

SJR

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Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE
1117 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
907-456-2899



Senate

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
OFFICE (907) 465-3763
HESS COMMITTEE
(907) 465-3834
HOME 907-780-6027

January 31, 1985

Representative Dick Shultz
Chair, House Resources Committee
Pouch V
Juneau, AK 99811

Dear Dick:

SJR 3, requesting that the State of Alaska pursue a land exchange with the U.S. Department of Interior to exclude the Dunkle Mine Township from the Denali National Park and Preserve has been referred to the House Resources Committee.

The Alaska National Interest Lands Conservation Act (ANILCA) of 1980 adjusted the boundaries of Denali National Park to include the Dunkle Mine Township, and, in recognition of the township's mineral potential, mandated that the Alaska Land Use Council (ALUC) conduct a study of the relationship of mineral resources to the other resources of the area. The study team presented management options for the Dunkle area to the Council in May of 1984; one of the options was a land exchange which would remove the Dunkle township from the park.

Although the exchange option was not selected by the Council as the preferred management alternative, the benefits of conducting a land exchange continue to be discussed by both the State Department of Natural Resources and the U.S. Department of Interior, and the ALUC is scheduled to reconsider its position on the exchange at its February 14, 1985 meeting. Action by the Legislature on SJR 3 before this time would be a strong indication of Legislative support for the exchange option to not only the Council but to State and Federal land managers as well.

I urge you to schedule SJR 3 for consideration by the Committee as soon as possible, and would be happy to discuss this with you further at your convenience.

Best regards.

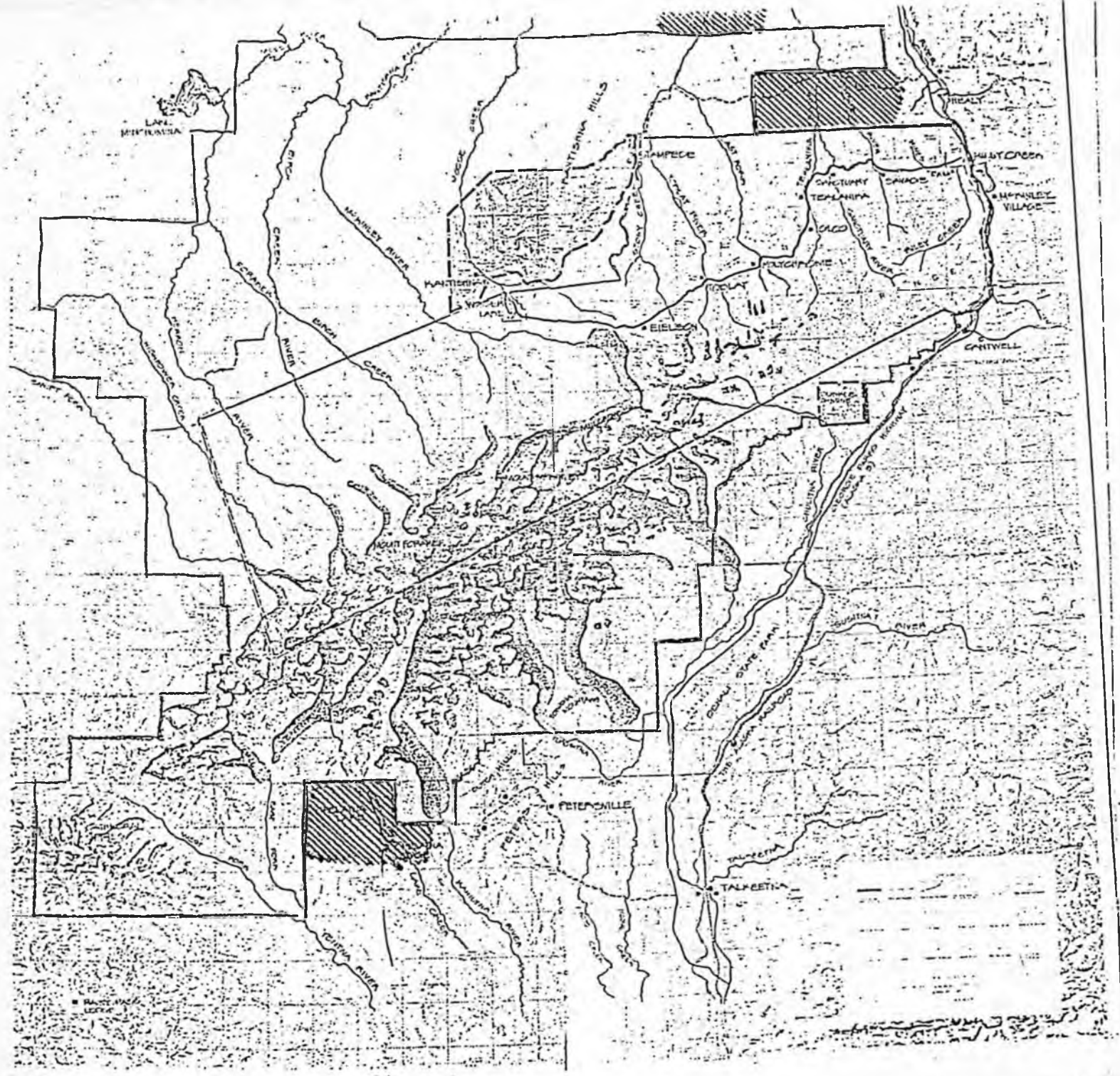
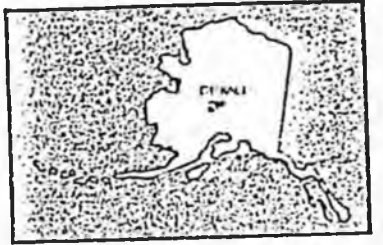
Sincerely,



Bettye Fahrenkamp
Alaska State Senate

BF/ss

cc: House Resources Committee members



- - - DENALI NATIONAL PARK AND PRESERVE BOUNDARY
- DENALI WILDERNESS BOUNDARY
- AIRFIELD
- GLACIER
- STUDY AREA
- AREAS FOR 100-FOOT WIDE



Exchange Areas
 Kantishna Hills and
 Dunkle Mine Study Areas
 Denali National Park and Preserve



Alaska State Legislature

Backup

BETTYE FAHRENKAMP, Chairman
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ARLISS STURGUJEVSKI



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Senate

Committee on Resources

May 19, 1984

Governor Bill Sheffield, State Co-chairman
Vernon R. Wiggins, Federal Co-chairman
Alaska Land Use Council
P.O. Box 100120
Anchorage, AK 99510

Dear Governor Sheffield and Mr. Wiggins:

A major item on the agenda for the May 23rd meeting of the Alaska Land Use Council will be the consideration of the recommended options for the Kantishna Hills and Dunkle Mine study areas in Denali National Park. The Interior delegation of the Alaska State Legislature is very concerned about the recommendations which have been made by the study group.

The study group's recommendations for a minerals leasing system in the Kantishna Hills area and the maintenance of the "status quo" for the Dunkle township are not realistic alternatives and we do not consider them an acceptable response to the mandate of Sections 202(3)(b) and (c) of ANILCA. The following alternative recommendations are presented for consideration by the Council:

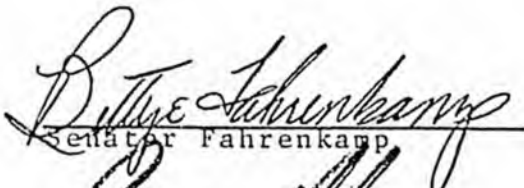
- 1) Kantishna Hills: Because the National Park Service does not currently have a mechanism in place designed to accommodate a mineral leasing program within the national park system, the delegation would recommend that management of mining claims and mining activity continue under the current system. Federal regulations under 36 CFR, Part 9, as well as existing State regulations and standards, are more than adequate to manage mineral activity in this area. Institution of a minerals leasing system would simply add another, unnecessary, layer of regulation and constraint. In addition, acquisition of any claims should be only on a willing seller/willing buyer basis and not through condemnation.

Governor Bill Sheffield
Vernon R. Wiggins
May 19, 1984
Page 2

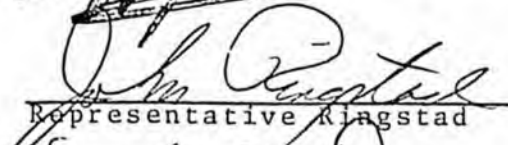
2) Dunkle Mines area: the best alternative for the Dunkle Township would be a land exchange which would remove it from the park. There has been no conclusive evidence presented during the study process that the Dunkle Township contains critical habitat for the Denali caribou herd. While realizing that the herd is a major attraction within the park, it is felt that, if necessary, any adverse effects from mining activity can be mitigated under the direction of State agencies. The Alaska Department of Natural Resources has indicated that it would consider exchanging the Dunkle area for the "Wolf Townships" located to the north of the park entrance. This would add an area of proven critical wolf habitat to the park.

