

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

April 27, 2021
10:02 a.m.

MEMBERS PRESENT

Representative Geran Tarr, Chair
Representative Louise Stutes, Vice Chair
Representative Jonathan Kreiss-Tomkins
Representative Andi Story
Representative Sarah Vance
Representative Kevin McCabe

MEMBERS ABSENT

Representative Dan Ortiz

COMMITTEE CALENDAR

HOUSE BILL NO. 182

"An Act extending the fishery resource landing tax credit for certain taxpayers that harvest fishery resources under the provisions of a community development quota; providing for an effective date by amending the effective date of secs. 16 and 23, ch. 61, SLA 2014; and providing for an effective date."

- MOVED HB 182 OUT OF COMMITTEE

PRESENTATION: AK-BC TRANSBOUNDARY SALMON RIVERS

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 182

SHORT TITLE: EXTEND FISHERY RESOURCE LAND. TAX CREDIT

SPONSOR(S): REPRESENTATIVE(S) EDGMON

04/19/21	(H)	READ THE FIRST TIME - REFERRALS
04/19/21	(H)	FSH, FIN
04/27/21	(H)	FSH AT 10:00 AM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE BRYCE EDGMON
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 182.

SETH WHITTEN, Staff
Representative Bryce Edgmon
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions regarding HB 182 on behalf of Representative Edgmon, prime sponsor.

NORMAN VAN VACTOR, President & CEO
Bristol Bay Economic Development Corporation
Dillingham, Alaska

POSITION STATEMENT: Provided invited testimony in support of HB 182.

ANGEL DROBNICA, Director of Fisheries and Government Affairs
Aleutian-Pribilof Island Community Development Association
Juneau, Alaska

POSITION STATEMENT: Provided invited testimony in support of HB 182.

CONNOR BELL, Analyst
Legislative Finance Division
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing of HB 182, answered questions.

NICOLE REYNOLDS, Deputy Director
Tax Division
Department of Revenue
Anchorage, Alaska

POSITION STATEMENT: During the hearing of HB 182, answered questions.

JENNIFER WILLIAMS, Government Affairs
Yukon Delta Fisheries Development Association
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 182.

BREANNA WALKER, Campaign Coordinator
Salmon Beyond Borders
Juneau, Alaska

POSITION STATEMENT: During the presentation on AK-BC Transboundary Salmon River, provided a PowerPoint, titled "Salmon Beyond Borders."

CHRIS SERGEANT, Research Scientist
Flathead Lake Biological Station
University of Montana
Seattle, Washington

POSITION STATEMENT: During the presentation on AK-BC Transboundary Salmon River, provided a PowerPoint, titled "Monitoring the health of rivers shared by Alaska and British Columbia," dated 4/27/21.

RAYMOND PADDOCK, Environmental Coordinator
Central Council of the Tlingit and Haida Indian Tribes of Alaska
("Tlingit and Haida")
Juneau, Alaska

POSITION STATEMENT: Provided testimony during the presentation regarding AK-BC Transboundary Salmon Rivers.

TIS PETERMAN, Special Projects Consultant
Southeast Alaska Indigenous Transboundary Commission (SEITC)
Wrangell, Alaska

POSITION STATEMENT: Provided testimony during the presentation regarding AK-BC Transboundary Salmon Rivers.

FRANCES LEACH, Executive Director
United Fishermen of Alaska (UFA)
Juneau, Alaska

POSITION STATEMENT: Provided testimony during the presentation regarding AK-BC Transboundary Salmon Rivers.

ACTION NARRATIVE

[10:02:30 AM](#)

CHAIR GERAN TARR called the House Special Committee on Fisheries meeting to order at 10:02 a.m. Representatives Stutes, Story, Kreiss-Tomkins, and Tarr were present at the call to order. Representatives McCabe and Vance arrived as the meeting was in progress.

HB 182-EXTEND FISHERY RESOURCE LAND. TAX CREDIT

[10:03:55 AM](#)

CHAIR TARR announced that the first order of business would be HOUSE BILL NO. 182, "An Act extending the fishery resource landing tax credit for certain taxpayers that harvest fishery resources under the provisions of a community development quota;

providing for an effective date by amending the effective date of secs. 16 and 23, ch. 61, SLA 2014; and providing for an effective date."

[10:04:02 AM](#)

REPRESENTATIVE BRYCE EDGMON, Alaska State Legislature, as prime sponsor, introduced HB 182. He explained HB 182 would extend the fishery resource landing tax credit. The tax credit originated in 2014 and expired in 2020 [as scheduled] because the legislature had a shortened session [due to the COVID-19 pandemic and was unable to act on extending it]. This bill would extend the tax credit from today until 2030.

REPRESENTATIVE EDGMON recounted that in 1993 the legislature saw that the ground fish industry that was fishing outside of Alaska waters in Three-Mile Zone was getting more prominent. Adopted in 1993 and implemented in 1994, the fishery landing tax was instituted because those vessels would come in and use shoreside facilities. In 2014 a tax credit program was established for the [Western Alaska] Community Development Quota (CDQ) Program, which is comprised of six regional organizations that represent about 65 communities in Western Alaska. This tax credit program allows many of those harvesters and others that fish outside the state's waters to contribute to the local CDQ organizations to help provide for funding for education, employment, research, and other nonprofit endeavors. It comes to the state with no unrestricted general fund (UGF) dollars attached to it, and the bill has a zero fiscal note. This legislation would extend this successful program that benefits Western Alaska communities to 2030.

[10:06:59 AM](#)

REPRESENTATIVE KREISS-TOMKINS said it is great to see all six CDQ groups speaking with a common voice in the supporting materials. He asked whether litigation is currently ongoing regarding the constitutionality of the fishery landing tax.

[10:07:33 AM](#)

SETH WHITTEN, Staff, Representative Bryce Edgmon, Alaska State Legislature, on behalf of Representative Edgmon, prime sponsor of HB 182, confirmed a case is currently before the Alaska Supreme Court pertaining to the landing tax. He said he is unsure on when a decision is anticipated.

