

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 4, 2019

1:01 p.m.

MEMBERS PRESENT

Representative John Lincoln, Co-Chair
Representative Geran Tarr, Co-Chair
Representative Grier Hopkins, Vice Chair
Representative Sara Hannan
Representative Ivy Spohnholz
Representative Chris Tuck
Representative Dave Talerico
Representative George Rauscher
Representative Sara Rasmussen

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 7

Requesting that the United States Department of the Interior Bureau of Land Management implement an oil and gas leasing program in the coastal plain of the Arctic National Wildlife Refuge.

- <BILL HEARING POSTPONED TO 3/6/19>

PRESENTATION(S): UNIVERSITY OF ALASKA FAIRBANKS

- HEARD

CONFIRMATION HEARING(S):

Department of Natural Resources, Commissioner

CORRI A. FEIGE - Chickaloon

CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: SJR 7

SHORT TITLE: ENDORSING ANWR LEASING; RELATED ISSUES

SPONSOR(s) : SENATOR(s) BIRCH

02/20/19 (S) READ THE FIRST TIME - REFERRALS
02/20/19 (S) RES
02/25/19 (S) RES AT 3:30 PM BUTROVICH 205
02/25/19 (S) Moved SJR 7 Out of Committee
02/25/19 (S) MINUTE(RES)
02/27/19 (S) RES RPT 5DP 1NR 1AM
02/27/19 (S) DP: BIRCH, GIESSEL, COGHILL, BISHOP,
REINBOLD
02/27/19 (S) NR: KIEHL
02/27/19 (S) AM: KAWASAKI
03/04/19 (H) RES AT 1:00 PM BARNES 124

WITNESS REGISTER

S. BRADLEY MORAN, PhD, Dean
College of Fisheries and Ocean Sciences
University of Alaska Fairbanks
Fairbanks, Alaska

POSITION STATEMENT: Provided a PowerPoint presentation entitled, "UAF College of Fisheries and Ocean Sciences: Building Alaska's Blue Economy," dated 3/4/19, and answered questions.

CORRI FEIGE, Commissioner Designee
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Testified as Commissioner Designee, Department of Natural Resources.

ACTION NARRATIVE

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CO-CHAIR JOHN LINCOLN called the House Resources Standing Committee meeting to order at 1:01 p.m. Representatives Rauscher, Talerico, Tuck, Hannan, Hopkins, Rasmussen, Tarr, and Lincoln were present at the call to order. Representative Spohnholz arrived as the meeting was in progress.

PRESENTATION(S) : UNIVERSITY OF ALASKA FAIRBANKS

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CO-CHAIR LINCOLN announced that the first order of business would be a presentation by the University of Alaska Fairbanks College of Fisheries and Ocean Sciences.

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S. BRADLEY MORAN, PhD, Dean, College of Fisheries and Ocean Sciences (CFOS), University of Alaska Fairbanks (UAF), provided a PowerPoint presentation entitled, "UAF College of Fisheries and Ocean Sciences: Building Alaska's Blue Economy." Dr. Moran informed the committee "Building Alaska's Blue Economy" describes the value CFOS brings to the state by its engagement in fisheries, marine biology, and ocean science, and its operation of facilities such as the research vessel (R/V) Sikuliaq. He said CFOS is the largest research and academic unit in Alaska with a budget in fiscal year 2018 (FY 18) of \$46 million, leveraged from a state investment of \$5.9 million, which is a return on investment (ROI) of 8:1. The college has 12 locations throughout the state and has over 300 faculty, staff, and students.

REPRESENTATIVE HANNAN asked for clarification of the CFOS budget.

DR. MORAN explained in addition to \$5.9 million in state unrestricted general funds (UGF), \$22.8 million in research is almost entirely from federal grants, and \$11.3 million per year for the R/V Sikuliaq comes from a cooperative agreement with the National Science Foundation (NSF) for operation of the vessel and certain shoreside staff. He said detailed [budget] information would be forthcoming in an annual report.

