural tradition, and our cultural identity. My people lived on the Nushagak River for generations to generations. We the younger generation have survived living in the rural living no matter how hard the urban settings get in the way of surviving. We, the people of New Stuyahok, and the people of the Nushagak River are strong as one. We survive because we know our Yupik culture traditions, and live in a subsistence life style. We respect our lands on the Nushagak River as our lands provide us our subsistence way of life. We need to protect or Yupik culture identity, and our subsistence way of life. I'm asking to be heard on this issue because I reside in New Stuyahok, and also use the lands on the Nushagak River. I am once again in full favor of the concepts of CSHB 134. I'm speaking today on behalf of myself, my children, and my future grandchildren.

[9:34:47 AM](#)

WASSILLIE ILUTSIK stated opposition to HB 134. He reported that, in 1995, 5 commercial operators were located within the Wood Tikchik State Park. Business has increased, and last year there were 62, however, these lodges and guide operators are not local; bringing in their own workers from the lower 48 states. Two years ago, he recalled, eight men from the village worked to get their six pack guiding licenses, but none of them were hired by the lodges. Being a crewman on a fishing vessel pays a variable amount from \$250 to \$4,000, per season. There are no jobs in the village, and any type of economic development would be welcome. He underscored that there are no Natives being employed by the seasonal tourism industry. He opined that HB 134 has been crafted to stop the Pebble Mine project, but he expressed concern that it could also stop other needed economic development. In response to a question, he reiterated that eight village men were licensed as guides, but none were hired by the lodges in the area.

[9:38:54 AM](#)

BRUCE JOHNSON stated support for HB 134, and reported that, as a commercial fisherman along the Nushagak River, he has been able to support his family. He acknowledged the economic hardships of the area, and underscored that a mine is not the answer. The potential damage, that the mining development could cause, would be devastating and long lasting. Although some employment would be created for a period of time, it would be at the cost of the renewable natural resources and subsistence needs; a way of life could disappear forever. Village life is difficult, he admitted, and putting a few people to work would be good, but not at the ecological risk level that projects on the scale of the Pebble Mine present.

[9:41:31 AM](#)

TREFON ANGASAN, Board Member, Alaska Peninsula Corporation (APC), Contractor for Northern Dynasty, stated opposition to HB 134. He reported that he and his wife are driftnet and setnet permit holders, respectively, and live a subsistence lifestyle common to the area. The issues raised are all valid, he opined, but this bill would eliminate subsistence in Bristol Bay. Subsistence is managed by the state, as a priority use on unclassified lands. By classifying this 22 million acres as a refuge, other user groups will be competing for the same

resource. Additionally, a refuge is not managed under the system of local advisory committees cooperating with the Board of Fisheries. A governor appointed citizen group would be in control. In this way, he predicted, the Natives will lose subsistence opportunities. He reminded:

When we have competition for resources ... throughout history the Native people have lost. They have always lost. ... Subsistence is not regulated as a priority on refuges. It's just not. Who are we trying to protect here, look at the record: 1800 permits in Bristol Bay; less than 700 permits are owned by Alaskan residents. What about the village corporations. The 22 million acres of land that this area is going to encompass, they lose the opportunity to develop the land that ANCSA gave them. In my mind, that's a "taking," because ... we selected lands, as village corporations, based on the opportunity for economic development and the sub-surface resource opportunities. Those restrictions were not in place when we ... selected those lands. Now this regulation will curtail that, because our lands are along the river bank.

[9:45:45 AM](#)

CHAIR SEATON interjected that HB 134 does not establish a refuge.

MR. ANGASAN maintained that his concerns are for the restrictions to be imposed by HB 134, and the 22 million acres, encompassed with the five Bristol Bay watersheds named, to be regulated under the regime as a refuge.

CHAIR SEATON stated that Legal Services will be asked to clarify management regulations for a refuge vs. a reserve.

MR. ANGASAN commented that a reserve is created for the protection of the resource, which is usually good. However, he elaborated:

In this case it's like killing a gnat with a sledge hammer. Because you're going to kill the mine, which is a gnat in the eyes of the other use groups; the other \$400 million revenue that's generated from the sport fish community, and all of the subsistence users. ... The subsistence users will lose. ... We're

going to be back here in 50 years telling you that the subsistence people have lost, because they no longer have a subsistence priority under this regulation.

MR. ANGASAN stressed his concern for the "taking" aspect that clouds this issue. A provision would need to be inserted in the bill to compensate for the loss.