REPRESENTATIVE KREISS-TOMKINS offered his understanding that if the plaintiffs were to prevail it would strike down the entirety of the landing tax and then that would render moot this tax credit program.

MR. WITTEN confirmed that that is correct. If that were to happen, he said, legislative action might be seen to try to figure out how to make that tax work within whatever parameters were established.

[10:08:29 AM](#)

CHAIR TARR opened invited testimony on HB 182.

[10:09:21 AM](#)

NORMAN VAN VACTOR, President & CEO, Bristol Bay Economic Development Corporation (BBEDC), provided invited testimony in support of HB 182. He stated that BBEDC is one of the six CDQ entities and represents 17 coastal communities in its region. He related that the Community Development Program was established under the Hickel Administration in 1992 and codified in the Magnuson-Stevens Fishery Conservation and Management Act in 1996. This remarkable program provides Alaska's coastal communities along the Bering Sea specific harvest quotas in the federal water fisheries of the Exclusive Economic Zone (EEZ). The benefits of harvesting this quota are invested and reinvested in fisheries development, regional development programs, and provide employment and educational opportunities to BBEDC's community residents.

MR. VAN VACTOR specified that the Alaska State Legislature enacted the fishery resource landing tax in 1993 and the CDQ tax credit provision was enacted in 2014. The for-profit fishing partners that harvest BBEDC's CDQ quota are eligible to participate in the tax credit program and, in return, redistribute those funds to BBEDC. The [Thirty-First Alaska State Legislature] considered extending the sunset provision in Senate Bill 184, but the bill failed to advance due to the chaos created by the [COVID-19] virus. Presently, BBEDC relies upon the fishery resource landing tax credit program to supplement the funds that BBEDC provides to the Bristol Bay Science and Research Institute (BBSRI), which does critical and collaborative research work with the Alaska Department of Fish and Game (ADF&G) under a memorandum of understanding (MOU). Extending this program through 2030 would provide stability for

BBEDC's long-term planning in the region and would further solidify BBEDC's collaborative work with ADF&G.

10:12:42 AM

ANGEL DROBNICA, Director of Fisheries and Government Affairs, Aleutian-Pribilof Island Community Development Association (APICDA), provided invited testimony in support of HB 182. She stated that APICDA represents six remote coastal communities in Southwest Alaska and is one of the six CDQ organizations with a mission to increase direct participation in Bering Sea and Aleutian Island fisheries and to help develop sustainable fisheries-based economies. The revenue generated from APICDA's quota holdings and fisheries investments is utilized to create jobs, build infrastructure, provide scholarships and workforce training, and help support a wide range of local priority initiatives and projects through grant programs to eligible community entities.

MS. DROBNICA said she agrees with Mr. Van Vactor regarding this remarkable program and its crafters on the state and federal levels. She offered APICDA's strong support for HB 182 and the continuation of the fishery resource landing tax credit program through which APICDA's harvest partners are provided an opportunity to attribute a portion of their landing tax liability from the harvest of APICDA's CDQ quota for specific fisheries investments identified in statute. This meaningful program has been used by APICDA to advance its mission through supporting training opportunities, direct employment in the seafood industry, and to help with shoreside facility improvements.

MS. DROBNICA related the Central Bering Sea Fishermen's Association's (CBSFA's) support for HB 182, the CDQ group for St. Paul Island, whose representatives were unable to make the hearing due to a conflict. Responding to Chair Tarr, she confirmed she is speaking on behalf of the CBSFA as well as APICDA, and further noted that a letter [included in the committee packet] was submitted to the committee on behalf of all six CDQ organizations.

10:15:17 AM

REPRESENTATIVE MCCABE referred to the fiscal note and offered his understanding that a portion of this is not designated general fund (DGF) and a portion is. He further asked whether

the municipalities' part of this or the CDQ's part of this is sweepable.

10:16:00 AM

CONNOR BELL, Analyst, Legislative Finance Division (LFD), Alaska State Legislature, noted it is not a standard role for the Legislative Finance Division to provide recommendations. However, he continued, this is required by statute, so the division does recommend continuation of this provision given it does not affect state revenues; those revenues are separate and are a municipal share based on AS 43.77.050. The division's recommendation is based on only the municipal share portion of the revenue being affected. He deferred to the Tax Division to speak to what aspect is sweepable.

CHAIR TARR offered her understanding that Mr. Bell is saying the Legislative Finance Division can give a positive recommendation for this because the tax credit is used against the municipal revenue portion of the revenue.

MR. BELL confirmed that is correct.

CHAIR TARR invited the Tax Division to respond.

10:18:11 AM

NICOLE REYNOLDS, Deputy Director, Tax Division, Department of Revenue (DOR), responded that the CDQ credit can only be used against the municipal share of the fishery resource landing tax revenue. The state's share of the proceeds is recorded in the unrestricted general fund (UGF) and those revenues would remain the same. The municipal share of the proceeds is reported in the designated general fund (DGF), which would be reduced by the CDQ credit, and those amounts are reflected in the Department of Revenue's fiscal note.

CHAIR TARR offered her understanding that this would not be in the category of funds that are considered sweepable if the state portion of the revenue comes in as unrestricted general fund.

MS. REYNOLDS answered she believes that's correct, but she is not entirely familiar with the term "sweepable" or not. She explained that these funds in the DGF are what are shared with the municipalities. So, in the Tax Division's annual report, those numbers would be reduced but the UGF's numbers would not be reduced.

REPRESENTATIVE EDGMON offered his understanding that these monies would not be sweepable, while Alaska Marine Highway funds and the 30 or 40 separate statutory driven entities are sweepable. He said this is different because the money flows through the Department of Revenue and not through a board that does something in statute.

[10:20:53 AM](#)

REPRESENTATIVE VANCE expressed her concern that this would reduce the money going to municipalities, but the money is still there, it is essentially a trade. She asked what the added benefit of that is because obviously the municipalities could use this funding but it's being utilized in a different way.