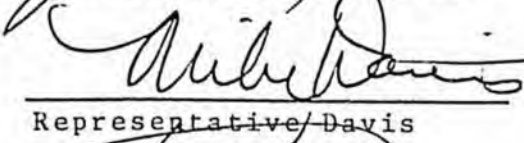
We strongly urge the Alaska Land Use Council to consider these proposed alternatives for the Kantishna Hills/Dunkle Mine Study areas. These alternatives can provide for both the protection of park resources and the continuation of mineral activity in these two valuable areas. Thank you for your consideration of these proposals.

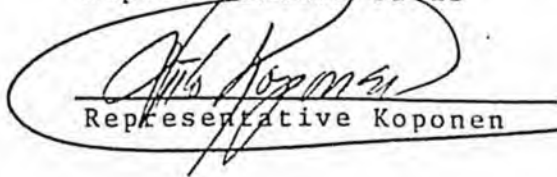
Sincerely,



Senator Fahrenkamp

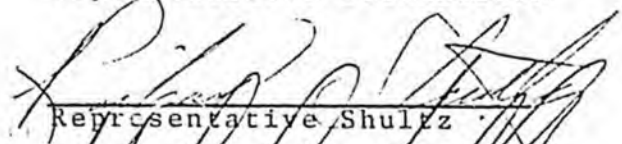

Senator Moss

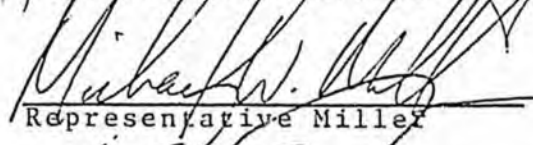

Representative Ringstad



Representative Davis


Representative Koponen


Representative Bettisworth


Representative Shultz


Representative Miller


Senator Bennett

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

CC *Sheffield*
BILL SHEFFIELD, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE:

December 26, 1984

G. Ray Arnett
Assistant Secretary for Fish, Wildlife and Parks
Office of the Secretary
U.S. Department of the Interior
Washington, D.C. 20240

Dear Assistant Secretary Arnett:

Your correspondence of November 13, 1984 indicated the National Park Service (NPS) will soon initiate formal discussions with the State of Alaska regarding possible NPS acquisition/exchange of the so-called "Wolf Townships," adjacent to Denali National Park and Preserve. You further note that the Secretary of Interior has the authority to acquire land contiguous to National Park Service units under Section 1302(i)(1-2) of ANILCA through donation or exchange.

I wish to emphasize that the state has absolutely no intention at this time of donating land to NPS. However, the state is willing to entertain exchange negotiations pursuant to Section 1302(h) of ANILCA that may result in NPS acquisition of this state land. I expect, of course, that the NPS will correspondingly nominate land of commensurate interest to the state as a prerequisite to any exchange negotiations.

As you suggested, I now look forward to hearing from Roger Contor on this matter.

Sincerely,

Esther C. Wunnicke
Esther C. Wunnicke
Commissioner

cc: Ric Davidge, DOI
Roger Contor, NPS
Vern Wiggins, ALUC
Bob Grogan, OMB
Bill Horn, DOI
Tom Hawkins, DLWM

DEPARTMENT OF
NATURAL RESOURCES

JAN 7 1984

COMMISSIONER'S OFFICE
JUNEAU

Backup



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

July 12, 1984

Mr. Dick Swainbank
Geoprize Ltd.
P.O. Box 81315
Fairbanks, Alaska 99708

Dear Dick:

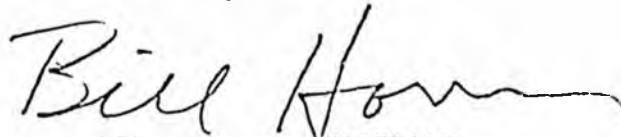
Thank you for your letter of June 23 regarding the Dunkle Mine study area and the Governor's correspondence. The Department is persuaded that the law clearly authorizes exchanges that can transfer the Dunkle Mine township (in whole or in part) out of the National Park status. Indeed, this is one of the Alternatives specifically outlined in the Draft Environmental Impact Statement issued in conjunction with the section 202(3)(b) study of the area. As a consequence, I must take exception to any conclusion that the law requires that the area remain within the park. Furthermore, the Act authorizes boundary adjustments up to 23,000 acres; such an adjustment could be made to excise the area from the park.

Regarding the status of the November 12, 1980 remarks in the Congressional Record, such comments have limited value under the rules of statutory construction. The actual language of the statute is the primary controlling factor. Only if the language is not clear is the legislative history reviewed. In that case, the reports issued by the authorizing committees are examined first in an effort to discern Congressional intent. Should the report language prove insufficient, debate among Representatives or Senators at the time of passage is then scrutinized. Generally, the unilateral remarks of a Member of Congress carry relatively little weight in determining the legislative intent of a specific provision of law.

Be assured that the Department continues to regard a land exchange involving the Dunkle Mine township as one of the better solutions for the problems identified in the Kantishna Hills/Dunkle Mine study. The Secretary will shortly be reviewing the final EIS, the Alaska Land Use Council study and recommendations, and the Park Service's caribou study. When that review is completed, the Department will be making its recommendations to Congress as well as commencing appropriate administrative action which might include an invitation to the State to negotiate a land exchange, with a possible boundary adjustment. 3 yrs?

Thanks again for your letter and please stay in contact with us on this important matter.

Sincerely,



DEPUTY UNDER SECRETARY

cc: Senator Ted Stevens
Senator Frank Murkowski
Congressman Don Young
Senator Don Bennett
John Katz, Alaska Governor's office

backup

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING

TO: Esther Wunnicke
Commissioner

DATE: April 16, 1984

FILE NO:

TELEPHONE NO: 276-2653

FROM: Pedro Denton
Director



SUBJECT: Dunkle Township

I am concerned that the state's position on the Dunkle Mine area in the Denali National Park may be based on a misunderstanding of the impact that continued park status will have on development of the well known mineral potential of the area. It is clear from information in the study group report and draft FEIS that the Dunkle area has significant mineral potential. It has potential for small high-grade gold-silver deposits, large low grade copper/precious metal porphyry type deposits, coal deposits and placer gold deposits. The potential is well summarized on page 13 of the study prepared by Salisbury & Dietz, Inc., (copy attached).

It is also clear that the potential for development will probably be lost if the area stays in the park. The reason is simple. Park status will not allow any new mining claims. Most of the present claims would be invalidated by an Interior Department validity determination. The FEIS states on page 18 that the claims would be adjudicated on the basis of the date of withdrawal and any claims found invalid would revert to Park status. Consequently, there is simply not enough of the area under secure land status to justify further exploration or development of any except perhaps the small high grade deposits.

The FEIS assumes only 9 unpatented placer mining claims in the area to be valid. All of the unpatented lode claim area is assumed invalid (page 18 4/9/84 draft). Of course this assumption is for purposes of the FEIS only and the claimant, Dick Swainbank, assumes a much larger number to be valid, but knowing the strictness of the application of the discovery rule, which, according to the analysis in the FEIS must be applied at the time the lands were placed in the park, and from discussions with Mr. Swainbank, it is highly probable that the mineral deposit would not be viable without the claims that can be invalidated by NPS. Certainly the question of validity would make it almost impossible to obtain financing for either exploration or development.

Thus, the only real hope for development of the mineral potential of this area is some of the other alternatives. The most logical alternative seems to be the land trade for one of the "wolf" townships. It is difficult to understand why this was not an acceptable alternative to all the voting agencies, especially the State agencies (DEC, DF&G, DNR).

From the Park Service perspective, they would acquire in the exchange a township presently surrounded on three sides by the park for a township presently nearly surrounded on three sides by state lands. Apparently they have not thought about the potential impacts on the park from development of the Wolf township area over which they presently have no control. It's interesting that the FEIS did not address this point except to mention that

some of the exchange lands would have value for wildlife and wilderness. If the primary concern is over the potential for disturbance of the caribou, we can address it by conditions in the trade agreement. For example, we could agree to:

1. Close the key sections used for caribou calving in the NW corner of the township to surface mining operations.
2. Close certain areas to surface prospecting activities during periods when such activities would interfere with caribou.
3. Require the area be mined only under a state lease through agreement with the present claimholder and through classification for future locations. These leases could contain provisions, spelled out in the exchange agreement, which would add further protection to the caribou.
4. The state could agree to consult, or seek the approval of the Park Service on caribou management plans for the area.