REPRESENTATIVE HANNAN surmised tuition represents [5.8 percent] of the budget.

DR. MORAN said the indirect cost revenue of about \$2.6 million represents 5.8 percent of the budget in FY 18. Although NSF pays over \$11 million for R/V Sikuliaq, the indirect cost revenue to CFOS for the vessel is around \$1 million and \$1.5 million is paid for research.

REPRESENTATIVE TALERICO asked whether the bulk of faculty are located at the Fairbanks campus.

DR. MORAN said UAF is the flagship research university for the University of Alaska (UA), although CFOS has faculty in 12 locations.

DR. MORAN listed CFOS major facilities economic drivers beginning with the Alaska Sea Grant Program, which is housed within CFOS in Juneau. The Coastal Marine Institute, Institute of Marine Science, and others leverage funding and are major reasons why CFOS is among the "top five, top three - fisheries and ocean [colleges] - in the country" (slide 3). Dr. Moran continued to industry partnerships, commercialization, and innovations that are used by the university system to grow and diversify Alaska's economy. For example, the Pollock Conservation Cooperative is the largest philanthropic donor to UA, providing \$16 million from 2000 to 2018, and consists of five industries: Trident Seafoods, Aleutian Spray Fisheries, Inc., American Seafoods, Glacier Fish Company, and American Seafoods. Also, the Ted Stevens Chair of Marine Policy, UA, is endowed through the cooperative along with wide-ranging student research. He further described federal agency partnerships: the Alaska Sea Grant program is a partnership between the National Oceanic and Atmospheric Administration (NOAA) and the state - \$1.5 million from NOAA and a portion of matching funds from the state; Bureau of Ocean Energy Management (BOEM), U.S. Department of the Interior - \$1 million per year to the Coastal Marine Institute; other federal agency partnerships that are essential to the CFOS budget (slide 5).

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REPRESENTATIVE HANNAN asked for the location of the Coastal Marine Institute.

DR. MORAN said the Coastal Marine Institute is not a brick and mortar building but is a virtual institute operated by CFOS with funding from BOEM.

REPRESENTATIVE HANNAN asked for the location of Kasitsna Bay.

DR. MORAN said Kasitsna Bay Laboratory is owned by NOAA and is located in Kachemak Bay; the lab is extensively used for student training and coursework. Also located at Kasitsna Bay Lab is the NSF Established Program to Stimulate Competitive Research (EPSCoR), Fire and Ice, which awarded \$20 million over five years for research by CFOS faculty and students. Slide 6 listed four examples of innovation and commercialization: Blue Evolution leases space from UAF at Kodiak to harvest and process kelp; Blue Pipeline Incubator is an amalgamation of ocean businesses located at the UAF Seward Marine Center; \$500,000 MARINER award by the Advanced Research Projects Agency-Energy

(ARPA-E), U.S. Department of Energy, to develop sugar kelp for market; UAF faculty in Kodiak makes pet treats from fish skins.

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REPRESENTATIVE SPOHNHOLZ asked for more information on sugar kelp.

DR. MORAN said sugar kelp is the type of kelp harvested in the aforementioned award. In further response to Representative Spohnholz, he said the kelp is not used to make sugar but to generate other products.

There followed a short discussion on mariculture and kelp.

DR. MORAN advised mariculture is a major opportunity for Alaska due to Alaska's geographic location, less regulation, and proximity for coastal community business development. Current UAF mariculture facilities are located in Kodiak, Kasitsna Bay, Seward, and Lena Point. Current mariculture research is underway at UAS, and, elsewhere, numerous faculty and students are working on kelp, crabs, and ocean acidification (slide 7).