REPRESENTATIVE EDGMON replied that the tax credit has been in place since 2014 with a one-year standdown because of the legislature's inability to finish its work last year. While researching the bill, he related, there was no opposition from municipalities saying they would like to have this money redirected back to them. Regarding the benefits to the CDQ program itself, he said the six regional organizations and their respective communities receive many benefits from the proceeds of this tax credit, some years more than \$600,000. It is money that goes towards educational opportunities and research such as the Bristol Bay Science and Research Institute. There is a broader good attached to the tax credit that contributes to the wealth of the communities and the entire swath of Western Alaska that participates in the CDQ program.

[10:22:47 AM](#)

CHAIR TARR invited Mr. Van Vactor to respond to the question.

MR. VAN VACTOR specified that in BBEDC's case the number in any given year might be from \$80,000-\$130,000, but that BBEDC turns that money into \$600,000 by contributing directly towards its science and research institute and by using share matching and fundraising. He said BBEDC's pollock partners contributed over \$400,000 last year to education programs in the region. It is seed money that goes a very long way.

CHAIR TARR asked whether it would be accurate to think of it as allowing BBEDC to leverage other funds and then be more strategic in those investments.

MR. VAN VACTOR answered, "Exactly."

[10:23:45 AM](#)

CHAIR TARR opened public testimony on HB 182.

[10:23:59 AM](#)

JENNIFER WILLIAMS, Government Affairs, Yukon Delta Fisheries Development Association (YDFDA), testified in support of HB 182. She noted she is a lifelong Alaskan from Emmonak. She stated that YDFDA is the CDQ entity representing six communities on the Yukon River Delta and these member communities represent more than 3,400 residents who live in one of the most economically challenged regions of the US. The CDQ program allows YDFDA to provide fishery and economic benefits to the resident fishermen, their families, and the entire region. The YDFDA has participated in the fishery resource landing tax credit program since its inception. The YDFDA uses this program to partially offset the amounts that YDFDA spends annually to support fishery research and monitoring studies of the Yukon River. This research undertaking is developed in collaboration with the Alaska Department of Fish and Game (ADF&G). The credits greatly assisted YDFDA's test fishing monitoring activities on the lower Yukon River for chinook this summer and for fall chum, to conduct lamprey eel tagging and recovery studies, and to conduct chinook out-migration and smolt trawl survey studies sponsored in part by the National Oceanic and Atmospheric Administration (NOAA). Both subsistence and commercial openings are predicted on the test fishery results. Without this valuable information ADF&G would be hard-pressed in YDFDA's management efforts, which would likely result in a loss of economic opportunity in the region and/or a request for additional state dollars. None of the tax credits are used for YDFDA administration or management fee surcharge. The fishery resource landing tax credit program is a great benefit to the residents of Western Alaska and the state of Alaska. She urged the committee to support HB 182.

[10:26:30 AM](#)

CHAIR TARR closed public testimony on HB 182 after ascertaining that no one else wished to testify.

[10:26:43 AM](#)

REPRESENTATIVE EDGMON pointed out that the House Special Committee on Fisheries also serves as a budget subcommittee for

the Alaska Department of Fish and Game. He pointed out that when the department's budget was considered a few weeks ago, the UGF portion, the state funding in the department, was at 52 percent and going lower and lower as additional funds are supplanting the need for state monies, and this tax credit program is one of those. The BBSRI program mentioned by Mr. Van Vactor is unique because it allows for some of the proceeds from this program to supplant what ADF&G would normally provide for or enhance what the department is able to do with existing money. So, the role of this program, the tax credit itself, is providing local benefits and in the larger context helping ADF&G get its work done.

[10:27:51 AM](#)

The committee took a brief at-ease.

[10:28:45 AM](#)

CHAIR TARR noted that all six CDQ groups strongly support HB 182 and that it sounds like all committee members are comfortable with moving the bill to its next committee of referral.

[10:29:16 AM](#)

REPRESENTATIVE STUTES moved to report HB 182 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 182 was reported out of the House Special Committee on Fisheries.

[10:29:38 AM](#)

The committee took an at-ease from 10:29 to 10:35 a.m.

Presentation: AK-BC Transboundary Salmon Rivers

[10:35:14 AM](#)

CHAIR TARR announced that the final order of business would be a presentation on Alaska-British Columbia Transboundary Salmon Rivers Update.

[10:36:17 AM](#)

CHAIR TARR passed the gavel to Vice Chair Stutes.

[10:36:24 AM](#)

BREANNA WALKER, Campaign Coordinator, Salmon Beyond Borders, provided a PowerPoint presentation titled "Salmon Beyond Borders." She began by acknowledging Juneau as the present and ancestral lands of the A'akw Kwaan Tlingit people. She stated that Salmon Beyond Borders works closely with commercial and sport fishermen, community leaders, tourism and recreation business owners, and concerned citizens in collaboration with tribes and First Nations united across the Alaska-British Columbia (BC) border to defend and sustain transboundary rivers, jobs, and the salmon way of life.

MS. WALKER turned to the map on the second slide and said the Taku (T'aakQ), Stikine (Shtax'heen), and Unuk (Joonak) rivers are world-class transboundary salmon rivers originating in Northwest British Columbia and flowing into Southeast Alaska. These rivers have been centers of culture, commerce, and biodiversity for thousands of years. At the headwaters of these major river systems the BC government has more than a dozen large-scale open-pit mines in stages ranging from abandonment to exploration and development to full operation. Industrialization at the headwaters of these rivers is the largest threat to some of the last remaining wild salmon habitat left on the planet. British Columbia's archaic mining laws are not strong enough to protect water quality, wild salmon, and the communities that rely on them.