The Park Service position is understandable, but it is difficult to understand the position of DEC and DF&G. It would seem that the state's position should be that it can manage its fish, wildlife and water resources without regard to land ownership. Certainly this is the position with regard to water quality. However, the language regarding control of water quality in the study team report and the FEIS seems to say that we can't manage it so let's lock it up in the park. I can understand the frustration with placer mining water use during the past few years, but the state must and will find solutions to these problems long before there is significant development in this area. Even if we don't, placer mining water quality problems in the Dunkle area will have little effect on the caribou (i.e., most of the effects will be down stream). Thus, we should be able to secure DEC agreement to go along with us on this point.

Similarly it would seem F&G would have no basic objection to the state controlling the land and that seems to be the case from discussions I have had with Al Ott in Fairbanks.

In conclusion I believe the land exchange option is still the best approach, especially if we can unite the involved state agencies. Without our help I believe the Dunkle potential will never be realized. I recommend we:

1. Develop an exchange proposal along the following lines:
 - a. Dunkle township for equal ^{value} ~~amount~~ in the Wolf townships.
 - b. Provide for (1) mining by lease only in Dunkle township,
(2) no surface entry during caribou calving in critical areas,
(3) no surface mining in critical calving areas
(4) other mining lease provisions necessary to protect caribou.

- c. Agreement between State and Park Service on caribou management plan.
 - d. Provisions for public access to the Kantishna Mining District through the Wolf township.
2. Develop an absolute bottom line DNR position that the "status quo" is only acceptable for two years to allow Congress to appropriate funds for study of the caribou and mineral potential of the area.
 3. Unite DEC, DF&G and DNR on these points.

If you would like, I can develop these ideas further or could pursue agreement with DEC and F&G on an exchange proposal.

cc: J.K. Barnett, Deputy Commissioner
Dee Frankfourth
Bill Beaty

PD/1kb/1110M

DUNKLE AREA

At least four high-grade gold-silver vein deposits occur in the study area along the Chulitna structural zone (figure 6). Others as yet undiscovered probably exist along the zone or on associated structures. The vein deposits are narrow and strike lengths are unknown. This type of target is probably not attractive to major companies, but mining may be profitable on a small-scale for small companies or individuals.

The shear zones in which the high-grade veins are located may contain lower-grade precious metal mineralization across sufficient width to permit bulk-mining. Such deposits would be of considerably more interest to larger companies.

The Golden Zone Mine is a gold deposit associated with a breccia pipe located several miles west of the study area. The mine has produced in the past, and is currently being further evaluated. The deposit has a potential for several million tons of low to moderate grade gold ore. Geology, structure, and mineralogy associated with the igneous complex in the Dunkle Mine study area present an environment favorable for the occurrence of similar deposits. This interpretation is supported by geochemical and geophysical evidence (figures 7 and 8).

Associated with this igneous complex, several potential targets have been identified for copper/molybdenum or copper/precious metal porphyry-type deposits. These targets have not been adequately tested. Should an economic deposit be developed a mine scenario of plus or minus 100 million tons of low grade ore may be expected.

Good quality coal has been mined from the Dunkle Mine. Movable reserves in the range of 100,000 to 350,000 tons are drill indicated. Additional reserves may be identified with further drilling in the Costello-Colorado-Camp Creek basin in the magnitude of several million tons. Small scale mining by open cut development may be feasible.

The presence of auriferous gravels in several streams was confirmed. Small-scale mining may be feasible in some locations but physical conditions would probably prohibit any major placer mining development.

Some evidence exists for antimony and tin mineralization. The potential for these minerals has not been adequately determined.

The Dunkle Mine study area is a highly metalliferous, geologically complex environment (figure 9). If the land status were not restrictive, mining companies would consider the area an attractive exploration target. The proximity of the Dunkle area to the railroad and the Parks Highway further enhances the favorability of the areas mining potential.

ALASKA LAND USE COUNCIL

P.O. Box 100120
Anchorage, Alaska 99510

MAY 10 1984



State Co-Chairman
Eric Siegfried

(907) 272-3422

Federal Co Chairman
Vernon R. Wiggins

MEMORANDUM

May 10, 1984

To: Members
Alaska Land Use Council

COPY

From: Vernon R. Wiggins
Federal Cochairman

Subject: Kantishna Hills/Dunkle Mine Study, Section 202(3)(b) and (c)
ANILCA

The Council, at its scheduled May, 1984 meeting, will consider the study group's recommended options for the Kantishna Hills and Dunkle Mine areas in Denali National Park. The purpose of this memorandum is to advise the Council that the Federal Cochairman disagrees with the recommended options offered by the study group and will submit an independent recommendation to the Secretary of the Interior with respect to the two areas.

I have noted that in the course of the recent Staff Committee meeting, the Special Assistant to the Commissioner of Natural Resources indicated that the State may offer "minor substantive amendments" to the report before the Council considers action at its scheduled May 23 meeting. Being unaware of what these amendments may be, the Federal Cochairman reserves the right to change the conclusions stated in this memorandum based on what may be offered by the State of Alaska.

The Council's study group has issued its recommendations in a report transmitted by memorandum to the Council dated May 3, 1984. Essentially, the study group's recommendation to the Council is in two parts:

- a. Kantishna Hills area: those portions of the Kantishna Hills study area (presumably, then, not the entire area) identified as having known or suspected significant mineral resources be opened for disposition under a "mineral leasing program" administered by the National Park Service. An act of the Congress would be required before such a recommendation could be implemented.
- b. Dunkle Mine area: maintenance of the so called "status quo" for the Dunkle Mine area; i.e., the area would remain within the Denali National Park and Preserve, under the management of the National Park Service as it is currently; and inholdings and existing mining claims would be managed according to existing and applicable laws and rules governing mining claims within National Park areas.

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The Federal Cochairman does not agree with either of these two recommendations, for different reasons in each case, and will submit a recommendation to the Secretary of the Interior substantially different from those offered by the study group, but within the range of alternatives considered by the study group and evaluated by the National Park Service during the course of its preparation of the environmental impact statement for the report. The Federal Cochairman is advising the members of the Council of this intention in part as a matter of comity, and in part to afford the individual members the opportunity to evaluate for yourselves the contrasting points of view represented by the differing recommendations.

The Federal Cochairman is not soliciting the Council's support for his position nor urging your voting with his recommendations to the Secretary of the Interior. You are welcome to do so if you wish. The Federal Cochairman will, however, vote "no" to concur with the study group's preferred alternative, or, to adopt it as the Council's position, or, to forward it as the Council's recommendation to Congress. Certainly, however, the study group's report and associated work should be transmitted as part of the total body of information submitted to both the Secretary of the Interior and to the Congress.

In both cases, Kantishna and Dunkle, the study group seems to have been, and unfortunately so, driven by the need to select a "preferred alternative;" i.e., the NEPA process has "driven" and directed the decision making process of the study itself. Instead, the "need" to select a preferred alternative has forced the agencies to adopt the posture of protecting their institutional philosophies with the result that sound land management and resource protection have fallen to a second position.

Kantishna Hills area:

With respect to the Kantishna Hills area, the Federal Cochairman does not believe that the study group's recommended alternative i.e., "establishment of a mineral leasing program under the management of the National Park Service," is a workable or feasible solution to the problem. Indeed, I question, whether it is even possible short of a massive rewrite of the entire body of laws governing Denali National Park and Preserve, mining claims procedures under the 1872 mining law and the Mining in the Parks Act, and a Congressional restatement of the purpose for Congress' creating Denali National Park and Preserve (ANILCA 202(3)(u) and 206). I note from reading correspondence from the several study participants and the report itself that the study group's recommendation reflects a significantly compromised position in that, all members of the study group, excepting Alaska D.N.R., had a first choice (among the considered options) different from the one jointly and finally agreed to by the study group. This represents, in my judgement, a classic case where the bureaucracy has failed to adequately fulfill the charge given to it. Congress did not ask, and the Council did not ask, for a compromised and watered-down solution to the troublesome problem of what to do about mining claims in the Kantishna area. A well reasoned recommendation based on careful study and analysis as to how best to protect park resources and at the same time deal fairly with the rights of the several mining claim holders was requested. Certainly, the study group's preferred alternative is not based on that kind of reasoned consideration. Instead, it is based on inter-agency compromise designed to achieve protection of each agency's "turf."

The National Park Service is neither equipped, from the standpoint of staffing and funding nor expertise and experience, to establish and manage a mineral leasing program at this park. There are other agencies within the Department of the Interior programmatically charged with this responsibility. The Park Service's duty, as outlined by law, is to manage and protect park resources and encourage park use by people--not to develop, implement, and manage a "National Park mineral leasing program." Such would, in my judgment, be contrary to the mandate of the Park Service and the specific management requirements of ANILCA. The study group's recommendation will require significant legislative action by the Congress to permit its implementation. I can not conceive of the present or for that matter future Congress' acting favorably to grant such an authority. While of itself, a recommendation requiring an act of Congress to implement is not objectionable, offering up a recommendation which is so clearly unacceptable to the many forces at work on this issue seems to me to be counter productive and folly.