DR. MORAN restated since 3/14, CFOS has operated, through a cooperative agreement, R/V Sikuliaq, a \$200 million ice-capable vessel; in 2018, CFOS successfully renewed a \$33 million cooperative agreement to continue operating the vessel. However, he noted in 2023, the cooperative agreement to operate the vessel will be open for national competition and many other institutions will bid. In order to retain the operating agreement and continue to receive the opportunities and financial benefits provided by operating R/V Sikuliaq, it is essential that Alaska maintain its shoreside facilities and its excellent record of operations. A new program called the Alaska Sikuliaq Program offers a proposal process for use of the vessel at a rate of \$50,000 per day. R/V Sikuliaq is the only ice-capable vessel in the academic fleet (slide 8).

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REPRESENTATIVE HOPKINS asked about partnerships between R/V Sikuliaq and industry or other governments.

DR. MORAN explained anyone can charter the vessel; for example, Ocean Networks Canada chartered the vessel for two or three weeks, as did the Office of Naval Research, Department of the Navy, U.S. Department of Defense. There have been inquiries

from industry as the vessel is capable of seismic work and other studies, from sediments to the surface of the ocean.

REPRESENTATIVE HOPKINS surmised the vessel could be used for seismic exploration for offshore oil and gas.

DR. MORAN said yes.

DR. MORAN, in response to Representative Hannan, said the cooperative agreement began in March 2014; the vessel was built in 2012, launched in 2013, CFOS began operations in 2014, and the vessel became fully operational and approved for seagoing operations in March 2016.

REPRESENTATIVE HANNAN asked whether [renewal of the cooperative agreement with CFOS] depends upon charter agreements or NFS projects.

DR. MORAN advised the vessel is part of the University-National Oceanographic Laboratory System (UNOLS), which is a consortium of universities that sets the schedule for R/V Sikuliaq, thus proposals funded by NSF are scheduled for research by the vessel through UNOLS. Private industry would apply to schedule the vessel up to one year in advance, and he gave an example.

REPRESENTATIVE HANNAN questioned whether UAF must ensure ongoing research grants to retain its operating agreement.

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DR. MORAN restated any entity can write a proposal for use of the vessel; in fact, UAF relies on proposals from other entities, such as the University of Washington, to fill ship at-sea days. However, when the operating agreement is open for renewal, UAF will write a proposal including a budget, CFOS's record of operation, and UNOLS post cruise assessment forms. It is important that NSF receive value in return for its federal taxpayer dollars. He assured the committee CFOS meets expectations in vessel operations; in fact, CFOS and NSF share the vessel's schedule with local organizations such as the whaling community. He recalled the original proposal for the R/V Sikuliaq came from a UAF faculty member in 1970 and led to an asset on par with that of the University of Washington or Woods Hole Oceanographic Institution. He stressed R/V Sikuliaq is a remarkable asset for a university the size of UAF and restated the importance of renewing the cooperative agreement in

2023; in that regard, CFOS is writing a \$35 million proposal to NSF for a new pier and warehouse facility in Seward.

REPRESENTATIVE SPOHNHOLZ asked whether NSF restricts the vessel's access.

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DR. MORAN said no, R/V Sikuliaq is a global-class vessel; however, it is ice-capable and thus is limited to traversing two and one-half feet of ice at two knots: it is not an icebreaker. Continuing to other examples of value brought by UAF, Dr. Moran described an NSF project, Northern Gulf of Alaska Long-Term Ecosystem Research (NGA LTER). The University of Alaska has four long-term research (LTER) projects, and CFOS operates two, one of which follows the "Seward Line," which builds on 45 years of research and will last 10-20 years. Funding by NSF is \$2.5 million per year and the project seeks to further understand impacts to commercial fisheries in the Gulf of Alaska (slide 9). An additional funding stream is the European Union (EU) Arctic Research Icebreaker Consortium, which includes the R/V Sikuliaq and other vessels from Canada, Norway, Sweden, Germany, and U.K., and that further illustrates UAF's "international reach" in building Alaska's blue economy (slide 9). Slide 11 highlighted fisheries in Alaska's economy: Commercial Fisheries: two-thirds of U.S. fish landings are in Alaska; fisheries generate over \$4 billion wholesale value; fisheries are Alaska's largest private employer.