[10:38:07 AM](#)

MS. WALKER displayed the third slide, titled "TAKU - STIKINE - UNUK THE RIVERS THAT FEED US," and said that starting in 1998 Alaska lawmakers, including governors, dozens of municipalities in Southeast Alaska, and the Alaska Congressional Delegation, along with 15 federally recognized tribes in Southeast Alaska, hundreds of business owners, tour operators, commercial and sport fishing groups, and thousands of individual Alaskans have called for enforceable protections and robust financial assurance in these transboundary watersheds. Members of the Alaska State Legislature continue to be leaders on this issue and there is continued support from the Alaska Congressional Delegation, with US Senator Lisa Murkowski continuing to lead on federal appropriations for water quality monitoring in US/BC transboundary watersheds. The US Congress recently appropriated almost \$4 million for this work in fiscal year 2021. This funding for water quality monitoring does not just focus on Alaska-Columbia watersheds but also includes Washington, Idaho,

and Montana. Despite all these important steps forward, she said she is before the committee today with a sense of urgency.

[10:39:58 AM](#)

MS. WALKER spoke to the photograph of a salmon on the fourth slide and stated that the Taku, Stikine, and Unuk rivers are some of the world's last intact wild salmon rivers; collectively they have historically produced 80 percent of the king salmon in Southeast Alaska. Yet, this year the Alaska Department of Fish and Game (ADF&G) is set to add the Taku and Stikine chinook to the growing list of stocks of concern, which already includes the Unuk River chinook. The Stikine sockeye runs are forecasted to not meet subsistence needs this season. Meanwhile, in British Columbia the mining projects near the headwaters of these critical salmon rivers move ahead at a faster rate than they have in previous years and few substantive changes have been made to BC's mining regulation and permitting policies following the 2014 Mount Polley waste dam failure despite recommendations from BC's own auditor general. British Columbia still has not amended its mine reclamation policy throughout the province, including mines in transboundary watersheds, despite former Governor Walker requesting that, at minimum, BC require mining companies to post a full reclamation bond at permitting, just as Alaska requires. Moving to the map on the fifth slide, Ms. Walker stated that this is most clear at the headwaters of the Stikine River where some of the largest mining companies in the world are buying claims and projects from the smaller junior developers. This map highlights the sheer number of potential mines near the Stikine headwaters in addition to the operational record of this mine. Almost the entire riparian corridor of the Iskut River, the largest tributary of the Stikine, is staked for mining claims.

[10:41:37 AM](#)

MS. WALKER addressed the graph on the sixth slide titled, "Transboundary Mine Tailings Dam Heights." She noted that the size and scale of these mines and their mine waste dams, which are meant to last in perpetuity, are significantly increasing in size, as seen on the graph. The expert panel that reviewed the Mount Polley mine waste dam failure, which spilled 6.6 billion gallons of mining waste, found that BC could face an average of two dam failures every 10 years under the business-as-usual conditions. The tailings dam heights shown for the Red Chris, Schaft Creek, and Galore Creek are all within the Stikine watershed. The cumulative impacts and years of concern

expressed downstream are being ignored as BC continues the mass industrialization of the US-BC shared watersheds.

MS. WALKER concluded her presentation with the seventh slide. She said it has been an honor to get to know the people whose lives are directly tied to these rivers on both sides of the border. More than just wild salmon rivers, the Taku, Stikine, and Unuk rivers are living salmon-human river systems where salmon and people are interconnected. Work is continuing to elevate this issue at the federal level. The State of Alaska needs to support both the state and provincial process as well as the federal process that brings everyone and all relevant jurisdictions, including and especially the tribes, to the table to establish enforceable protections for these shared transboundary salmon rivers.

[10:43:37 AM](#)

REPRESENTATIVE MCCABE requested Ms. Walker to describe the effects on salmon six years later from the Mount Polley tailings dam collapse. He further inquired about what is in the mining waste itself.

MS. WALKER replied that she is not a fisheries biologist or hydrologist, so she would be happy to connect members to people in the community as to what they are seeing after the disaster. She said the Mount Polley tailings dam failure is an example of how the mining industry in British Columbia is enforced and regulated, and it has not been to the benefit of human health and the environment. Imperial Metals has not been held accountable and has been permitted to discharge more wastewater into Quesnel Lake. The expert panel that investigated the Mount Polley tailings dam failure made a number of recommendations, but BC has yet to change those rules and regulations to reduce risks to communities and watersheds. To answer the questions, she offered to share resources with the committee after the meeting.

REPRESENTATIVE MCCABE related that he grew up in northern Minnesota where he swam in tailings ponds. He offered his belief that there are different sorts of tailings and tailings ponds, and some are toxic and some not. He said he is interested in learning how, six years later, the Mount Polley dam failure has affected the lake, fish, and humans.

[10:46:31 AM](#)

REPRESENTATIVE STORY thanked Ms. Walker and everyone who has come together on this issue for their efforts.

[10:47:42 AM](#)

The committee took a brief at-ease to deal with audio technical difficulties.

[10:48:06 AM](#)

CHRIS SERGEANT, Research Scientist, Flathead Lake Biological Station, University of Montana, provided a PowerPoint presentation, titled "Monitoring the health of rivers shared by Alaska and British Columbia," dated 4/27/21. He noted that he spent 10 years in Juneau studying the rivers and salmon in this transboundary region. He said the good news in the transboundary region shared by Alaska, British Columbia, and indigenous governments is that there are still thriving watersheds. However, he advised, they have reached the point where cautious management and monitoring of their health is a necessity and he hopes he can inspire more action in that direction. There are many mines in the transboundary watershed in various forms of abandonment, exploration, and operations, and continuing to improve the quality and coordination of environmental monitoring on both sides of the border is needed.

MR. SERGEANT moved to the second slide and related that he contributed to a 22-author letter published in the Journal of Science involving Canadian and US experts in science and policy. In that letter the authors agreed that: 1) mine assessments underestimate risk; 2) mine permitting often relies on mitigations, such as water quality treatment facilities, that lack verification in the field; and 3) there is a need for increased independent, transparent, and peer-reviewed science. He added that there is also a need for more voices at the table where decisions are made on how to treat these watersheds.

