

MINERS -
INFORMAL
MEETING

1-23-81

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Alaska State Legislature

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Senate

Committee on Resources

January 23, 1981

Anchorage, Alaska

Informal meeting between members of the Senate Resources Committee and members of the Alaska Miners Association. Attending: Senators Fischer (presiding), Bradley, Eliason, Gilman, Mulcahy and Sturgulewski. Paul Glavinovich, Dick Swainback, E. O. Bracken, David Hedderly-Smith, C. C. Hawley, Phil Holdsworth, Howard McWilliams, Ron Sheardown, Roger Jenkins, and Joanne McMaster.

The first concern was that the Senators be aware of the situation in the state. There are several locations for lode mining: Western Brooks Range, Ambler (although there is currently an access problem - would employ between 1500-2000); Eagle (asbestos - employs about 3-400); Green Creek (Juneau area); Quartz Hill (7-800 eventual employment); Lost River; Mount Prindle, and Yakobi Island. Placer mining is being conducted in the Seward Peninsula, Yakataga; Tulaska River (Lower Kuskokwim); Livengood; and smaller operations at 40 Mile, Circle, Manly, McGrath. Mining can be accomplished but miners need a favorable regulatory and economic climate.

Senator Sturgulewski requested a map outlining the areas and the numbers of people employed. Phil Holdsworth suggested that long range transportation corridors be added to the map.

The second area of concern was taxation. A study has recently been completed with regards to the economic spinoffs of mining. It will be sent to the committee members. Senator Eliason asked if the current tax structure had held up production. The answer was no.

The third area of concern was leasing and the content of the draft Attorney General's opinion on the subject. The Association is concerned that the findings would prohibit staking of mining claims. There are two systems for prospecting. One is mine location, the present system, and the second is leasing, similar to that used in oil exploration. The Association fears that a leasing system would add 60-80 people to the bureaucracy, prevent discovery and put the small miner out of business. They feel the catalyst is the fact that some people in the Department of Natural Resources,

are not interested in developing mining, want to use the leasing mechanism as a means of control for keeping tabs on mining. Under the draft Attorney General's opinion all current mining claims would be invalidated. In negotiations between the Attorney General's office and the Association's attorney seven of the twelve original findings have been found incorrect.

The fourth concern was the miners revolving loan program. The requirement for the owner to have five years prospecting experience has been harmful in some situations where an Alaska resident, without five years mining experience, but with an employee with that experience, has been unable to use the loan program. An amendment to the law was suggested.

The fifth concern was to make the Committee aware of some of the problems the smaller operators are having. New Fish and Game regulations cite over 200 different statutes. The individual just does not have time to research each of those citations. The regulations were hand delivered to the miners on January 21, 1981 when the deadline for comments was December 29, 1980. Fish and Game was last year going to identify all anadromous streams and allow mining on the other streams. New regulations apply to all streams frequented by fish and include all the flood plains. This would eliminate almost all placer mining.

Senator Fischer stated that a large part of the problem arose from the fact that the state has no mineral policy.

The sixth concern was on withdrawals. They would like to get some specific exchanges, but will be working on that.

The last concern was on the Mining Safety section of the U. S. Department of Labor. The regulations on training and employment safety are very stringent. All mines must meet tight requirements and there is currently no budget in the state to help. It is possible that the training sessions could be held in conjunction with the Community Colleges.

DRAFT minutes of Fairbanks Miners' Meeting

3/21/61
FAIRBANKS

Joe Vogler stated that 6(i) was the most important issue since statehood. The Attorney General's opinion would probably be upheld in the courts. Provisions of the Statehood Act are more stringent than other federal mining laws. Those provisions were not well known when territorial Alaskans voted on statehood.

Bill Waugaman (Chairman, Legislative Affairs Committee, Alaska Miners' Association) testified that other legal opinions might differ with the AG's draft opinion on 6(i). 6(i) is just one item of many of the miners' problems, including Coastal Zone Management, the proposed Fairbanks state forest, and the proposed Fish & Game habitat protection regulations.

Roger Burgraff stated that the AG's opinion was influenced by Administration policy on habitat protection. Alaska has little mining law because of government policy. The state has strategic minerals. The federal government will step in if the state does not. Fish & Game is not oriented towards resource development. Alaska needs departments of mining and energy.

Don Stein (President, Fairbanks Branch, Alaska Miners' Association) reviewed the history of mineral leasing. He pointed out that the federal government can take over land if the state blocks mineral development.

Dick Jackson (Area Forester, Division of [?]Parks, Department of Natural Resources) stated that miners have very cooperative ~~with his Division~~.

Fred Heflinger _____ ?

John Gataly testified that he is opposed to a leasing system. He expressed concern over HD 136 _____ ?

Jim Regan _____ ?

Don Mby spoke in support of Joe Vogler's testimony, and expressed a desire to stop meeting and put the land to work.

Walt Wigger (Alaska Miners' Association) stated that the draft opinion on 6(i) makes miners 'second-class citizens'.

Robert Burgess testified that he disagrees with the AG's draft c , which would only help the large mining companies.

Paul Barrelka stated that he had been a miner for thirty years. He said that before th environmentalists came along the miners had respect for the land.

John Schilling testified that the proposed habitat regulations would close down the mining and timber industries.

Mrs. Scott Haskins stated that the proposed habitat regulations would shut down their family mining operation.

Vince Guzzardi testified that a new mining license process was needed. Beginning in 1980, he has filed applications with nine different departments, and still has not received his license. He is opposed to further regulation; we already have enough.

Barry Donellan stat that miners do not want a leasing system. The AG's opinion was directed towards a given conclusion. He said that people do not want the habitat regulations.

David Paxton testified that he was worried about further mining taking place. He does not want to work at Mac Donald's.

Lyle Morrow spoke of problems with the Corp of Engineers in Montana _____ ?

~~Robert Ault stated that he was tired of hearings on federal and state regulations. Alaska needs a department of mining. the Department of Natural Resources should be directed to classify land for mineral development, which has been secondary~~

Robert Ault stated that he was tired of hearings on federal and state regulations. Alaska needs a department of mining. the Department of Natural Resources should be directed to classify land for mineral development, which has been secondary to everything else thus far.

Jack Herron testified that the 'claim and location' system had been greatly beneficial to Alaska, especially as a form of resource evaluation.

John Sims (Director, Office of Mineral Development) stated that the Office of Mineral Development has devoted much time to the 6(i) issue, and has offerer a draft statement on a possible solution. The AG's opinion is correct, however a lease system_____?