REPRESENTATIVE RASMUSSEN inquired as to the percentage of the 60,000 fisheries workers who are Alaskans.

DR. MORAN said he would provide that information. Sport fisheries: generate about \$1 billion per year supporting 16,000 jobs; are an important customary and traditional use of fishery resources (slide 11). As an aside, Dr. Moran informed the committee one-half of 520-530 graduate students in fisheries studies are working in Alaska; on the oceanographic side, of over 100 graduate students, one-half are working in Alaska. Furthermore, 47 percent of the science, technology, engineering, and math (STEM) CFOS faculty are women, which he described as more than double the national STEM faculty gender equity, and approximately 70 percent of CFOS students are women. Dr. Moran directed attention to a new online program, UAF Blue MBA, that is an accredited MBA from the school of management, and which is designed for working professionals. The degree is focused on fisheries, ocean science, and ocean technology, which are the

future around the "ocean economy." He said this is a unique program that is entirely web-based and will create an opportunity to increase revenue through online education (slide 12).

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REPRESENTATIVE HOPKINS asked whether there is enough interest in fisheries sciences to provide an adequate workforce for the industry.

DR. MORAN advised the fisheries program attracts top graduate students who are only limited by the cost of tuition; traditionally, tuition and a stipend would be paid by research grants from industry. In fact, fisheries faculty members and workers are in demand to replace the expertise lost from recent retirements that have created a void, for example, on the North Pacific Fishery Management Council. He then provided examples of CFOS industry partners: Hilcorp Energy company funded research in the Beaufort Sea for information to show its permitting and processes comply with federal standards and regulation; the summer program will be extended into a winter study (slide 13). Another example is research related to longline fisheries and whale depredation (slide 14). A further example is research related to declines in the size of Pacific halibut (slide 15).

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CO-CHAIR LINCOLN asked what attributed to smaller fish.

DR. MORAN said the cause is not entirely known; one idea is the cause was depredation by arrowtooth flounder, however, more research is needed. Another example of partnering with industry is research into the crab fishery to ensure a sustainable fishery and crab size. Computer models of catch and bycatch resulted in a proposal approved by the Board of Fisheries to reduce the size limit (slide 16). Slide 17 illustrated research into the interaction of wild salmon with hatchery salmon to ensure wild salmon are not genetically influenced by hatchery salmon. Slide 18 illustrated fisheries management research on the decline of the size of chinook salmon that has been linked to depredation by salmon shark, and interactions of hatchery and wild fish. In conclusion, Dr. Moran presented examples of shark research for biomedical advances taking place at UA Anchorage (UAA), and resources for policymakers provided through several programs at UA Southeast (UAS) (slide 19).

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The committee took a brief at-ease.

CONFIRMATION HEARING(S) :
Commissioner, Department of Natural Resources

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CO-CHAIR LINCOLN announced that the final order of business would be a confirmation hearing for the commissioner designee of the Department of Natural Resources.

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CORRI FEIGE, Commissioner Designee, Department of Natural Resources (DNR), reviewed her qualifications and 30 years' experience in the natural resources industry. She is a geophysicist and engineer, and her work around the world has provided a clear understanding of the importance of a robust, scientifically-based permitting process. She noted her experience working in the mining, oil and gas, and geothermal industries, and with new energy technologies. Commissioner Feige described her responsibilities in private enterprise; her experience in the public sector is one and one-half years as director of the Division of Oil and Gas (DOG), DNR. She provided a short personal history and said her family experiences established her belief in careful and diligent land and resource management, an appreciation that the conservation and management of land and water includes multiple uses - including heavy industry and business - along with hunting, fishing, and outdoor recreation. She said inclusive land stewardship and management drives strong economies, builds jobs, and a good quality of life. As commissioner, her priorities for Alaska include the following: successfully manage land and resources; multiple use of land; support a thriving economy; support local communities; secure the remaining federal land due to Alaska; direct DNR to provide opportunities for the present and the future. Commissioner Feige said she would be honored to lead the DNR team, which is composed of over 900 professionals who have contributed nearly \$1.5 billion in state revenue in fiscal year 2018 (FY 18).