[10:50:08 AM](#)

MR. SERGEANT discussed the third slide, titled "Large-scale Mining in Alaska-British Columbia Transboundary Watersheds." He said the aforementioned three points are critically important for the transboundary region, which includes the Taku, Stikine, and Unuk rivers. The points on the maps represent key mines that continue to be in various phases of operation. Several are proposed to be large open-pit operations.

MR. SERGEANT displayed the fourth slide, titled "Open pits = low-grade ore," and explained that a common grade of gold for open-pit operations in this region requires removing about 2,200 pounds of rock for 0.02 ounces of gold. Turning to the fifth slide he pointed out that to get the gold in his wedding ring requires the removal of over 23,000 pounds of earth. While this might be economically feasible for a mining company, it involves a large environmental trade-off. One critical component to tracking these trade-offs is the adequate monitoring of watershed health before, during, and after project operations to see how the water, land, and animals change in response to these large disturbances.

MR. SERGEANT spoke to the two maps on the sixth slide. He related that there is currently one open pit mine actively operating in the transboundary watershed. He explained that the map on the right shows a heavily staked area of the Stikine River watershed where the colors represent mineral claim ownership by several different companies. The yellow cross shows the Red Chris Mine, a large open-pit mining operation that has been in production since 2015.

[10:52:07 AM](#)

MR. SERGEANT turned to the satellite image on the seventh slide [taken in 2011] before the start of full-scale construction. He said satellite images show how quickly the land was transformed once the open-pit project began. Moving to the image on the eighth slide he noted that mine construction began with land clearing in May 2012. Displaying the ninth slide, he specified that regular production began in June 2015 and all major pieces of the project were in place. Showing the tenth slide taken in 2020, he said the open pits visible in the slide will eventually converge into one; also visible are the growing mine waste storage reservoirs, also known as tailings storage facilities. The main dams holding back these tailings have a Canadian Dam Association consequence classification of "very high," meaning that a failure would result in significant loss or deterioration of critical fish or wildlife habitat where restoration or compensation in-kind is possible but impractical. These images demonstrate how quickly habitat within a watershed can change and illuminates the need for collecting environmental monitoring data early in the process before the operations are built.

MR. SERGEANT addressed the eleventh slide. He stated that in response to the large number of operating and exploratory mines in the transboundary region, several government entities have

conducted monitoring. Last year he conducted an independent data review of government-led monitoring in transboundary watersheds. While each of these are important pieces of work, he said he concluded that monitoring efforts tend to be concentrated in small areas of each watershed or relatively short-term in effort. Therefore, monitoring the environmental health of the transboundary region will require commitment to longer term data collection across a broader number of sites than currently exists. "Longer term" means at least five years of consistent and coordinated monitoring, ten years is better. These time periods are well established for many types of monitoring programs. For example, Section 7 of the Alaska Highway Drainage Manual recognizes the importance of long-term stream flow data collection when designing infrastructure like bridges and culverts. It states that a complete discharge record is usually defined as one having at least 10 years of continuous record; 25 years of record is considered optimal. The recently completed effort of Alaska Department of Environmental Conservation (DEC) and BC Ministry of the Environment, while an important start for monitoring, only spans a period of two years, and much more information is needed to accurately assess the current baseline health of transboundary watersheds.

[10:54:54 AM](#)

MR. SERGEANT reviewed the twelfth slide, titled "What is the question you want to answer?" He explained that monitoring in the transboundary watersheds needs to answer two questions at the same time. The first question is, How is the overall condition of the watershed changing over time? This helps to see how factors unrelated to mining impact change the chemical, biological, and physical aspects of the overall watershed. These factors include glacier retreat, changing rain patterns, and warming water temperatures. This is typically done by laying grid over the watershed and choosing some random points, but many approaches are available. The second question is, At the same time, how does a particular mine impact a watershed? This involves targeted, non-random points placed at different distances from the mine to see how the river is affected. To date, no monitoring efforts in transboundary watersheds have been designed to answer both these questions.

MR. SERGEANT moved to slide 13 and specified that consistency is key. He stated that the way data is collected at each place in the watershed is critical. Just because something like pH or the amount of copper is measured in the same river two different

times doesn't necessarily mean those two points are comparable. Many things are measurable, including flow level, time of day, or season. This means that monitoring needs to keep these factors as similar as possible across all measurements or that many, many measurements need to be collected that span all the ranges of environmental conditions.

MR. SERGEANT displayed slide 14 and explained that many toxic chemicals are found in higher concentrations in the water during low flow periods. If water is only collected during higher river flows, the periods when there are more metals in the water may be missed and therefore more toxic to fish and other aquatic organisms. Many monitoring programs don't cover this aspect of sampling and in many watersheds there isn't sufficient flow information to examine these differences.

MR. SERGEANT addressed slide 15, titled "Tulsequah River monitoring." He said this example helps illustrate the scale and complexity of monitoring transboundary watersheds and leads into his take-home message. As part of a focused environmental monitoring program, he works alongside Taku River Tlingit First Nation's (TRTFN) staff in Atlin, BC, to monitor water sediment, fish, and insects in the Tulsequah River, the largest tributary to the Taku River and the Tulsequah Chief Mine. He clarified that the views he is expressing represent his own, not TRTFN. Over the past two years TRTFN has monitored 12-17 sites in about a six-mile stretch of river, a much higher density of sites than any other effort taking place in transboundary watersheds. Despite this, and due to broad-scale forces such as glacier retreats or floods, TRTFN still needs several more years of data to really understand what is driving the biological and chemical patterns in the collective data.

MR. SERGEANT concluded his presentation with the sixteenth slide, titled "Take-home message." He specified that the red box on the map represents the area of the Tulsequah River shown in the photograph on slide 15 and shows how small this area is compared to the rest of the Taku River watershed. He said his take-home message is:

Considering the complexity of interpreting water quality patterns in this small section of watershed, the level of effort needed to characterize an entire watershed requires long-term funding commitment and strong collaboration across all governments, where all parties agree to the monitoring program goals, objectives, and scientific approach.