REPRESENTATIVE EDGMON stated that the Bristol Bay Reserve has existed since 1972, without compromising subsistence use in the area and that the intent of HB 134 is to maintain that status.

[9:49:44 AM](#)

GLEN ALSWORTH, Mayor, Lake and Peninsula Borough, stated opposition to HB 134, and offered that "the law is only as good as our commitment to enforcing the law." To create a large special management area without the funding for enforcement is pointless. It is currently difficult for the "state folks" to respond to common fish and game violations, due to the lack of financing to afford the necessary staff. As Mayor, he stated:

We really believe that economic development and environmental protection can coexist. ... There is no sacrificing pristine habitat, ... healthy fish, ... pure water, those are not up for discussion. ... We ought to ... be talking about enhancing habitat.

MAYOR ALSWORTH said that HB 134 removes land, via reclassification, that might otherwise bring economic viability to the area, and requested that the committee consider attaching a fiscal note to this legislation to compensate the Lake and Peninsula Borough for these lost economic opportunities. The communities have been promised land, and the ability to develop that land to produce an economic base. If that is not available, the local tax base will be lost and the residents will survive in perpetual poverty, and be a parasite to the state coffers. He observed that the bill allows certain entities exemptions to the restrictions otherwise imposed. However, he underscored that no entity should be allowed to destroy habitat, or create a detrimental environment for the salmon; not businesses, residents, or municipalities. Exemptions are not the answer. He maintained that well written law, which is adequately enforced, will provide protection for the environment and a scenario in which the villages will be able to thrive.

9:56:52 AM

REPRESENTATIVE JOHNSON asked what action Mr. Alsworth would recommend on this bill, if he were voting on it today.

MAYOR ALSWORTH stated that he would table the bill, pending further discussion. The concept of protecting salmon is important. However, he noted that advancing one resource over another is not a gain.

9:58:28 AM

RALPH ANGASAN, President, Alaska Peninsula Corporation (APC) stated opposition to HB 134, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

APC [Alaska Peninsula Corporation] owns about 400,000 acres of land in and around three of the major rivers that are the subject of HB 134. Our holdings include about 180,000 acres of land in the Iliamna Lake area, about 140,000 acres of land along the Naknek River, and about 90,000 acres of land adjacent to the Ugashik system, including Port Heiden. APC has over 600 shareholders with 5,000 years of history in those Bristol Bay drainages. We oppose HB 134.

We want our children's children to continue to live and work at home, in Bristol Bay. HB 134 would strip any economic or social reason for any of us to remain. It proposes, with no basis in science, no objective findings whatsoever, to create a virtual monopoly for the preexisting lodges and fish processors, and to foreclose any new industry, whether it be mining or oil development, or alternative power that is water-dependent.

Because the bill allows for only existing permits, it effectively blocks any future economic growth. Communities along the Nushagak would be prohibited from any extraordinary growth or needs for water or discharges because the bill freezes community needs at "existing and ordinary present and future needs." Naknek, King Salmon, and South Naknek cannot grow. The exploration now occurring with[in] 2 miles of the Naknek River for geothermal sources would likely come to a grinding halt.

HB 134 would fine my corporation up to \$1,000,000 a DAY if we filled in a bog. It would fine my few shareholders who could still eke out a living in their communities for riding their four wheelers over the bogs of our lands in the summer, for causing adverse affect - like tire tracks. But, with fish prices at 60 cents a pound, and fuel at over \$5.00 a gallon, and electricity at 40 cents a kilowatt hour, and no new opportunities, perhaps there won't be much 4 wheeler traffic. Bristol Bay is already in severe economic crisis. It is rapidly losing population. Increasing the pressure on us will only increase the outward migration and depression in the region.

HB 134 will increase outward migration. Because, under HB 134, there won't be any new economic opportunities. Only uses presently authorized, approved and permitted at the time of the bill. The few remaining salmon processors are covered. That is probably why fish processors donated to the campaign of the sponsor of HB 134. But maybe my great grandchildren do not want to gut fish in order to eke out a living.

Perhaps they can go to work at a silk-stocking fishing lodge for peanuts. That is perhaps why lodge owners donated to the sponsor of the bill. But lodge owners' responsibilities are only to their families, nor are their families struggling to make ends meet as the community they live in dwindles, its schools closed for lack of population. I have over 600 shareholders' futures to worry about. And they can't all work for a few lodges, even if they wanted to.