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REPRESENTATIVE RASMUSSEN asked whether there is a timeline for securing the four million to five million acres due to Alaska from the federal government.

COMMISSIONER FEIGE advised, since transition, DNR contacted the Bureau of Land Management (BLM), U.S. Department of the Interior (DOI), about the high priority land classification areas, such as areas of economic development and settlement, or areas that are prospective for mineral extraction or agriculture. Furthermore, DNR reviewed BLM's administrative process related to the release of the title of selected land, and to public land orders. She opined DNR, the state, and Alaska's congressional delegation need to keep a constant pressure on federal agencies to reach DNR's internal goal of attaining approximately one million acres from [Public Land Order No. 5150], which is the corridor along the Trans-Alaska Pipeline System (TAPS), within the next three years.

REPRESENTATIVE RAUSCHER asked about the reevaluation of the Division of Agriculture (DoAg).

COMMISSIONER FEIGE responded the governor's budget revealed the administration's priorities for DoAg: phytosanitary inspection program to certify timber and agricultural exports; invasive species eradication program to protect crops and soils; the [Foundation Seed Program]. Other programs that have been established and funded by the state, such as the Alaska Grown program, can be turned over to the private sector and supported by industry.

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REPRESENTATIVE RAUSCHER questioned whether the private sector has responded [to the governor's priorities].

COMMISSIONER FEIGE has heard some positive responses and some concerns.

REPRESENTATIVE RAUSCHER inquired as to Commissioner Feige's vision to grow the mining industry.

COMMISSIONER FEIGE recalled mining and mining exploration in Alaska has been active for the last two years; Alaska is ranked one of the top ten provinces in the world for mineral exploration and discovery success. In fact, mining claims increased by 216 percent between 2016-2017; she opined DNR's role is: to ensure a transparent permitting process; to correct

errors in the language on forms that created problems for placer miners and others; to communicate DNR's expectations on permitting; to facilitate mining applications; to continue ground-based field work by the Division of Geological and Geophysical Surveys (DGGs) that provides data to industry in participation with programs conducted by the U.S. Geological Survey (USGS), DOI. In further response to Representative Rauscher, she said she seeks to serve as commissioner because the state has enormous resource extraction potential but fails to connect with industry and present opportunities to develop resources.

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REPRESENTATIVE HANNAN observed DNR will eliminate its regional recording offices and expressed her concern about how DNR will serve the recording needs of individuals in rural areas.

COMMISSIONER FEIGE said DNR seeks to fulfill recording needs by ensuring that residents in local communities can access and use electronic recording by making training documents available to users. For miners in the Interior who record affidavits of labor, DNR may provide a seasonal kiosk or desk; she acknowledged electronic recording is not a solution for all areas of the state.

REPRESENTATIVE HANNAN related the mariculture industry depends upon DNR permitting sites for hatcheries and mariculture projects. She heard DNR may revoke a permit to a hatchery in Tutka Bay established 40 years ago - that is a member of the Cook Inlet Aquaculture Association - and that has permits from Alaska Department of Fish & Game (ADFG). She suggested DNR should only review the "land-permitting side of aquaculture management"

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COMMISSIONER FEIGE clarified the DNR permit relative to Cook Inlet Aquaculture Association is issued by the Division of Parks and Outdoor Recreation (DPOR), DNR, because the hatchery resides within Kachemak Bay State Park. The hatchery is located in a cove and is operated on a lease with ADFG. The hatchery made an application to place net pens in the bay, an activity that does not align with other park activities in the Kachemak Bay scenic area, according to DPOR. Further, the [Kachemak Bay Critical Habitat Area Management Plan] is currently under review. She assured the committee DNR has enormous interest in mariculture

and has received over 500 mariculture permit applications; however, DNR discovered the statutory language for the mariculture program does not include provisions for renewing leases. She said DNR seeks changes that will allow mariculture businesses to renew their applications and avoid expensive and lengthy reapplications.