[10:58:44 AM](#)

REPRESENTATIVE MCCABE recalled Mr. Sergeant mentioning having more voices across the table and asked who those would be.

MR. SERGEANT deferred to indigenous governments to speak to that. He said that non-academic partners like himself could do independent science review beyond state agencies, so federal, state, municipal, and indigenous governments would all be at the same table.

REPRESENTATIVE MCCABE asked about the mines.

MR. SERGEANT replied that they play a large role in these processes through their permitting processes and the monitoring that they conduct.

REPRESENTATIVE MCCABE asked whether Mr. Sergeant would advocate that the mines be at the table.

MR. SERGEANT responded that that is a tricky answer because while the mines play an important role in collecting data around their projects, they also have a conflict of interest in how data is collected. He said a two-pronged approach is therefore needed where there is data collected independent of mining companies but also the companies are part of the conversation in different aspects.

[11:00:42 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked whether there is any cause for water quality or ecological concern based on the data collected and analyzed to-date from the Tulsequah Chief Mine.

MR. SERGEANT answered, "Yes." The data collected to-date are consistent with historical data showing that directly downstream of the mine for one or two kilometers there is a very clear pollution signal in elevated dissolved metals like copper and arsenic. There is still a question of how far downstream that persists and what kind of water treatment options should be used to fully remediate the mine. There is a question about seasonal patterns as no one is out in the fall or winter because it is so hard to access and those could be some of the most toxic times in the water downstream. A few more years of data collection and getting winter measurements will help illuminate that.

REPRESENTATIVE KREISS-TOMKINS surmised it is important to collect fall and winter data because there is lower flow during those seasons so the proportion of contaminants could be higher and therefore the environmental impact higher.

MR. SERGEANT replied, "Yes."

[11:03:09 AM](#)

REPRESENTATIVE MCCABE noted that copper is a natural substance that was disturbed. He asked whether the copper would or would not normally be in the stream.

MR. SERGEANT responded that depending on the geology of an area, there are natural levels of copper in these rivers. He explained that rock taken out of the ground and exposed to oxygen and water will often acidify the water, and water with a lower pH will dissolve metals like copper and make them more available to organisms, such as uptake in fish gills or tissue. That reaction with acidic water will increase the toxicity of a metal like copper which, for salmon, hurts their nasal passages so they cannot smell and therefore don't do as well avoiding predators, or it may cause homing problems back to their waters for spawning.

[11:04:31 AM](#)

REPRESENTATIVE MCCABE pointed out that some of the finest red salmon coming out of Alaska come from the Copper River where "piles of stuff" from the Kennecott Mine were dumped and yet 50 years later the salmon are thriving. He also referenced the Red Dog Mine. He said Mr. Sergeant mentioned copper as if it were not a natural substance, yet it is a natural substance except that humans disturbed it, although it could also eventually be disturbed naturally.

MR. SERGEANT pointed out that a fish hatchery would never use copper pipes because of its known toxicity. He said he doesn't have deep knowledge of the Copper River and cannot speak to the toxicity of copper in that river, except that it is a large river and there is a lot of dilution. It is important to learn about these impacts in each individual study system, a study from one place cannot be extrapolated to other places. Salmon are known for their ability to evolve to their specific home water conditions and while some might be able to resist a little bit of elevated copper because it is natural in the watershed, other populations may not do so well. There are very good

studies on how copper can be toxic to fish like salmon. This drives home the point about choosing where to study these fish where there could be copper issues and getting people at the table to talk about the goals of monitoring these types of substances. In addition to copper there is a suite of many other metals in mining.

[11:07:25 AM](#)

REPRESENTATIVE KREISS-TOMKINS offered his appreciation for Representative McCabe's question. He asked whether adaptation naturally occurs in rivers with elevated levels of metals.

MR. SERGEANT replied that it is hard question to answer because ecologists have not done definitive studies, but the current overriding scientific opinion is that salmon are very evolved to the specific waters that they come from. He pointed out that just because something is toxic doesn't mean it makes fish flip over and die; it could if the concentration is high enough, but there are sublethal effects to where predation may be higher because the salmon cannot smell predators or are not homing back to their home river as well. System specific knowledge for individual rivers is needed. Fish living in waters with naturally high levels of metals may be at the edge of what they can tolerate, and those fish could be put into trouble if the levels are raised.

[11:10:26 AM](#)

REPRESENTATIVE STORY requested an update on which entities are still conducting monitoring and which are quitting monitoring.

MR. SERGEANT answered that the joint Alaska DEC and BC Ministry of Environment report states that they will not be continuing that monitoring program because it would be redundant with ongoing efforts. He said he personally does not believe it is redundant and what happens is that Alaska entities tend to monitor on the Alaska side of the border and the BC entities tend to monitor on that side of the border and they're not coordinating the same methods over time, and they are concentrated such that five or six places are being measured throughout the watershed. No one is combining the two sets of points of looking at the overall watershed health and the specific mining impacts. He related that Mr. Paddock will speak to the Central Council's monitoring efforts and that the US Geological Survey (USGS) has extensive efforts at the Alaska-BC border with its super-gauge that measures streamflow and

different water quality efforts like pH and turbidity. He said work is being done in too small an area of these watersheds for too short a period of time; rather, work needs to be expanded to wider, broader areas throughout the watersheds.

[11:13:18 AM](#)

RAYMOND PADDOCK, Environmental Coordinator, Central Council of the Tlingit and Haida Indian Tribes of Alaska ("Tlingit and Haida"), stated he is working with the team at Tlingit and Haida that has been doing monitoring on the Taku and Stikine rivers and is hoping to add the Unuk River with the USGS this summer. Sampling is also being done on the Alsek River outside of Yakutat and the Chilkat and Klehini rivers outside of Klukwan and Haines. He said Tlingit and Haida samples two locations on each river, but that is not enough. Samples are taken at the surface level and at a five-foot depth; physical parameters are measured, and samples are taken for many dissolved metals, pH, conductivity, salinity, dissolved oxygen, and temperature.