The sponsor of this bill is in the hands of the rich and powerful who want to convert Bristol Bay into their colony, and keep it there. Fish rich and people poor. That is not my vision, and it is not the vision of my people. We can preserve our salmon fishery and still diversify. Without HB 134.

HB 134, in fact, is not the vision of Framers of the Alaska Constitution. The Framers guaranteed us the right of water appropriation, regardless of the watershed, and prohibited laws that divest us of the

use of waters, our interests in the lands and the right to earn a living on our own.

HB 134 goes too far. Every stream, every bog, every aquifer, every swamp and lake that is in any way interrelated to or connected with the Nushagak, Ugashik, Egegik, Naknek, or Kvichak Rivers is off limits under HB 134. Any use of other than for drinking water is prohibited unless it is already permitted. What about the future?

The vision contained in HB 134 is the vision of the processors to pay 60 cents/lb for fish and send the profits to Japan. It is the vision of Anchorage and Seattle lodge owners and money managers to charge thousands of dollars a week for 16 weeks a summer for outsiders to stay at their lodges, and take it all home. Their vision is to fine some Native kid on a 4 wheeler who goes through a blueberry bog that is connected in some unknown way to the Kvichak, thousands of dollars a day in fines. Or to fine APC \$1,000,000 a day if it has the audacity to provide for a new industry. That is no vision of the future. That is colonialism, and colonialism should have ended in the 19<sup>th</sup> century. It is up to you to end it now.

REPRESENTATIVE EDGMON asked for agreement that everyone, in the Bristol Bay Region, is a product of the environment, and that every residents relies heavily on and supports the natural resources/salmon to provide an income, as well as a subsistence life style. The witness concurred.

[10:06:19 AM](#)

GARY NIELSON stated opposition to HB 134, as a generational fisherman of the area. At one time, he said, anyone could go to Bristol Bay, catch some fish, and make a living, but limited entry was imposed and took that opportunity away. Then the parks system came in, and took more of what the Natives used away. These restrictive bills limit the economic and cultural development of the area. He opined that HB 134 would impose extreme limitations causing the villages to experience an "economic and cultural suicide." The region is growing, but with these limitations "there is no where to grow to." Due to the limited entry system, the fishing opportunities have been cut in half. Although he owns a business, it is difficult to stay above the poverty level. He stressed the need for any type

of economic development, mining or otherwise, that might bring relieve to the area.

10:08:43 AM

RANDY ZIMIN stated opposition to HB 134, as a commercial fisherman, subsistence user, and business owner. He stated that he would oppose any type of further restrictions on "our lands." Currently, reserves and parks already restrict resource use by the Native people to a "tiny strip of property." With this bill his home would be within a refuge. He contested Representative Edgmon's claim that the majority of the residents support HB 134, although he conceded that there were no hard numbers to support the dispute. The protection of the people, and their right to live in the area, is as important as the protection of the fish and water. He opined, that without some type of economic activity, the area will die. "Everything can co-exist," he said.

10:11:47 AM

RAYMOND WASSILLIE, Shareholder Alaska Peninsula Corporation (APC); Member, Lake Iliamna Advisory Committee (AC), Alaska Boards of Fish and Game, stated opposition to HB 134, as a resident of Newhalen, located 12 miles from the site proposed for the Pebble Mine. He reported the conditions to be found in his community, prior to and following the arrival of Northern Dynasty; performing exploratory work. The presence of Northern Dynasty has meant jobs, and with the possibility for the village residents to earn a wage "their hearts are lifted." He suggested tabling this bill as it represents too many restrictions to the Native villages.

10:15:50 AM

EVA NIELSON KING, South Naknek Village Council, stated opposition for HB 134, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

House bill 134 introduced by Rep. Edgmon and The Jay Hammond State Game Refuge Proposal by Senator Gary Stevens (both separate bills) are as restrictive as all National Parks and Wildlife Refuges in Bristol Bay. Currently the Bristol Bay region acre for acre is more impacted by National Parks and Wildlife refuges than any other region in Alaska. In fact the

Bristol Bay region has the second largest state park in the United States.

Either of the two bills considered will in fact stop any development in our region. It is an anti-development as one could ever be. Village and Regional Corporations will not be able to develop and more importantly villages such as South Naknek will be choked from developing any needed infrastructure in the future. These bills, no matter how you read them, are a classic example of a taking by our government, of our rights and development potential. Remember you cannot restrict or take away our rights and privileges from village and regional corporations including our village communities without legal consideration. If you do, it is a taking and the State will find itself in court - without question.