REPRESENTATIVE HOPKINS inquired as to DNR's responsibility to consult with residents and local governments during the permitting processes for large-scale mining operations.

COMMISSIONER FEIGE advised large mine permit applications are presented to the Office of Project Management and Permitting (OPMP), DNR, which is currently reviewing two large mine projects and several oil and gas projects. The process for consultation [with affected communities] is attached to the application for the permit sought from the state, not from the federal government. She described the process leading up to DNR's release of a draft that subsequently is open to community consultation; at that time, the permitting teams have public meetings in the communities near the location of the mine or other project. She cautioned the state process is often confused with the National Environmental Policy Act of 1969 (NEPA) government to government consultation, which is a separate process wholly between federal agencies and local governments; however, the state must treat all stakeholders equally. Therefore, when DNR receives a request for consultation OPMP will arrange for translators when necessary, and she gave an example. She restated the importance that DNR receive comments and ensure that stakeholders and any interested parties have access to pertinent information. However, DNR's response to a request for consultation or information may be delayed due to its thorough consideration of requests.

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REPRESENTATIVE HOPKINS informed the committee an opinion piece [published 2/10/19] written by Peter Evon, Executive Director, Orutsararmiut Native Council (ONC), reported that ONC's concerns and requests for dialogue - regarding permits specifically related to the Donlin project - were repeatedly ignored by the state [document not provided]. He asked whether said requests were known by Commissioner Feige and for her view on "that disconnect between the local government and the department ... as that important local input."

COMMISSIONER FEIGE advised some of the abovementioned permits related to Donlin will be issued by other agencies such as the Department of Environmental Conservation (DEC). She acknowledged many easement and land use permit requests were issued in draft form for public engagement and consultation "all at once, and I think that that led to some, some confusion." Currently, DNR and DEC have 19 state regulatory actions out for public comment, some of which have been ongoing since 2017, and she gave examples. She restated all are invited to community meetings in each region and said she needed further information to respond to questions about a specific request.

REPRESENTATIVE HOPKINS offered to provide further information in this regard. He clarified his concerns are not directed to pipeline right of way easements but to tailings ponds and [long-term mine] waste disposal, and how a local government with preferred methods for tailings waste, for example, could influence the permitting process. He asked:

But if a local government is saying, "We don't want this in our backyard for the next thousand-plus years" ... how do you take into account those type[s] of concerns, when it comes to the permitting of these projects. ... You deal with those waste-water permits, so how do you view that in the permitting process?

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COMMISSIONER FEIGE opined local comments are critical. She recalled the [Coastal Zone Management Act of 1972 created the Alaska Coastal Management Program that was repealed in 2011] formerly provided for the local review of projects; currently, DNR seeks local consultation to incorporate valuable local knowledge from subsistence hunters and residents who use the land. She urged all residents of an affected region to take part in local meetings and inform DNR. Commissioner Feige extensively described the Alaska Dam Safety Program within the Division of Mining, Land and Water, DNR, and the differing characteristics of tailings dam construction.

REPRESENTATIVE HOPKINS restated his question as to how the commissioner would incorporate overwhelming resistance to a large-scale tailings pond from a local government or community, into the permitting process.

COMMISSIONER FEIGE said alternative methods or designs are considered material comments and would be presented for comparison and evaluation by engineers. She remarked:

And whichever is the most appropriate and is the safest and can provide ... the best overall fit to the safety of environment and local communities for that operation, then ... if someone brings something forward that's better, that would be evaluated and incorporated in

COMMISSIONER FEIGE further advised changes can also be made through the "alternatives analysis" of the NEPA process.

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REPRESENTATIVE HOPKINS surmised overwhelming support or opposition from local government is incorporated into the review of facilities such as tailings ponds.

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COMMISSIONER FEIGE said yes. In further response to Representative Hopkins she said the cost and profitability of a mine project are not a factor in the evaluation of the safest design for a mine. She said:

We don't sell permits, that's not what we're in the business to do. What we do is ensure that the technology and the engineering that's being put, put forward on whatever project is, is the best and most secure available. ... It is then up to the company to iterate back and say, "All right with that change, does my 'economics' still work?"