The Federal Cochairman will recommend to the Secretary of the Interior that he recommend to Congress the implementation of Alternative # 4 "term operating rights." This alternative seems to provide sufficient protection of park resources, while at the same time, respecting the rights of mining claim holders within the Kantishna area. This will require an act of the Congress to implement. I feel, however, that this alternative is far more realistic in its political assumptions and is realistic from a sound park management point of view. Such a direction will enable the NPS to exercise sound management judgement within existing regulations and programs over the mining operations in order to insure maximum protection for the park resources in the Kantishna area. It will afford the unpatented mining claim holders an opportunity to operate their claims for a specified period of time, at the end of which, it is agreed that the claims will be nullified and the area revert to "park status" as it were. An election by an unpatented claim holder to proceed either to patent his claim through the regular process or to select the term rights to operate is an equitable solution to the NPS and the claim holders both.

Dunkle Mine area:

The Federal Cochairman disagrees with the study group's preferred alternative ("Status Quo") for the Dunkle Mine area for several reasons. There continues to be, in the Federal Cochairman's opinion, a lack of evidence that the Dunkle township habitat is as critical to the McKinley caribou herd as is often alleged. The arguments that this one area of the herd's total range is essential to the herd's survival does not seem to have been substantiated. Indeed, the Alaska Department of Natural Resources believes that only the northwest corner of the Dunkle Township is important to the calving activities of the caribou herd. No source has said to date with certainty that the entire Dunkle Township is in fact critical caribou habitat.

Mining has occurred in the Dunkle area historically with no apparent negative impact on the McKinley herd. There is no reason to conclude, given enforcement of applicable laws regarding water quality, etc., etc., that mining could not continue in the future without significant impact on the caribou population.

A viable mining operation is economically feasible in the Dunkle area given the reports of the mineral assessments on the claims and the proximity of the

mine site(s) to existing transportation services. The claim holders established their rights to the minerals in the area prior to the time the Park was expanded to take in the claims. Fairness dictates, in my opinion, that these claim holders be afforded their legal right to the benefits of their claims or compensated for denial of that right. Continued "status quo" is tantamount to denial of ability to proceed as financing is unavailable (reportedly by the claim holders) pending Congressional resolution of this issue.

Other than the question of the caribou habitat, there seems to be no overwhelming resource reason for the Dunkle township's inclusion in Denali National Park and Preserve. The area has no unique esthetic qualities to distinguish it.

The Federal Cochairman will recommend that the Secretary of the Interior recommend to Congress implementation of either Alternative # 7 ("Remove mineralized areas from the park") or as a second priority, Alternative # 3 ("Acquire all mining claims"). Specifically, the exchange of park lands, involving at least a portion of the Dunkle Mine Township, for State of Alaska owned land known as the "Wolf Township" north of the park entrance should, in my opinion, be given more consideration. The addition of the "Wolf Township" lands to the park through an exchange for the Dunkle lands, seems to offer a truly workable solution to the question of what to do with the Dunkle area while significantly contributing to the value of Denali National Park and Preserve. Habitat critical to the wolf population inhabiting the park would be added to the park and lands of marginal natural or recreational resource value could be put to a more productive use. I believe this is in the overall public interest. The State of Alaska has stated its willingness to consider such an exchange. If, however, this alternative proves unworkable then the only equitable course of action is for the Federal government to acquire all the Dunkle area mining claims. Unfortunately, this solution will not add the critical wolf habitat that, from a wildlife management perspective, would seem to be important to park values. Such an exchange involving at least a portion of the Dunkle Township would not seem to in anyway impair the integrity of the Cantwell calving area, of which only a portion of the Dunkle Township is part thereof.

The argument that maintenance of the "status quo" will preserve options for some later time ignores the fact that Congress mandated a solution to this issue in recognition of the need for fairness and equity with the valid existing rights existed within the Dunkle Township in the form of the claims. Status quo is not an equitable, and thus not a viable, alternative in the opinion of the Federal Cochairman.

cc: LUAC
R. Davidge

(5)

Backup
RECEIVED

TO SANDORA / Dunkle file

NOV 14 1984

Alaska Land Use
Council Advisors Committee
P.O. Box 100120
Anchorage, Alaska 99510-0120

Citizens Advisory Commission
on Federal Areas Alaska Land Use Council
515 Seventh Avenue, Suite 31 Anchorage, AK
Fairbanks, Alaska 99701

November 12, 1984

Governor Bill Sheffield
State Cochairman
Alaska Land Use Council
Pouch A
Juneau, Alaska 99811

Mr. Vernon Wiggins
Federal Cochairman
Alaska Land Use Council
P.O. Box 100120
Anchorage, Alaska 99510-0120

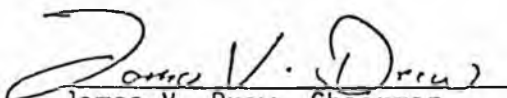
Gentlemen:

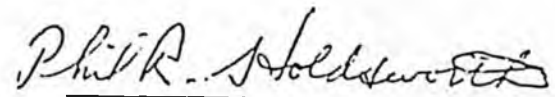
The following Motion concerning the Dunkle Mine area in Denali National Park, Alaska, was PASSED UNANIMOUSLY at the joint meeting of the Alaska Land Use Council Advisors Committee and the Citizens Advisory Commission on Federal Areas on October 30, 1984:

MOTION: THE LAND USE ADVISORS COMMITTEE AND THE CITIZENS ADVISORY COMMISSION ON FEDERAL AREAS, JOINTLY ASSEMBLED THIS 30TH DAY OF OCTOBER, 1984, RECOMMEND TO THE ALASKA LAND USE COUNCIL THAT IT RESCIND ITS PRIOR ACTION REGARDING THE DUNKLE MINE AREA AND, THAT UPON THIS RESCISSION, THAT IT URGE THE STATE OF ALASKA AND THE DEPARTMENT OF INTERIOR TO IMMEDIATELY TAKE SUCH ACTION AS IS NECESSARY TO EXCLUDE THE DUNKLE MINE AREA FROM THE DENALI NATIONAL PARK THROUGH A LAND EXCHANGE, AND THAT COPIES OF THIS RESOLUTION BE CIRCULATED TO THE FOLLOWING:

The Honorable Ted Stevens, Senator
The Honorable Frank Murkowski, Senator
The Honorable Don Young, Congressman
The Honorable William Clark, Secretary of Interior
Mr. William Horn, Deputy Undersecretary, DOI
Mr. Ray Arnett, Assistant Secretary, FWP
Mr. Russ Dickenson, Director, NPS
Mr. Roger Contor, Regional Director, NPS

Sincerely,


James V. Drew, Chairman
Alaska Land Use Council
Advisors Committee


Phil Holdsworth, Chairman
Citizens Advisory Commission
on Federal Areas



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 31, 1984

Backup

The Honorable Bettye Fahrenkamp
Alaska State Senate
Pouch V
Juneau, AK 99801

Dear Secretary *Bettye* Fahrenkamp:

Thank you for your letter dated May 19, endorsed by you and the other members of the Interior delegation, regarding the Kantishna Hills/Dunkle Mine Study.

The preferred alternatives adopted by the Alaska Land Use Council for the Kantishna Hills/Dunkle Mine areas represent options which allow the continuation of existing operations and look toward expanded mineral development in the future. The preferred alternative in the Kantishna area, implementation of a mineral leasing program, not only maintains the status quo on existing claims but proposes to open up new, unclaimed areas to a mineral leasing program. The existing patented and unpatented claims retain all rights vested in them at the time of staking through federal mining law. Under the recommendation being transmitted to Congress, areas of high mineral potential that are not available for mining would be opened in 1989 through a leasing program, if by that time operators on existing placer claims are able to meet applicable water quality standards. We think that the adoption of this alternative which supports increased development emphasizes the State's intention to see mining continue on existing claims as well as on unclaimed areas.

The decision to adopt the status quo alternative in the Dunkle mine area was a difficult one. The status quo allows rights of the existing mining claims to be maintained, although we understand the difficulty of developing some of these deposits under the present circumstances. This recommendation represents a compromise between the diverse objectives of the Federal and State agencies involved in the Kantishna Hills/Dunkle Mine Study.

While the State of Alaska is concerned with the development and operation of the area's lode claims, it cannot choose to

JUN 4 1984

May 31, 1984


ignore the constraints imposed by Congress. Congress placed the Dunkle township in the Denali National Park, and legislative history says that these lands (including the Kantishna) are to remain within the park.