MR. PADDOCK qualified that he is not a scientist, so he will defer any questions that he cannot answer to the rest of his team. He related that for the past five or six years, Tlingit and Haida has been sampling for baseline water quality data on the transboundary rivers in Southeast Alaska. However, this data was not included in the recently released joint data report that the State of Alaska and BC sent out. Tlingit and Haida is advocating for federal government appropriation to complete a comprehensive baseline study of the transboundary water ecosystems and water basins, along with key indicators to identify pollutants from mining projects in BC that are on the headwaters of [Southeast Alaska's] rivers. While the data report and work of the Bilateral Working Group is a step forward to ensure the environmental, cultural, and economic values of our rivers and communities are protected, Tlingit and Haida has not been engaged with the Alaska-BC Bilateral Working Group or its technical working group on monitoring since 2018 during the Walker Administration, which diminishes the collaborative effort described in the data report.

[11:16:21 AM](#)

MR. PADDOCK stated, "Our way of life depends upon our health of the transboundary waters and it's important for Alaska tribes and BC First Nations to be fully engaged for true collaboration to exist." He said this data should not be viewed as a final report but essentially as the beginning. Tlingit and Haida

feels it was a gross underestimation to the impact on the waters by saying water sampling on these rivers is complete. Tlingit and Haida hopes to continue to be able, through federal appropriation, to conduct a much broader scale of sampling on each of the rivers in Southeast Alaska.

[11:17:07 AM](#)

VICE CHAIR STUTES returned the gavel to Chair Tarr.

[11:17:14 AM](#)

REPRESENTATIVE MCCABE requested Mr. Paddock to provide a list of the metals that Tlingit and Haida is sampling for, the concentrations, and the baseline from before the mines started. He offered his belief that there are some concentration levels published by the US government.

MR. PADDOCK replied that Tlingit and Haida is happy to share that data. He said the number of samples for the Taku and Stikine rivers are 35 and 38 over the past five or six years and this data will be made public shortly. He explained that sampling in the winter is hazardous and difficult and so some winter and fall samplings have been missed.

[11:18:58 AM](#)

REPRESENTATIVE KREISS-TOMKINS requested Mr. Paddock to speak more about the likelihood of the USGS coming in as a partner with funding to commence monitoring on the Unuk River.

MR. PADDOCK responded that it is being worked on right now. He said Tlingit and Haida has sent its sampling schedules to the USGS to correlate when USGS is sampling so that sampling can be done at a partnership level. It will also include the Ketchikan Indian Community, given the Unuk River is their homeland. When sampling rivers that are not in the Juneau area, Tlingit and Haida works with the partnering tribes to build up their capacity to sample in their traditional areas and then return the data to Tlingit and Haida.

[11:20:37 AM](#)

CHAIR TARR asked how it came about that Tlingit and Haida has not been in the working group since 2018.

MR. PADDOCK answered that Tlingit and Haida has requested a seat at the table, and he believes other tribes in Southeast Alaska and First Nations have asked as well.

[11:22:17 AM](#)

TIS PETERMAN, Special Projects Consultant, Southeast Alaska Indigenous Transboundary Commission (SEITC), stated that SEITC consists of representatives by resolution of 15 federally recognized tribal governments in Southeast Alaska. She said she has lived her entire life in Wrangell at the mouth of the Stikine River. On 3/31/21 SEITC sent a letter to Premier Horgan of BC which brought to his attention SEITC's earlier request to enter into an agreement regarding the participation in ongoing permitting discussions and decisions throughout BC's environmental process pursuant to the United Nations (UN) declaration on the rights of indigenous peoples. The earlier request was to the Ministry of Energy, Mines, and Low Carbon Innovation and the reply was that the ministries needed time to conduct comprehensive internal reviews to fully respond to SEITC's request. The request to Premier Horgan was a new request from SEITC to have a pause in new permits and approval of new mining projects in BC until such time as the completion of the aforementioned comprehensive internal reviews. The request was received, and the ministry will respond at it its earliest opportunity.

[11:24:13 AM](#)

MS. PETERMAN related that on 12/6/19 SEITC submitted a petition to the Inter-American Commission on Human Rights which stated that the transboundary mining will have devastating effects on the way of life and downstream communities. That petition was rejected based on BC stating it was unaware of downstream concerns. The SEITC appealed and this past week heard back on the appeal and the Human Rights Commission has forwarded parts of the petition to the Canadian government, which will then be given three months to submit its observations on the petition.

MS. PETERMAN said that in 2019 SEITC held its second international summit between First Nations and tribes. A salmon emergency was declared by all 34 participants at the event. A third summit will be held virtually in [2021] with the goal of building on the relationships between First Nations and tribes to build a framework on watershed management, which will address free, prior, and informed consent by indigenous people. For the first time, tribes from Washington, Montana, and Idaho are

interested in joining the next summit since they are fighting the same types of issues on their transboundary borders.

MS. PETERMAN stated that prior to COVID-19, SEITC interviewed a host of First Nations during several trips to BC. These interviews were developed into a virtual production called "When the Salmon Spoke" that aired online in May 2020 and put faces of the people who live along the Stikine River and over 1,000 people viewed the premier production.

[11:26:54 AM](#)

MS. PETERMAN shared that a gathering in Wrangell is being planned between the Tahltan and the Tlingit; historically the Stikine watershed was managed by these two nations. A meeting will be attended by descendants of the Chief Nanaka of the Tahltan and descendants of Chief Shakes of the Tlingit. This type of meeting has not been held in over 100 years. Since all three transboundary rivers originate in Tahltan territory it is imperative to keep the channels of communication open.

MS. PETERMAN offered her agreement with Mr. Paddock that indigenous people need to be sitting at the table whenever transboundary issues are discussed.