REPRESENTATIVE SPOHNHOLZ asked Commissioner Feige to comment on the 17 permits for Donlin mine that have been issued subsequent to the change in administration.

COMMISSIONER FEIGE clarified there are 19 state regulatory actions that have not been issued but are presently out in draft form for public comment. She explained a major decision at the federal level is followed by state action; for example, the Donlin record of decision (ROD) precipitated the release of [draft] state permits that were already underway, and that then were opened for public comment and consultation.

REPRESENTATIVE SPOHNHOLZ expressed her understanding that "a floodgate of new permits at the state level would come out ... would follow the federal approval." She stated her concern about the number of draft actions is whether residents of an affected community in a remote region would have time to adequately research and consider issues and to formulate a response.

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COMMISSIONER FEIGE opined the public meetings are "clustered" because it is easier to address several issues, such as right of way easements, all at once; combining the meetings saves time for residents and DNR wants residents to understand the projects "holistically," which may include access issues or pipelines. She acknowledged the projects are large and complex.

REPRESENTATIVE SPOHNHOLZ acknowledged integrating various permits or actions to present to the community at once makes sense. However, she questioned whether community members - who are not engineers or scientists - under these circumstances, can be adequately informed, and asked for assurance DNR will provide a meaningful opportunity for residents to process the presented information and respond.

COMMISSIONER FEIGE pointed out public consultation on some of the draft permits began in 2017, thus on each large project there are multiple opportunities to review information and return to question knowledgeable parties; furthermore, there are project websites with comments and responses to inquiries posted therein. She assured the committee DNR strives to inform community members of the information they need.

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CO-CHAIR TARR opined adequate public process is more important than ever; residents living in proximity to the Donlin mine have reported agencies have not responded to their requests for consultation. Although meetings in the community were scheduled to comply with public notice, she cautioned that meetings have not resulted in full engagement with local residents and Tribal leadership and failed to share information in a meaningful way. She pointed out state actions have become more important because the federal administration has shortened its environmental impact statement (EIS) process thus state oversight by DNR will need to be more diligent. Returning attention to the Division of Agriculture, she reminded the committee of the level of state

investment that was required to ensure the success of the oil and gas industry and suggested other young industries also need state support to become long-term, sustainable industries. Co-Chair Tarr then referred to Commissioner Feige's resume provided in the committee packet and noted Commissioner Feige is listed as president and principal consultant for The Castle Mountain Group, Inc.; she inquired as to a possible conflict of interest. Also, she questioned whether continuing budget cuts to DNR staffing have delayed lease sales and permitting.

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COMMISSIONER FEIGE explained The Castle Mountain Group is a corporation co-owned with her husband; its corporate activities continue and are completely unrelated to those of DNR. Regarding staffing, she said DNR has experienced difficulties recruiting and retaining staff in recent years due to instability and competition brought by the oil, gas, and mining private sectors. She said of DNR's 900 budgeted positions, about 100 are vacant, and each division will refill positions based on a priority to fill permitting adjudication vacancies.

CO-CHAIR TARR expressed her concern about the potential loss of jobs to opportunities outside of Alaska.

REPRESENTATIVE TALERICO recalled past state land disposal programs that have consisted of very remote land with no road access and have been unsuccessful, for example, land in the Denali Borough at Mucha Lake, which has been available for about 15 years; in fact, he said he has been told all the good land is gone. He asked whether there is available state-owned land with access and with development possibilities, and if the land disposal program can be improved.

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COMMISSIONER FEIGE informed the committee the administration seeks to put more acreage into private hands; she acknowledged the available land is remote but opined there are opportunities created by current technology. She returned to the [ongoing] conveyance of land from BLM and said the Division of Mining, Land, and Water reviewed the land classification process to prioritize land selection and to focus on an expanded amount of settlement land, agricultural land, and areas near the Nenana River bridge.