We feel it is a sorry state of affairs when some politicians introduce legislation like this to pay off political debts to their donors and for special interest groups.

Where in the world is our Alaskan spirit? Anymore it seems it doesn't matter if you're a Democrat or a Republican - both parties are acting like the old Democrats, which is anti-development and anti-work. If you choke our village and region from development you better be prepared to provide a lot of welfare checks.

In deed we are commercial fishermen. However, as resident fishermen [we] are a minority.

For your information our village has lost two-thirds of our population and our village school is closed.

Because of our commercial fishing situation, a lack of catch coupled with low fish prices has forced many of our people to move to look for employment. Gone are the days where we as commercial fishermen can make a decent annual living from it. Our only hope is what Northern Dynasty is offering - with out diversifying our economic base more and more villagers will move out. We are wondering why our State government want[s] to take this potential economic benefit away. If you are not going to permit any mining what exactly

do you have that can replace investments by private enterprises? You say you are only applying better safeguards to protect our resources by this legislation. Current environmental protection laws and regulations have enough restrictions to protect the environment, although laws and regulations lack enforcement.

By the way, do salmon processing plants both shore based and off shore, including fishing boats get a free pass to pollute our waters? We know some fish companies oppose the Pebble Project because of "environmental issues", however isn't this the pot calling the kettle black?

The fishing industry has been polluting our country for about 100 years or so, and our waters - where is the state's oversight? Why not come and dig some holes around current and old cannery sites. Come and take a look at our beaches after a fishing season. Why isn't the State of Alaska concerned about these polluters?

Do some get "free passes" and others have to be as clean as the driven snow?

How about local employment? The fishing industry has had over 100 years to employ our people. How many have they provided year around jobs to (for resident and other Alaskans)?

Northern Dynasty has employed more of our people in the last couple of years than the fishing industry has in over a hundred years. There is something wrong with this picture. Can you give us and our region some needed support? Where are you when we need you?

We feel you don't actually care about better safeguards, but rather to stop development PERIOD. Why not be honest with us with your true intentions - that this is paying your political debts, providing for special interest groups; sport fishing lodge owners, sports outfitters, sports fishermen, etc. And killing any development opportunities - why not be honest?

Jay Hammond was a fine person. However, another refuge will not provide a viable living for us who live in villages. People from our village are a proud people who want benefits of a more diversified economy. Therefore, I am opposed to Senate Bill 67 which provides for the Hammond Game Refuge in Bristol Bay Headwaters and House Bill 134 which expands the Bristol Bay Fisheries Reserve.

[10:20:40 AM](#)

CHAIR SEATON cautioned the speakers that this hearing is to be used solely for the purpose of addressing issues related to HB 134, and that witnesses should demonstrate proper respect for everyone present and refrain from using it as a forum to impugn anyone.

[10:21:25 AM](#)

MARLENE NIELSEN stated opposition to HB 134, as a commercial setnetter, berry picker, moose hunter, and processor of subsistence fish. She stressed that the area where she conducts all of these activities will be classified as a refuge, with the passage of this bill, and will destroy her way of live. Her ancestors have lived on the shores of Lake Iliamna for 10,000 years, and now sport fishermen and hunters want to take the rights away. The bill states that salmon need to be protected, and she asserted that no one knows that more than the Native people, who could not survive without them.

[10:23:18 AM](#)

REPRESENTATIVE HOLMES clarified that HB 134 refers to but does not create a refuge. A bill currently in the senate addresses that subject.

CHAIR SEATON reiterated that a request will be made of the sponsor and Legal Services for a clear definition of management terms; reserve vs. refuge.

[10:24:23 AM](#)

KEVIN JENSEN stated opposition to HB 134, paraphrasing from a written statement, which read as follows [original punctuation provided]:

I am opposed to HB 134 because I don't want to live in a refuge. I don't want to worry about whether or not my dragging a couple of trees in place over a stream so that I can hunt on the other side is going to earn me a fine or jail time. I don't want my heritage and cultural rights to subsist as my forefathers did to be stomped on by a group of people intent on using any and all means at their disposal to fight a process that has not even begun. With or without the mine, we as a tribal people manage our resources better than anyone who has attempted to do so, and this is an historical fact.