By placing the Dunkle within the park, it has become part of the focus for investigation of the decline of the Denali caribou herd. Accordingly, the National Park Service is conducting a three-year caribou study, and until its completion, is not amenable to trading this area out of the park.

However, during the course of the Alaska Land Use Council negotiations, agreement was reached with the Park Service that it will not adjudicate the mining claims in this area while the studies are in progress. Should the studies show that the area is not critical to survival of the Denali herd, the National Park Service is willing to reconsider a future exchange of this area. Given the congressional constraints, this seems to be the most viable option and strategy available to the State.

Please let me know if you have any further questions regarding the actions taken by the Alaska Land Use Council on this matter.

Sincerely,



Bill Sheffield
Governor



*Citizens' Advisory Commission
on Federal Areas*

BACKUP

515 Seventh Avenue
Suite 310
Fairbanks, Alaska 99701
(907) 456-2012

July 25, 1983

Ms. Linda Nebel, Chief
Division of Planning and Design
National Park Service
2525 Gambell St. Room 107
Anchorage, AK 99503

Dear Ms. Nebel:

Enclosed are the Commission's comments on the Draft Environmental Impact Statement for the Kantishna Hills/Dunkle Mine Study. The Commission is primarily concerned with the deficiencies of the document, particularly in relation to a complete description and analysis of each resource being studied.

Hopefully, the data generated by this year's field work will provide additional information which will be useful in the final study report. Identification of a preferred alternative for recommendation to Congress will be a difficult task with the limited time remaining. The Commission will continue its involvement in the study process until the December, 1983 deadline.

If there are any questions concerning the comments or if there is any additional information which we may be able to provide, please contact the staff offices.

Sincerely,

Bettye Fahrenkamp by P.C.

Bettye Fahrenkamp, Chairman
Alaska State Senator

COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT
KANTISHNA HILLS/DUNKLE MINE STUDY

Section 202(3)(b) of the Alaska National Interest Lands Conservation Act mandated a study to evaluate the various resources in the Kantishna Hills and Dunkle Mine areas of Denali National Park and Preserve. The study was the result of the controversy which surrounded the inclusion of these two historic mining areas in the expanded boundaries of the park.

As early as 1965, there was an effort on the part of the National Park Service to annex most of the Kantishna Mining District into Mt. McKinley National Park. At the time, there was little popular support for the annexation of this area. The withdrawal of the Kantishna area was not made final until Public Land Order 5179 was issued in March, 1972. In the interim, the result was a de facto land withdrawal which complicated the status of mining claims in the area and has left a number of unresolved lawsuits.

The Dunkle Mine area was withdrawn by Public Land Order 5653 in November, 1978 and subsequently, both areas were included in Presidential Proclamation 4616 which created Denali National Monument in December, 1978. Finally, in December, 1980, ANILCA placed these areas into Denali National Park and Preserve. In recognition of the fact that these areas have known mineral production and potential, Congress mandated the study to further evaluate the significance of the resources within the two areas.

Since the beginning of the Kantishna Hills/Dunkle Mine Study, the integrity of the study has been questioned by many people throughout the State of Alaska. Concern was expressed that there was not enough time nor money allocated to conduct a realistic study on the effects of continued mineral development on the other resources within the areas and make a fair report to Congress by the December, 1983 deadline.

One of the initial concerns was eliminated when Congress appropriated additional funds for the study, even though there was only one field season left before the deadline and it was unclear how much useful data could be gathered.

This DEIS again raises serious doubts about the integrity of the entire study. The decision that an Environmental Impact Statement would be necessary in order to meet NEPA requirements was made very late in the study process. As a result, the DEIS appears to have been hastily compiled merely to satisfy these requirements. There are sentence fragments, typographical errors and unclear statements which are difficult to follow. In its present form, its usefulness to the study is questionable.

The DEIS contains entirely too many conclusions based upon assumptions which may or may not be accurate. If these assumptions prove to be incorrect, it will be necessary to make extensive changes in the proposed alternatives for the study areas. This may be difficult to do and still allow time for public review and comment prior to December.

One serious deficiency is immediately obvious when the list of preparers of the DEIS is read: No geologist or mining engineer helped prepare the document. There should have been one of each. Several geologists in the study group are listed as consultants, but in a study whose main purposes include those of, (1) focusing on mineral activity, (2) interpreting mineral data, and (3) evaluating mineral deposits, it was a serious oversight not to have included a geologist with mineral experience and training, and a mining engineer in the actual preparation of the DEIS.

One of the major errors in this DEIS is the assumption that many of the claims within the study areas are invalid. Even though these validity assumptions are for the "purposes of this document only", they are a prejudgment which has a significant deleterious effect on the development of the alternatives presented in the document. One result is that these "invalid" claims are wrongly excluded from several of the alternatives.

In December, 1982, the Department of Interior Regional Solicitor's Office issued a memo to the regional director of the National Park Service. One of the areas covered dealt with the question of claim validity. The memo states that a mining claim cannot be presumed to be invalid, but rather, must be treated as a valid claim until its validity has been adjudicated. It then goes on to advise that each claim should be treated as valid, even though any estimated acquisition cost determined by the overall study may be zero.

Because the assumptions of invalidity are incorrect, the figures cited for the cost of validity determinations, employment opportunities, annual gross mineral values and costs for claims acquisition must be adjusted before the final report is submitted to Congress.

As a general rule, the DEIS presents what can only be called a "worst possible case" view of the effects of continued mineral activity within the study areas. A "worst case" assumption is made that all placer mining operations will fail to meet the water quality standards. The assumption is also made that any additional mining activity in the Dunkle Area will necessarily have a significant adverse effect on the Denali caribou herd, even though the study data is still incomplete. In short, only the possibly negative effects of mining are emphasized.

The assumption is made in the DEIS that the only type of recreational resource available in the study areas is of the wilderness experience type. This assumption fails to recognize the many other recreational activities, some more land use intensive, that ANILCA demands. Based upon this assumption, it is easy to conclude that increases in mining activities will automatically decrease the recreational potential. However, this would be a gross error.

There are several types of recreational activities which could be made available to park visitors. An interpretive program dealing with the historic and cultural resources associated with past and present mining activity in the areas could be developed. NPS could engage in a cooperative effort with the mine operators to provide a first hand look at a modern mining operation and provide for recreational gold panning in a bona fide mining area. Not every visitor to Denali National Park is solely interested in a wilderness experience.

Along the same lines, the very limited treatment of the cultural and historical resources of the areas is not adequate for the purposes of this study. There is no mention of any preservation or restoration planned for any of the historic buildings. Is there any plan to have any of the buildings or facilities formally designated as a National Historical Site? These resources need to be more completely addressed in the final report.

The description of the subsistence use of resources within the study areas is totally inadequate. No mention is made of the types of subsistence activities qualified users enjoy. Without a complete inventory of subsistence activities, it is extremely difficult to assess the impacts of increased mineral development on subsistence uses.

Considering the focus of the study, economic impacts must be analyzed with as much detail as environmental impacts. The assessments of the potential secondary impacts on local communities which supply goods or provide support services for mining activity in the study areas are insufficient. In a study which can quantify how much fuel will be used under the development scenarios in a given alternative, it should be possible to determine how much revenue this would generate locally. If the total value of mineral production can be estimated, tax revenues which would be generated can also be estimated.

The sections on employment and mineral production for the study areas should be expanded upon and discussed in considerably more detail in the final report.

Alternative 1 - Maintain Status Quo

This alternative would allow mining operations and mining-related activities to continue only on existing patented and assumed valid unpatented claims.

A mining claim cannot be presumed to be invalid. The actual status quo would be to allow mining and mining-related activity on any properly located claim within the study areas, subject to approval of a plan of operations. A plan of operations could not be denied on the basis of presumed invalidity. Each claim would have to undergo a validity determination.

Alternative 2 - Acquire All Mining Claims

This alternative would not be acceptable to the Commission. Any acquisition of claims by NPS should be initiated by the claim owner, and not under threat of condemnation.

Alternative 3 - Offer Term Operating Rights

Under this alternative, why would only those claims with proven production on or before December 2, 1980 be offered term operating rights? The two study areas were withdrawn from mineral entry prior to the enactment of ANILCA. Some explanation of this apparently arbitrary date should be given.

If this alternative is chosen, any claim owner who has a properly located claim and has complied with the annual requirements should be offered the same terms, provided the claim proves valid.

The conditions of the term operating rights are unclear. Page ix of the summary states that term operating rights would be terminated if there was no proven production within 5 years following election of this right or if there was a lapse in production for two consecutive seasons thereafter. On page 26, it states that term operating rights would be terminated if there was no proven production within 3 years following election of this right or following a lapse in production for five consecutive seasons thereafter. This discrepancy needs to be corrected.