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CO-CHAIR LINCOLN opened public testimony on the confirmation hearing of Corri Feige, commissioner to DNR. After ascertaining no one wished to testify, public testimony was closed.

REPRESENTATIVE TUCK returned attention to Commissioner Feige's resume and pointed out her work history with The Castle Mountain Group and other entities. He questioned whether her work for The Castle Mountain Group will continue during her term as commissioner.

COMMISSIONER FEIGE restated work done by The Castle Mountain Group "on the aviation side" is managed by her husband; furthermore, The Castle Mountain Group is an "S corp entity" thus the corporation continues, although she is not affiliated with the corporation. Aurora Geophysical Services was a company founded in the mid-'90s that is now closed.

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REPRESENTATIVE TUCK referred to her position with Pioneer Natural Resources/Evergreen Resources during the time of an "anti-development frenzy" and asked for more information on this matter.

COMMISSIONER FEIGE explained Evergreen Resources was exploring in the Matanuska-Susitna (Mat-Su) area near Port MacKenzie for coal bed methane, which led to an anti-development frenzy from property owners who were unaware they did not own subsurface mineral rights to their property. She said campaigns to stop the development of coal syngas came to Alaska and DNR was unprepared for questions from the public about development activities and possible impacts to private water wells. Commissioner Feige said there was misinformation spread by Outside interests and to avoid a similar situation there should be numerous opportunities for public engagement to hear proponents and opponents answer questions about a certain development. In further response to Representative Tuck, she opined there is no longer an anti-development frenzy, but there should always be healthy tension between natural resource project proponents and opponents, which leads to better projects.

REPRESENTATIVE TUCK expressed his concern about the elimination of the Division of Agriculture and its programs due to the administration's priorities. He recognized Commissioner Feige's long experience working with the oil and gas industry and urged

her to represent the agricultural industry in the same manner. He remarked:

I believe that you have a lot of good experience and would do a great job at this, as long as you have a listening ear from the governor and from Donna Arduin [Director, Office of Management and Budget, Office of the Governor].

[2:57:38 PM](#)

COMMISSIONER FEIGE responded:

... while the Division of Agriculture has been proposed for downsizing it's not going away and the core programs that have been retained ... were identified as, as those most impactful ... for the state dollars in, in the budget as conceived. ... We're, we're in the process now of trying to find solutions so that those programs like the Alaska Grown and like the farmers' market program can potentially continue if, if the industry desires

REPRESENTATIVE TUCK restated his main concern is the process that the administration used without first talking to the industry.

REPRESENTATIVE HOPKINS appreciated Commissioner Feige's response that it is important for DNR to listen to comments from local communities. He referred to the commissioner's 1/15/19 opinion piece related to Donlin [Gold] permitting [document not provided]. The statement referenced DNR's interaction with Calista Corporation and The Kuskokwim Corporation (TKC). He remarked:

I wanted to ask if you are aware of the dozen or so community and Tribal resolutions that have publicly said they do not support the Donlin mine in its current form, and how would you take into account those 12 or so communities that oppose it ... and how would you incorporate that into modifying a mine's construction or modifying the requirements that you put in a permit to move forward with a large scale [mine permit].

[3:00:50 PM](#)

COMMISSIONER FEIGE expressed her belief the comments from the communities in opposition are very important and she urged those concerned to provide alternatives that could become a part of the analyses and design of the project "if it's appropriate, you know, and the engineering side bears out." In further response to Representative Hopkins, she said she was aware of a number of resolutions [in opposition].

[3:01:38 PM](#)

CO-CHAIR TARR read the following statement:

The resources committee has reviewed the qualifications of the governor's appointee, Commissioner Corri Feige, Department of Natural Resources, and recommends that the name be forwarded to a joint session for consideration. This does not reflect intent by any of the members to vote for or against this individual during any further sessions for the purposes of confirmation.

[3:02:00 PM](#)

3:02:48

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:02 p.m.