Our tribe is preparing to begin a waterfront project that we have been in need of for quite some time. We are also trying to finish our new landfill, which will require a bridge to reach the site. However, I have to ask myself whether or not these projects will ever reach fruition under this bill. Our children explore our lands on foot and by all terrain vehicle, is the use of these ATVs going to be a point of contention? If I read the bill right, then yes they will, and that's not something I can agree with.

To use our lands and waters as a fulcrum to leverage this body to pass laws that will forever change the way we live is just wrong. I want to live on our ancestral lands the way we always have, without "outside" entities changing our lives without so much as a by your leave. I don't believe this bill was created so much to protect our waters and fish as it was to shortsightedly tilt at a windmill that hasn't even been built.

I implore you to oppose HB 134, not just for my tribe, but for our descendants.

[10:27:10 AM](#)

GABRIEL ANDREW, Stuyahok Limited, stated support for HB 134, referring the ancestral and future subsistence use of the land. A subsistence life style provides its own riches. He stated that he works as a land use agent, which requires him to monitor the sport fish industry on the Nushagak, Wood Tikchik, and Nuyakuk Rivers, and the Mulchatna River drainage. When the sport fishing guides come in, they offer employment to the villages on the Nushagak River. A hand full of locals, who have

their six pack licenses, have been hired as guides, and are the preferred guides, as they know the area. He reported that there is direct and indirect, economic benefit from the seasonal lodge operations. Additionally, some APC shareholders own lodges in the area, and only employ locals. He emphasized:

No fine is big enough to punish a mining or oil company that damages or pollutes any water system. Once an area is poisoned by chemicals, it will not be restored; the damages are permanent. Any development that threatens our natural resources in our area cannot support generations to come with jobs. A Canadian mining company is not going to move in and replace our natural resources. Their plans are to take the ... precious minerals, pollute the land and rivers, and a few people would be put to work. A few. ... But at the cost of many generations of [a] subsistence way of life. ...

[10:31:51 AM](#)

REPRESENTATIVE HOLMES referred to earlier testimony that the lodges do not hire locals and asked which is correct.

MR. ANDREW responded that permits are issued, for the use of Bristol Bay Corporation (BBC) lands, from which he draws a salary to monitor the lodges. Local help is hired to provide logistical support for lodge supplies. Also, in Ekwok and Koliganek there are local lodges, who hire local resident guides.

REPRESENTATIVE WILSON queried how many of the 60 plus lodges reported, are locally owned by shareholders.

MR. ANDREW answered that seven lodges are locally owned, and he monitors the use of the corporations land.

[10:34:04 AM](#)

NICK LEE, Bristol Bay Driftnetters Association, stated support for CSHB 134, as a Bristol Bay fisherman, paraphrasing from a statement, which read as follows [original punctuation provided]:

I am for responsible resource management that ensures that the fisheries of Bristol Bay remain sustainable for the fish as well as the fisherman. The Bristol

Bay Salmon fishery supports many jobs for people inside and outside of the drainage. It also provides tax revenues to the local communities.

I believe we need higher standards to protect the habitat of the greatest Sockeye run in the world. The stakes are too high. Having a massive tailings pond straddling the ridge that divides the water sheds of the Kvichak and Nushagak river systems scares the hell out of me. There is too much seismic activity from volcanoes and earthquakes to safeguard the project from an environmental disaster. Small amounts of copper, sulfuric acid, and cyanide can be detrimental to our fish stocks.

The Alaskan Fisheries have still not recovered from the Exxon Valdez oil spill. The stake holders have still not been compensated.

ASMI with the help of the State of Alaska has marketed Wild Alaskan Salmon and has differentiated this product from other salmon caught or farmed elsewhere. One of the biggest selling points is our pristine, pure water where our fish currently live. Consumers are very aware of the health benefits of wild Alaskan Salmon. From the low mercury levels to the high amounts of omega 3 fatty acids. Wild Alaskan Salmon is sold as a health supplement. If there are any issues with contaminated water in Bristol Bay's streams, lakes or rivers it will be detrimental to the marketing of all Alaskan Salmon. This will not just effect the marketing of Bristol Bay Salmon, it will impact the sales and marketing of salmon caught from Western Alaska, Kodiak, Prince William Sound and SE [Southeast].

