

SCOMM

#22:39

Jack Anderson

The Alaskan Mineral Controversy

Buried in the files Bert Lance left behind may be the biggest mineral controversy since the Great Gold Rush.

Before he left the White House, the former budget boss was refereeing a dispute over 92 million acres of unspoiled Alaskan wilderness that Interior Secretary Cecil Andrus wants to set aside as a national preserve.

This vast, virgin tract, known as the D-2 lands, would be kept off limits to the mining interests. The stakes are enormous, involving oil, natural gas and mineral deposits worth billions.

For years, environmentalists and developers have been battling over how much Alaskan forest and tundra should be closed off from future exploration. Lance's office was trying to help settle the multibillion-dollar argument.

We have now seen evidence that Lance and other federal officials may have been misled. Interior Department documents, intended for official eyes only, indicate that the mineral riches were deliberately, drastically underestimated. The value of the unexplored acreage was downplayed in a briefing book that the Interior Department sent to Lance's office.

He circulated it to other government agencies for their comments. Back came a blunt memo from a Commerce Department official challenging the briefing papers. "The present draft," he informed Lance, "is not ready for presentation to Congress, and this department cannot support it."

The memo noted that "significant

portions of land, which have not been adequately surveyed for mineral resources, are proposed for re-designation as wilderness." The Commerce Department, therefore, urged: "We believe adequate provision should be made for prospecting and exploration."

The Interior Department's Cynthia Wilson, a special assistant for D-2 lands, prepared the misleading papers. She maintained that the mineral bonanza wasn't deliberately hidden. "There wasn't a conspiracy to hide anything," she told us. "In fact, much of the D-2 land was dropped from protected areas due to mineral values."

Yet the briefing book conflicts with previous expert testimony from Interior's own minerals office. The mineral experts, many of who conducted on-site inspections in Alaska, rated most of the D-2 lands "favorable" to "highly favorable" for mineral potential.

The disagreement on mineral estimates became so heated that one Interior official, Charles Eddy, dashed off an 11th-hour memo to Wilson saying, "The briefing book needs substantial correction to accurately reflect the mineral values of the proposed areas."

Salt and Pepper.—The White House has dispatched an urgent, eyes-only cable to our strategic arms limitation talks (SALT) negotiators in Geneva insisting that they say nothing to the press about the delicate arms reduction talks without direct presidential authorization.

Anyone who disregards the order to button up, the instructions emphasize, will be subject to instant dismissal.

The directive mentions no names, but government sources say it is aimed at Lt. Gen. Edward Rowley, who represents the Joint Chiefs of Staff on the SALT team.

He gave The Washington Post's veteran correspondent Walter Pincus an interview, questioning the competence and motives of the non-military members of the U.S. delegation.

This drew a sizzling, secret response from an official congressional observer at the talks, Rep. Robert Carr (D-Mich.), who demanded that Rowley be cashiered as a SALT negotiator. Rowley must go, Carr wrote President Carter, because he has "undercut United States national security posture" and has displayed "a startling lack of professionalism."

The hand-delivered letter to the President charged that Rowley had spoken "in derogatory, disparaging and divisive terms of the competence and policies of the other members of the delegation." Carr contended that "the successful conduct of negotiations requires our delegation to work as a team and to speak with one voice to the Soviet negotiators, just as they speak with one voice with us."

Responding for the President, White House national security adviser Zbigniew Brzezinski agreed that U.S. delegates should "not discuss any aspect of the negotiations with those who are not cleared" and acknowledged that "this policy has not been followed." The still presidential directive was sent to Geneva, therefore, blacking out the SALT talks.

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

REP. STEVE COWPER
CHAIRMAN
REP. ALVIN OESTERBACK
REP. JOE L. HAYES
SEN. CHANCY CROFT
SEN. MIKE COLLETTA
SEN. JOE ORSINI
WALTER PARKER
CONN. ROBERT LERESCHE
JAMES HOFFMAN
C. C. HAWLEY
DAVE CLINE



1016 WEST 6TH AVENUE, SUITE B
ANCHORAGE, ALASKA 99501
(907) 277-2418/18

[POWER V. JUNEAU, ALASKA 99611]

MEMO: TO ALL COUNCIL MEMBERS
FROM: SHARON LONG
RE: BUREAU OF MINES INFORMATION
DATE: JANUARY 3, 1978

Pursuant to the Council passed statement regarding "U.S.G.S. and Bureau of Mines Mineral Potential Maps and Data", Chairman Cowper filed a Freedom of Information Act request with the Bureau of Mines. The enclosed documents show discoveries made as a result of that request and a search made by the BIRCH, HORTON, BITTNER, and MONROE law firm in Washington D.C.