Alternative 4 - Allow Additional Time For Perfecting Claims

Allowing additional time for perfecting claims would be an acceptable alternative, but it is unclear why Congressional action would be required. There would be no new mineral entry, location or leasing, only an opportunity to perfect already existing claims. Pending a validity determination or a decision by the Secretary of the Interior to terminate

all mining activity in the study areas, any person holding a properly located claim would continue to be allowed to conduct exploration or assessment work.

Alternative 5 - Expand Mineral Development Possibilities

This alternative is not even a remotely viable option. It is highly unlikely that Congress would agree to opening additional areas to either mineral leasing or mineral entry and location, as long as the areas lie entirely within a National Park System Unit.

Alternative 6 - Remove Mineralized Areas From the Park

Alternative 6 would be the most acceptable option. It would remove mineralized areas and mining activity from the park boundaries and place them under the jurisdiction of the State of Alaska. These areas were outside the park boundaries until 1980, so their removal from the present boundaries would in no way affect the "old" part of the park.

On page 49 is the statement: "Congress has identified certain state lands adjacent to Denali National Park and Preserve and has directed that these lands be considered for addition to the park." Section 1302(i)(1-2) authorizes the Secretary of the Interior, not Congress to enter into a land exchange.

Section 101(d) of ANILCA further states:

"This Act provides sufficient protection for the national interest in the scenic, natural, cultural and environmental values on the public lands in Alaska, and at the same time provides adequate opportunity for satisfaction of the economic and social needs of the State of Alaska and its people; accordingly, the designation and disposition of the public lands in Alaska pursuant to this Act are found to represent a proper balance between the reservation of national conservation system units and those public lands necessary and appropriate for more intensive use and disposition, and thus Congress believes that the need for future legislation designating new conservation system units, new national conservation areas, or new national recreation areas has been obviated thereby."

Clearly, ANILCA does not make any provisions for the addition of State lands to Denali National Park and Preserve by Congress.

Another oddity in this alternative is the proposed area to be removed in the Dunkle Study Area. In sections 9 and 10 of the Dunkle township, a small segment of Camp Creek is excluded from the area to be removed from the park. There

is no explanation for this choice of boundary in either the explanation for Alternative 6 or the section on environmental consequences.

Section 103(b) of ANILCA states that wherever possible boundaries will be drawn to follow hydrographic divides or embrace other topographic or natural features. This proposed boundary does not follow any of the criteria above. The only apparent reason for retaining this small segment of the creek in the park is to maintain control of the drainage from the entire claim block to the east. Is there another reason for the exclusion of this small segment of Camp Creek?

ENVIRONMENTAL CONSEQUENCES

As mentioned earlier in these comments, this DEIS presents mining activity in the worst possible light. A good example of this is the narrative accompanying the section on the impacts on soils under alternative 1. There are several paragraphs which explicitly describe the damage which will be done to the soils in the study areas due to mining activity, access road construction and other associated activities. The conclusion then places everything in perspective by stating that slightly more than 1 percent of the Kantishna Hills area and slightly less than 1 percent of the Dunkle Mine area will be disturbed under alternative 1. In the same section under alternative 4 for the Dunkle Mine area, rather than simply state that this alternative would result in disturbance of 2 percent of the study area, the statement is made that a 200 percent increase in the amount of soil disturbed would occur. The choice of terms is clearly an attempt to raise a red flag over this alternative. Similar comments are made for alternatives 5 and 6.

For most of the remaining resources such as water quality, fisheries and aquatic habitat, wildlife, and vegetation, the conclusions for each resource are basically the same, that is, that there is insufficient data to make an accurate determination on the effects mining activity will have on each of these resources.

What has become the most important question is the effect of increased mining activity in the Dunkle Mine area on the Denali caribou herd. The information in this DEIS shows that there is insufficient data to make a reasonable determination on this question.

The Denali caribou herd has been observed and studied more than any other herd in the State of Alaska. Its rapid decline in the last 15 years is unexplained, although it has been the subject of extensive speculation. It would be useful for the purposes of this study to provide some

background information on the original purposes for the caribou studies. The methods used to gather data on the caribou should also be outlined.

While the Dunkle township lies almost entirely within the Cantwell calving grounds, the caribou distribution map on page 111 of the DEIS shows the majority of the township is one of the most lightly used areas. The map shows that the portion of the township containing almost all of the mining claims was used by from 1 to 100 caribou during the periods of observation from 1976 to 1982. The 1982 paper prepared by Duff and Singer contains maps which indicate the number of caribou found on or near the mining claims was toward the extreme low end of the 1 to 100 animal range.

The DEIS makes frequent reference to the Cantwell calving grounds as an area which is of critical importance to the survival of the Denali caribou herd. This is probably an accurate statement for a large part of the area adjacent to the Dunkle township, but Duff and Singer state that in recent years caribou have used the areas near the mining claims for only a "very brief period." (Duff & Singer, pg 15).

Other statements indicate that the mineralized portions of the Dunkle Mine area which contain the mining claims are not the critical portions of the calving or post-calving grounds, but the DEIS has basically ignored these and concentrated upon the most negative impacts of increased mining activity.

Data does exist which shows that increased activity by man can have some adverse effects on a herd which is at a very low point in terms of population and reproductive rate. This would include such things as overflights by aircraft and biological surveys; as well as mining activity. (Duff & Singer, 1982) Certainly there is no suggestion to halt the caribou studies.

On page 162 of the DEIS, it states that the Dunkle Mine study area has the potential for an NPS visitor and staging center. This has never been mentioned in any previous planning document for Denali National Par.. Large numbers of visitors and support facilities would have a more adverse effect on the caribou herd than would mining.

backups



ALASKA MINERS ASSOCIATION, INC.

509 W. Third Ave., Suite 17, Anchorage, Alaska 99501 (907) 276-0347

May 14, 1984

The Honorable Esther Wunnicke
Commissioner of Natural Resources
STATE OF ALASKA
Pouch M
Juneau, Alaska 99811

Dear Commissioner Wunnicke:

As you know, the members of the minerals industry have maintained a strong interest in the decisions to be made concerning the future of the Dunkle Mines Township.

The township contains good quality coal, at least four high grade gold-silver deposits and several potential targets for copper-molybdenum or copper-precious metal deposits of the porphyry type. Should an economic deposit be developed, a mine scenario of about 100 million tons may be expected. So far, the potential mineral targets have not been adequately tested.

A minerals study of the township shows it to be an highly metalliferous, geologically complex environment. Further evaluation of the mineralization will require expensive diamond drilling which is unlikely to cause any significant environmental impact. Unfortunately, private-sector funding of the necessary tests is not likely so long as the National Park Service retains control of the area.

The Park service has repeatedly expressed strong concern with the potential for impact of mining operations on the caribou population in the area. Their own studies, however, have shown that the caribou are more or less restricted to the extreme northwest corner and to the north and west of the township. The study also concluded that mining operations in the area had little impact on the caribou population and that more problems were caused by predators.

MAY 17 1984



ALASKA MINERS ASSOCIATION, INC.

Unlike many mineralized areas of Alaska, the Dunkle Township is very close to transportation access. It lies only five miles west of the Alaska railroad and the Parks Highway midway between Anchorage and Fairbanks and has existing right-of-way to the coal mine. Development of deposits in the area could be accomplished with relative speed and would provide badly needed economic diversity for our state.

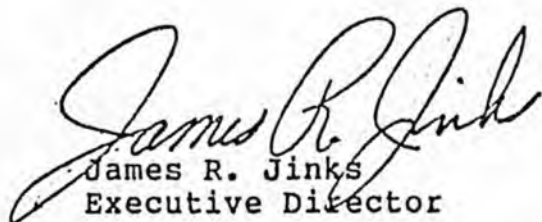
There are many townships contiguous to Denali National Park with scenic and wildlife values equal to or greater than the Dunkle Township. ANILCA makes specific provisions for land exchanges in conservation units. Recent public comment concerning this issue was overwhelmingly in favor of such an exchange. It is our belief that it is to the state's advantage to obtain ownership of the Dunkle Township.

We understand that the National Park Service has indicated there is an opportunity for the state to negotiate a land exchange that would transfer the township to state ownership. The Wolf township has been cited as one of those areas that would possibly be of interest to them.

The Alaska Miners Association urges the state to pursue a land exchange with the National Park Service allowing them to acquire a non-mineralized area with better scenic and wildlife habitat values. The state, concurrently, would acquire a highly mineralized area which could quickly benefit Alaskans and the nation.