The potential for economic growth in the Bristol Bay commercial fishery is unknown. What I can tell you is that the price in the least 6 years has been as low as 40 cents and fisherman this year have been paid as high as .82 cents/lb. I believe that the price will continue to increase as our quality improves and new markets are developed. Last year, permit holders elected to form the Bristol Bay Regional Seafood Development Association through which drifters will tax themselves 1% of their profits for product quality improvements and marketing. This demonstrates

fishermen's belief in and desire to work towards capitalizing further on the economic potential of Bristol Bay's sustainable commercial fishery.

The wild Salmon Protection Act, along with the Jay Hammond State Game Refuge bill will help all of the Alaskan fisheries by enhancing the pure, pristine, contaminant free image of Wild Alaskan Salmon and help keep Bristol Bay sustainable for the fish and fisherman.

10:38:03 AM

VALLE PETERSON stated support for HB 134, as a generational subsistence fisherman. She opined that the bill supports healthy development and subsistence. The village is suffering from a lack of jobs, however, introducing chemicals from adverse development will impact the future Native generations. She opined that the results of chemicals in the water may not be evident for sometime, but may eventually have a domino effect. "Without salmon, our region would essentially ... fade away." It is important to protect the image of Alaska wild salmon, harvested from pristine waters, as a marketing tool for the entire state.

10:41:17 AM

SCOTT BRENNAN, Chief Operating Officer, Renewable Resources Coalition, stated support for HB 134, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

The Renewable Resources Coalition is a non-profit corporation formed in Alaska, by Alaskans to protect Alaska's renewable resources and the existing jobs, families and communities they support. The Coalition also seeks to promote awareness of public policy issues that affect the well-being of businesses and individuals that depend upon fish and game resources. Our more than 300 members include many Alaskan businesses and individuals from the commercial, sport and subsistence fishing communities and we strongly support the salmon conservation concepts at the core of HB 134. While the committee process plays an important role in refining legislation and there are certainly opportunities for word-smithing and addressing nuances, the concepts at the core of HB 134

are sound and we strongly support them as expressed in the CS for HB 134. I would like to highlight several reasons that we support stronger salmon conservation measures in Bristol Bay.

Bristol Bay's wild salmon are a powerful economic engine for our state. In 2005 alone, the Bristol Bay salmon economy was worth more than \$330 million dollars with \$62 million of that total coming from the sportfishing sector alone. Please include the attached economic report from renowned Natural Resource Economist Dr. John Duffield of the University of Montana in the record of these deliberations.

Current salmon protections in Bristol Bay today range from non-existent to inadequate due in large part to the actions of the Murkowski Administration. These recent rollbacks have eliminated the much-needed checks and balances from our system and have done great damage to our ability to protect clean water and healthy wild salmon in Bristol Bay. From the dismantling of ADF&G's Habitat Division to allowing, for the first time in many, many years, toxic mixing zones in salmon spawning habitat, the damage done in recent years is significant and serious cause for concern. HB 134 would restore and improve our inadequate salmon habitat protection and it represents a step in the right direction.

For additional details regarding the inadequacy fish habitat protection and the resulting risks, please consider the following statement offered in written testimony before the Board of Fisheries in December 2006 by Lance Trasky, former Alaska Department of Fish and Game Habitat Division Regional Supervisor for Bristol Bay. Please also include Mr. Trasky's testimony in its entirety (attached) in the record for this hearing. "...if mine permitting is allowed to proceed under current state and federal standards and permitting processes the very large scale mining of sulfide based copper ore in the Nushagak and Kvichak drainages will physically destroy thousands of acres of very high quality spawning and rearing habitat and over time will almost certainly seriously degrade fisheries habitat and fisheries production in downstream portions of these drainages."

When evaluating the risks and rewards associated with resource development proposals and policy decisions, it is helpful to consider the economic benefit resource development provides to all Alaskans and the risks that development poses. According to an analysis commissioned by Chair Seaton, in 2005, the oil and gas industry paid 20 cents for every dollar of product purchased in Alaska. That same year, the mining industry paid all Alaskans 0.7 cents for every dollar of hard rock minerals purchased here in the state. This failure to pay fair market value for our resources calls into question the wisdom of risking an abundant, renewable resource economy for the limited, short-term benefits of large-scale mining in the absence of adequate habitat protections. In conclusion, I would like to thank the committee for this opportunity to testify and I urge you, on behalf of my hundreds of members, to move forward with your efforts to provide adequate protections for clean water and salmon habitat in Bristol Bay.