[11:28:08 AM](#)

CHAIR TARR said it sounds like what is happening now is the Bilateral Working Group has the traditional government entities participating, but because it is such a significant need, organizations like SEITC are also working with tribal entities to coordinate, but maybe the two need to be connect.

MS. PETERMAN agreed that that would be most effective. She said SEITC has reached out to the First Nations to find out how the people felt on the other side of the border about the transboundary issues. In listening to the mining companies everything is perfect, but SEITC is hearing quite differently from the people on the ground in BC. As many tribal representatives as possible are brought into these summits.

[11:30:24 AM](#)

CHAIR TARR played the video trailer for "When the Salmon Spoke."

MS. PETERMAN, responding to Chair Tarr, stated that she will provide links to the committee for playing the entire video.

11:32:13 AM

FRANCES LEACH, Executive Director, United Fishermen of Alaska (UFA), explained that UFA is a statewide commercial fishing and trade association representing 37 commercial fishing organizations and 500 individuals who participate in fisheries throughout the state and federal waters along Alaska's coast. She said UFA is increasingly concerned with potential impacts to fish habitat and water resources from at least 12 large-scale open-pit and underground metal mines in British Columbia (BC) that are abandoned, permitted, or operating in the headwaters of transboundary waters that flow downstream into Southeast Alaska, some rivaling the size of the [proposed] Pebble Mine in Bristol Bay.

MS. LEACH pointed out that UFA is not opposed to mining but is for responsible mining that is held to strict scientific standards, just as the commercial fishing industry is monitored for protection of the resources.

MS. LEACH noted that the transboundary Taku, Stikine, Iskut, and Unuk-Nass are world class salmon producing rivers, contributing \$48 million to the Alaska economy, and producing 80 percent of Southeast Alaska's king salmon. She said the health and productivity of these rivers is integral to the overall \$1 billion annual salmon fishing industry and the \$1 billion annual visitors' industry in Southeast Alaska. In 1957 Tech Resources abandoned the Tulsequah Chief Mine in the Taku River watershed, which is 33.5 miles, or 55 miles as the salmon swim, from Alaska's capital city. The damage caused by the abandoned Tulsequah Chief Mine had a direct impact on the wild salmon that inhabited this river. Commercial fishermen have been up in arms about this project for more than 60 years, and because of BC's laws this mine site has been leaching acid mine drainage into the largest salmon river in Southeast Alaska for 60 years. This year the Alaska Department of Fish and Game (ADF&G) will list the Taku, Stikine, and Unuk king salmon runs as stocks of concern, and impacts and devastation are continuing to be seen.

MS. LEACH stated that the best way to avoid lost livelihoods and cultural ways of life is for them not to be lost in the first place. She said UFA has been engaged in this matter over the past several years and has written several letters to the State of Alaska and Alaska Congressional Delegation. However, in recent years UFA has seen a diminished response to this subject from the State of Alaska, but now is not the time to be putting

transboundary issues on the back burner. The UFA is asking the State of Alaska to join the Alaska Congressional Delegation and call for federal engagement and international binding protections. She urged the committee to engage on this important issue that will affect commercial fishermen and all of Southeast Alaska and Alaskans.

[11:36:11 AM](#)

REPRESENTATIVE MCCABE asked whether UFA has thought this through to its logical end. He said if lawmakers put huge restrictions on the mines the price of the base metal would go up, then the price of fishing boats would go up, and then the price of fish would go up. Only fish people were heard from today, so there is no balance in today's hearing. The raw materials for building wind turbines and solar panels come from mining, and there needs to be a balance. Mines need to be part of the voice and know that they will be held accountable, but their needs must also be understood.

MS. LEACH responded that the point is taken. She said UFA has worked closely with the Alaska Mining Association (AMA) and always invites them to have conversations and a seat at the table. She noted that AMA has had the ability to give presentations to the Alaska State Legislature just as [fish people] are today. The committee is only hearing from fish-focused people because that is what today's presentation is about. Regarding boat prices going up if mines are shut down, UFA is not asking for mines to be shut down, UFA is asking for mines to be responsible. If they aren't responsible there won't be fish and then there will be no need for boats. She agreed there is a balance and room at the table for everyone to have an open discussion but currently there is nothing facilitating this discussion, which is why it is being asked for today.

REPRESENTATIVE MCCABE offered his appreciation that UFA is involved with AMA. He said he is pro-development and pro-fisheries development and that everyone needs to be a steward of the environment and have a seat at the table.

[11:40:37 AM](#)

CHAIR TARR stated it is interesting to think about abandoned versus permitted versus operating [mines]. She said there are lessons to be learned from abandoned mines and mistakes to not be repeated. She related that the committee's role is being discussed, such as whether a letter can be written or something

done on this issue to encourage that coordination and ensuring all voices are included, including the mining industry. She offered her belief that Representative Ortiz might be working on something related to that. Regarding the committee's role, she said the message she is getting today is [the need for] better coordination and tribal involvement in government-to-government discussions so there is a better plan in place. She invited the testifiers to provide closing comments if they wished to do so.

MS. LEACH said she has nothing more to add and thanked the committee for listening.

MS. WALKER concurred with Chair Tarr's summary. She stated that the wild salmon populations are dropping dramatically in the Taku, Stikine, and Unuk rivers, so it is imperative that everyone work together to develop binding international watershed-scale framework that will protect the health of these significant salmon watersheds and the communities that depend on them. Multiple jurisdictions are linked to these iconic salmon rivers, including and especially the indigenous nations of this region, the State of Alaska, the province of British Columbia, the US, Canadian federal governments, and the communities on both sides of the border. All these jurisdictions need to play a role in the development and implementation of binding measures for these watersheds.

CHAIR TARR stated that updates are valuable given the change of people in the legislature, the governor's office, and federal positions on both sides of the border. She said coordination is important so that as the people change the effort and the progress can continue.

[11:45:24 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:45 a.m.