Sincerely,

ALASKA MINERS ASSOCIATION


James R. Jinks
Executive Director

cc: Governor Sheffield
Senate Resources Committee
House Resources Committee



OFFICE OF THE
ASSISTANT SECRETARY

UNITED STATES
DEPARTMENT OF THE INTERIOR
WASHINGTON

DEPARTMENT OF
NATURAL RESOURCES

JAN 15 1984

COMMISSIONER'S OFFICE
JUNEAU

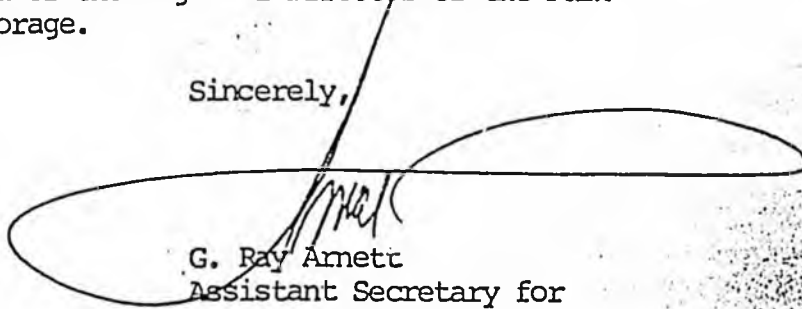
Ms. Esther C. Wunnicke
Commissioner
Department of Natural Resources
Pouch M
Juneau, Alaska 99801

Dear Ms. Wunnicke:

Your letter of December 26, 1984, regarding our acquisition of State lands adjacent to Denali National Park is appreciated. We are most interested in acquiring this important wildlife habitat for the park. We accept your offer to negotiate an exchange and would appreciate your letting us know what lands the State may be interested in acquiring in the area.

If you have any further concerns, please contact my office in Alaska or the Regional Director of the Park Service in Anchorage.

Sincerely,


G. Ray Amett
Assistant Secretary for
Fish and Wildlife and Parks

January 10, 1985

The NPS recommendations have been
incorporated in the Resources C.S.

TESTIMONY

BY THE NATIONAL PARK SERVICE ALASKA REGIONAL OFFICE

TO THE SENATE RESOURCES COMMITTEE

ALASKA STATE SENATE

REGARDING SENATE JOINT RESOLUTION NO. 3

January 17, 1985

We are pleased to hear of the Senate Resource Committee's interest in support for an equal value land exchange that would substitute lands of high wildlife and scenic value for mineralized lands in the Dunkle Township area. We believe an exchange of this nature could be feasible and mutually beneficial and we are committed to working with the Department of Natural Resources to develop the terms of such an agreement.

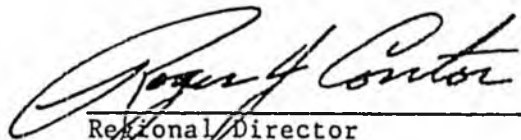
The National Park Service has long been interested in acquiring state lands at the northeast boundary of the old park, commonly known as the Wolf Townships. Wildlife which inhabit and travel through this region are a major source of the attraction of Denali National Park and Preserve for Alaskan visitors and residents. The proposed park addition would, in the long run, benefit the state and its economy by enhancing one of the state's prime visitor attractions.

For similar reasons, in negotiating this exchange, we will seek an agreement with the State of Alaska which will assure that the caribou herds which use the Dunkle Township are protected from further decline. The National Park Service is in the process of completing a study of the caribou herds in this part of Alaska and by the first of February we will be able to release the results. There is ample documentation that the Denali caribou herd has used

the Dunkle area since at least 1939. In many years, the Dunkle Township is used as a calving and post-calving habitat. I believe we are in agreement with the state Department of Fish and Game, as well as the Department of Natural Resources, that protection of the herd is an important goal that must be addressed in the exchange.

We are also appreciative of the mineral values of the Dunkle Township. We are fortunate to be able to start our negotiations on a sound basis of research and documentation for both mineral and wildlife values in the region and we look forward to developing an exchange which improves the overall pattern of land ownership in Alaska.

Though we find that the proposed resolution is generally well written, there are several changes we would recommend. These are as follows:



Regional Director
Alaska Region

Noted to indicate changes
recommended by the National
Park Service, January 17, 1985

Introduced: 1/14/85
Referred: Resources
and Finance

1 IN THE SENATE

BY FAHRENKAMP, FAIKS
AND COGHILL

2

SENATE JOINT RESOLUTION NO. 3

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Requesting that the State of Alaska

6

pursue a land exchange with the U.S.

7

Department of the Interior to exclude

8

the Dunkle Mine Township from Denali

9

National Park and Preserve.

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 WHEREAS the boundaries of Denali National Park and Preserve were
12 expanded by the passage of the Alaska National Interest Lands Conservation
13 Act in 1980 to include the historic Dunkle Mine Township; and

14 WHEREAS the Dunkle Mine Township contains good quality coal deposits,
15 at least four high-grade gold/silver vein deposits, placer gold deposits,
16 and large low grade copper/precious metal deposits; and

17 WHEREAS the proximity of the Dunkle Township to the Alaska Railroad
18 and the Parks Highway enhances the favorability of the area's mining poten-
19 tial; and

20 WHEREAS claimholders had established rights to the minerals in the
21 area before the time the park was expanded to include the claims; and

22 WHEREAS in recognition of the fact that the Dunkle Township has known
23 mineral potential, Section 202(3)(b) of ANILCA mandated that a study of the
24 relationship of mineral resources and mining activity to the other resourc-
25 es of the area be done by the Alaska Land Use Council in cooperation with
26 the Secretary of Interior; and

Delete.
Study will
be completed
Feb. 1

27 ~~WHEREAS a primary reason for including the Dunkle Township in the park~~
28 ~~was protection of habitat for the Denali caribou herd and there has been no~~
29 ~~conclusive evidence presented during the study process that the area~~

1 ~~contains critical habitat for the herd or that increased mining activity~~
2 ~~will necessarily have a significant adverse effect on the herd, and~~

3 WHEREAS ^{some} ~~the~~ potential for mineral development of the Dunkle Township
4 will be lost if the area stays within the park, as park status will not
5 allow new mining claims and may invalidate many of the present claims; and

6 WHEREAS one of the alternatives offered in the 1983 Draft Environ-
7 mental Impact Statement of the Dunkle Mine Study was to remove mineralized
8 areas and mining activity from the park boundaries and place them under the
9 jurisdiction of the State of Alaska; and

10 WHEREAS there is no conclusive evidence that deletion of the Dunkle
11 Township from the park would result in a lack of protection for the caribou
12 herd, as any adverse effects that may occur from increased mining activity
13 could be mitigated under the direction of the state; and

14 WHEREAS there is state owned land contiguous to Denali National Park
15 and Preserve with scenic and wildlife values equal to the Dunkle Township;
16 and

17 WHEREAS Section 1302(h) of ANILCA clearly authorizes exchanges in
18 conservation units; and

19 WHEREAS public testimony solicited during the study process was in
20 strong support of an exchange; and

21 WHEREAS the Department of Interior has indicated that it regards a
22 land exchange as one of the better solutions for the problems identified in
23 the Dunkle Mine Study, and initial discussions have occurred between the
24 State Department of Natural Resources, the National Park Service, and the
25 Office of the Assistant Secretary for Fish, Wildlife and Parks indicating a
26 willingness by all parties to negotiate and exchange;

27 BE IT RESOLVED by the Alaska State Legislature that the State of
28 Alaska and the Department of Interior take whatever action is necessary to
29 mineralized lands in area
~~exclude the Dunkle Township from~~ the Denali National Park and Preserve

1 through a land exchange that would allow the National Park Service to
2 acquire ^{lands} ~~a non-mineralized township~~ with high scenic and wildlife habitat
3 values and allow the state the opportunity to develop the mineralized lands
4 in the Dunkle Township; and be it

5 FURTHER RESOLVED that the land exchange be as simple and uncomplicated
6 as possible, preferably for lands of equal value to the Dunkle Township and
7 adjacent to the Denali National Park and Preserve.

8 COPIES of this resolution shall be sent to the Honorable William
9 Clark, Secretary of the U.S. Department of Interior; the Honorable Bill
10 Sheffield, Governor; the Honorable Ted Stevens and the Honorable Frank
11 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
12 members of the Alaska delegation in Congress.



LAND EXCHANGE FACT SHEET

The disposal of state land or interests in state land by exchange is governed by Alaska Statutes - Title 38.50 and Alaska Administrative Code - 11 AAC 67.200 to 11 AAC 67.280. These statutes and regulations ensure that the commissioner may exchange state land or interests only to achieve public purposes, after proper consideration of alternatives, agency coordination, public notice and public hearing(s). Unless the land or interests which the state receives in an exchange equals, or exceeds, the appraised fair market value of the land or interests exchanged by the state, the Alaska legislature must approve the exchange. Legislative review is also necessary if a exchange involves state land having an appraised or estimated fair market value of more than \$5,000,000.