[10:46:20 AM](#)

STEVE BORELL, Executive Director, Alaska Miners Association, stated opposition to HB 134, and opined that the restrictions imposed by this bill could serve to inhibit and deter any mining company from ever exploring or investing in this area. It would also block any other kind of commercial development, as previously testified. He opined, "This bill will guarantee that the villages that are in the area right now will stay where they are, or will decrease in viability."

[10:47:39 AM](#)

LINDSEY BLOOM stated support for HB 134, paraphrasing from a prepared statement, which read as follows [original punctuation provided]:

I am a Bristol Bay Drift Permit Holder. I am here today representing the Alaska Independent Fisherman's Marketing Association; AIFMA and the Bristol Bay Drift-netters Association; BBDA, whose combined membership includes several hundred Bristol Bay Fisherman. We strongly support HB 134. I also work for Trout Unlimited on a contract basis with commercial fisheries outreach.

The Bristol Bay watershed is an extraordinary resource that sustains one of our states greatest runs of wild salmon. It's hard for me to believe that such an extraordinary resource lacks any special protections. In the face of unprecedented industrial development HB 134 provides the critical standards of protection to safeguard this phenomenal resource. The absence of such standards permits unacceptable risks to fish and the waters that sustain the great fisheries of Bristol Bay.

In passing this bill lawmakers will lay the foundation for responsible development of the regions other resources without compromising the fantastic gift of renewable fisheries that come back year after year. The alternative: gambling the wild, pristine, and thriving salmon of Bristol Bay along with local economy, and a healthy subsistence lifestyle is completely unacceptable to us.

The Bristol Bay fishery is in immediate need of higher standards of protection because unlike any other fishery in the state, it has no special protections and is threatened by mining development on a scale larger than has ever before been seen in this state.

[10:51:45 AM](#)

REPRESENTATIVE JOHNSON requested copy of the poll.

CHAIR SEATON asked if the salmon of Bristol Bay are considered to be more important than the runs into the Cordova and Prince William Sound (PWS) areas. Is there a reason why the criteria of HB 134 should be enacted for one region and not another, that also hosts a major fishery.

MS. BLOOM answered that Bristol Bay is overtly important due to the harvest total production percentage; it represents the largest piece of the pie for productivity. However, every fishery is vital to the state's economy.

CHAIR SEATON clarified that her testimony is based on the importance of the fishery to the economic health of the state, and not to the economic importance of the individual communities that rely on the resource.

MS. BLOOM responded that it is crucially important on a state scale and to the specific areas.

[10:53:58 AM](#)

REPRESENTATIVE JOHNSON reviewing the poll, stated that what the witness quoted was actually a press release, from the Renewable Resource Committee. He requested that the actual poll be provided to the committee.

[10:54:17 AM](#)

JASON BRUNE, Executive Director, Resource Development Council (RDC), stated opposition to HB 134, explaining that the diverse membership of the RDC supports the responsible development of Alaska's resources. He stated that Alaska has a stringent permit process that will serve to protect this area as the minerals are developed. Any significant project, proposed in the Bristol Bay region will be thoroughly scrutinized by regulators throughout the extensive large project permitting project, and the National Environmental Policy Act (NEPA). The [Pebble Mine] may need to seek as many as 50 state and federal permits prior to startup. The Bristol Bay Area Plan was recently revised, 2005, with public comment, to recognize the mineral development potential. Numerous mining claims already exist in the area, and he opined that the claim holders have valid rights to pursue those developments. He refuted the earlier testimony given by the Renewable Resources Coalition representative. As a fish biologist, and having served on the Essential Fish Habitat Committee of the North Pacific Fishery Management Council (NPFMC), he claimed that there are clear protections for salmon habitat.

[10:57:10 AM](#)

REPRESENTATIVE EDGMON questioned that, in the face of many local stakeholders, the members of the RDC are completely confident with the permitting process that is in place, not just for the Pebble Mine Project but others, which may develop to threaten the salmon resource.

MR. BRUNE responded that HB 134 does not add constructive legislation to the existing process, but rather serves to "eliminate the potential for economic development in an area that so desperately needs it."

REPRESENTATIVE EDGMON underscored that this testimony represents a disapproval by the RDC for "additional salmon safeguards, out in Bristol Bay."

[10:59:19 AM](#)

CHAIR SEATON reminded the committee that testimony provided here, is just that, testimony, and he cautioned against premature interpretation.

[The motion to adopt CSHB 134, Version M, was left pending.]

[10:59:23 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 10:59 a.m.