The land exchange process is usually detailed and time consuming. The department must adhere to the following chronological regulatory steps in order to complete a land exchange:

1. Initial pre-application discussions.
2. Application filed with department.
3. Department reviews application and responds within 60 days.
4. Land status checked.
5. Preliminary exchange agreement signed.
6. Notation of state title records to segregate land from third-party interests.
7. Fair market value appraisal report initiated.
8. Mineral closing order.
9. Land classification action.
10. Land survey completed, if necessary.
11. State agency coordination.
12. Appraisal report completed, reviewed and approved.
13. Preparation of alternative findings and exchange report.
14. Public notice.
15. Public hearing(s) and comment period.
16. Final exchange agreement signed.
17. Deed preparation and review.
18. Execution of exchange.

In addition, if the exchange requires legislative approval, the governor must transmit the proposal to the legislature within ten days of the convening of a regular legislative session. The department is authorized to conclude the exchange upon approval by the legislature of the proposed exchange agreement.

The commissioner may also revise a proposed land exchange to reflect comments or other information provided through the agency and public comment period [AS 38.50.130(b)].

Land Exchange Fact Sheet

Page 2

Land exchange application forms may be obtained and submitted at any of the Division of Land and Water's Regional Offices located in Anchorage, Fairbanks or Juneau. If the exchange proposal involves a small tract of state land it will usually be negotiated directly by the applicable regional office. If, however, the exchange proposal involves either a large tract of state land, a federal government agency or Native corporation, or is considered by the department to be unusually complex or sensitive, the exchange will be negotiated by the division's Central Office Land Management Section.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSJR 3 (Res)
Title: Dunkle Mine Land Exchange

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: NRMEC

Sponsor: Fahrenkamp
Requestor: _____
Date of Request: _____

BRU, Program or Subprogram(s) Affected:
Land and Water

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No direct fiscal impact

Prepared By: Ned Farquhar
Division: Commissioner's Office

Phone: 465-2400
Date: January 23, 1985

Approved by Commissioner: Nancy D Arnold
Agency: Natural Resources

Date: January 23, 1985

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

W

STATEMENT OF ESTHER C. WUNNICKE
COMMISSIONER
ALASKA DEPARTMENT OF NATURAL RESOURCES
on
SJR 3 (Dunkle Land Exchange)
January 17, 1985

MADAME CHAIR, MEMBERS OF THE SENATE RESOURCES COMMITTEE, I AM PLEASED TO APPEAR BEFORE YOU TODAY IN SUPPORT OF SENATE JOINT RESOLUTION 3, REQUESTING THAT THE STATE OF ALASKA PURSUE A LAND EXCHANGE THAT WILL EXCLUDE THE DUNKLE MINE TOWNSHIP FROM DENALI NATIONAL PARK AND PRESERVE.

IN YOUR PACKETS, YOU WILL SEE RECENT CORRESPONDENCE BETWEEN ME AND THE ASSISTANT SECRETARY OF THE INTERIOR INDICATING THAT THE U.S. INTERIOR DEPARTMENT IS INTERESTED IN ACQUIRING STATE LANDS ADJACENT TO THE NATIONAL PARK AND PRESERVE, AND THAT THE STATE WOULD BE INTERESTED IN PURSUING AN EXCHANGE FOR THESE LANDS.

TODAY THE NATIONAL PARK SERVICE IS ALSO TESTIFYING BEFORE YOU THAT IT FAVORS THE EXCHANGE OF THE DUNKLE LANDS TO THE STATE. I WOULD LIKE TO COMMEND THE PARK SERVICE'S STAFF AND LEADERSHIP FOR RECOGNIZING OUR INTEREST IN THIS MATTER AND EXPEDITING THE CARIBOU STUDIES RECOMMENDED LAST SPRING BY THE ALASKA LAND USE COUNCIL.

AT PRELIMINARY LAND EXCHANGE MEETINGS BETWEEN OUR STAFFS NEXT WEEK, THE STATE AND THE INTERIOR DEPARTMENT WILL BEGIN TO DISCUSS THE POSSIBILITY OF A STATE-PARK SERVICE LAND EXCHANGE THAT MAY INCLUDE THE DUNKLE MINE TOWNSHIP. THE DEPARTMENT OF NATURAL RESOURCES MAINTAINS THAT THE DUNKLE TOWNSHIP'S RESOURCE VALUES WARRANT A LAND EXCHANGE PLACING THE TOWNSHIP IN STATE OWNERSHIP AND REMOVING IT FROM THE NATIONAL PARK AND PRESERVE.

YOU WILL ALSO SEE IN YOUR INFORMATION PACKETS A BRIEFING PAPER ENTITLED "LAND EXCHANGE FACT SHEET". THIS PAPER SHOWS THE COMPLICATED AND TIME-CONSUMING STEPS OF A LAND EXCHANGE UNDER OUR STATUTES. I HAVE PROVIDED YOU WITH THIS SUMMARY OF THE LAND EXCHANGE PROCESS SO THAT YOU WILL BE AWARE OF THE POTENTIAL PITFALLS IN ANY PROPOSED LAND EXCHANGE, INCLUDING THE DUNKLE PROPOSAL. LAND EXCHANGES ARE OFTEN MENTIONED AS A POSSIBLE SOLUTION TO LAND MANAGEMENT CONTROVERSIES, BUT THEY ARE DIFFICULT TO ACCOMPLISH.

I WOULD CALL TO YOUR ATTENTION SEVERAL IMPORTANT POINTS ABOUT THE PROPOSED DUNKLE EXCHANGE AND THE WORDING OF THE PROPOSED RESOLUTION.

FIRST, ALTHOUGH MOST OF THE MINERALIZED LANDS OF CONCERN IN THE DUNKLE AREA ARE WITHIN THE DUNKLE TOWNSHIP, THERE ARE MINERALIZED LANDS JUST OUTSIDE THE TOWNSHIP THAT SHOULD BE CONSIDERED FOR EXCHANGE AND A POSSIBLE AMENDMENT OF THE DENALI PARK/PRESERVE BOUNDARY. YOU HAVE A MAP OF DUNKLE AREA CLAIMS IN YOUR PACKET AND YOU CAN SEE THAT THERE ARE A NUMBER OF CLAIMS WEST OF THE TOWNSHIP ITSELF.

SECOND, WE ARE CLEARLY INTERESTED IN EXCHANGING LANDS WITH THE INTERIOR DEPARTMENT ON AN EQUAL VALUE BASIS. IT IS NOT OUR INTENTION TO DONATE LAND TO THE NATIONAL PARK AND PRESERVE. WE UNDERSTAND THAT THE FEDERAL GOVERNMENT IS INTERESTED IN ADDING CERTAIN HIGH-VALUE WILDLIFE HABITAT, NOW OWNED BY THE STATE, TO THE PARK AND PRESERVE, AND WE HOPE THAT THE PARK BOUNDARIES WILL ALSO EVENTUALLY BE AMENDED TO EXCLUDE THE DUNKLE TOWNSHIP.

THIRD, WE EXPECT OUR LANDS -- IF THE EXCHANGE IS SUCCESSFULLY ACCOMPLISHED -- TO BE LARGELY FREE OF MANAGEMENT RESTRAINTS BY THE FEDERAL GOVERNMENT. SECTION 906 (o) (2) OF THE ALASKA NATIONAL INTEREST LANDS ACT PROVIDES THAT FEDERAL LANDS WITHIN CONSERVATION UNITS SHALL BE MANAGED FOR CONSERVATION PURPOSES ONLY UNTIL THEY ARE CONVEYED TO THE STATE.

LAST, WE RECOMMEND THAT YOU RECONSIDER THE WORDING OF THE PROPOSED RESOLUTION WHERE IT SUGGESTS THAT THE NATIONAL PARK SERVICE MAY ACQUIRE A NONMINERALIZED TOWNSHIP FROM THE STATE (p.3, line 2). THIS MAY BE INTERPRETED AS A RECOMMENDATION THAT THE STATE PURSUE AN EQUAL ACREAGE EXCHANGE, RATHER THAN THE EQUAL VALUE EXCHANGE THAT WE BELIEVE IS INTENDED. EQUAL ACREAGE EXCHANGES ARE SOMETIMES UNEQUAL IN VALUE AND REQUIRE SEVERAL MORE STEPS TO COMPLETE.

IN SUM, I WOULD LIKE TO THANK YOU FOR CONSIDERING THIS JOINT RESOLUTION. IT IS A GOOD IDEA AND WE SUPPORT IT.