ENCLOSURES:

- (1) MEMORANDUM FROM RONALD G. BIRCH
- (2) CHART OUTLINING DISCREPENACIES IN VARIOUS DOCUMENTS

TO: D-2 STEERING COUNCIL *RB*
FROM: RONALD G. BIRCH
RE: FREEDOM OF INFORMATION REQUEST
AT BUREAU OF MINES
DATE: DECEMBER 30, 1977

Pursuant to the Freedom of Information Act Request by Representative Steve Cowper, we were given access to all documents pertaining to D-2 in the Washington offices at the Bureau of Mines. The documents we searched tend to show that the Department of Interior specifically and intentionally withheld pertinent mineral information with respect to the specific D-2 withdrawal sites under consideration for the administration's final position on H.R. 39. Furthermore, these documents indicate that the Department of Interior failed to correct these understated mineral descriptions when the inaccuracies were raised, despite a September 12, 1977 recommendation to Special Assistant to the Secretary for D-2, Cynthia Wilson, from the Acting Assistant Secretary For Energy and Minerals, Charles Eddy, that "the briefing book needs substantial correction to accurately reflect the mineral values of the proposed areas."¹

1
In its suit against the Department of Interior to enforce the National Environmental Protection Act, the National Chamber of Commerce asked for discovery of the September 12 memorandum from Charles Eddy. The Department not only denied that it existed, but both Wilson and Tony Raspolic, Deputy Assistant Secretary of Energy and Minerals, testified that they had no knowledge of site-specific mineral data other than what was reflected in the briefing paper. The Eddy memo contradicts the above testimony because it was addressed to Wilson and copies were sent to all the assistant secretaries, the Secretary, and the Director of the Geological Survey.

in reaching a consensus D-2 position is necessary to put the documents discovered in the Bureau of Mines search into perspective. On July 29, 1977, Buff Bohlen, who was then the Special Assistant to the Secretary of Interior on Alaska asked all of the affected divisions and bureaus within the Interior to comment on the issues which he had delineated in a D-2 option paper. The Bureau of Mines, through the Assistant Secretary for Energy and Minerals, sent its complete report to Cynthia Wilson, who had replaced Buff Bohlen. This final report summarized all of the known mineral deposits and mineral potential areas for each site recommended for inclusion in the D-2 proposals. John Morgan, Acting Director of the Bureau of Mines, transmitted the report to the Assistant Secretary for Energy and Minerals on August 22, who in turn transmitted the report to Cynthia Wilson by August 25.

During the last week of August, Interior's Alaska Policy Group, which consisted of all the Assistant Secretaries, the Special Assistant to the Secretary on Alaska, the Solicitor, and the Secretary of Interior met to develop Interior's final position on H.R. 39. Between mid-August and the last part of August, the Alaska Policy Group held many briefings and meetings in order to discuss and disseminate all the necessary information.² It was during this period that the Bureau of Mines forwarded the final data to Wilson on the location of hardrock minerals, as well as some oil and gas deposits, on proposed D-2 lands.

2

At the evidentiary hearing of National Chamber of Commerce v. Department of Interior, Guy Martin, Assistant Secretary for Land and Water Resources, testified that during the latter part of August, sufficient information on the proposed D-2 areas was finally made available.

On September 1, 1977, the Department of Interior distributed its final position on D-2 lands to all of the concerned federal agencies and to the Office of Management and Budget for their comments, criticisms, and other input. The Interior position was transmitted in the form of a "D-2 Briefing Book". The Book stated the proposed withdrawals and a rationale for each withdrawal, which included an assessment of known minerals and mineral potential.

Each federal agency receiving the briefing book was given approximately two working days to submit written comments on the Interior proposal to the Office of Management and Budget. OMB's responsibility was to collect and compare all of the comments received on the Interior proposal and then to conduct an inter-agency meeting at which each commenting agency would advocate its position. The purpose of the inter-agency meeting was to reach a consensus. The Carter Administration D-2 position would be announced by Secretary of Interior Andrus at a September 15 hearing before the House Interior Committee's Subcommittee on Alaska Lands. The inter-agency meeting was held at the Office of Managements and Budget on September 9, 1977.

The significance of our document search of Bureau of Mines and the attached chart is as follows: The Bureau of Mines Memorandum transmitted to the Special Assistant to the Secretary on Alaska, Cynthia Wilson, between August 22 and August 25 details

the Department of Interior's most comprehensive and accurate data on mineral deposits and potentials in the D-2 withdrawal areas. These data are described in Column 2 of the attached chart. The briefing book distributed to all other federal agencies included mineral assessments for the same withdrawal areas that diverged drastically from the input received by Ms. Wilson's office from the Bureau of Mines. In each and every case, the disparity between the Bureau of Mines data and the data that Interior distributed to the other agencies for their review understated the mineral values in the withdrawal areas. Column 3 of the attached chart quotes the mineral assessments distributed to the other federal agencies in the Department of Interior's September 1 briefing book. The unmistakable conclusion is that the federal agencies receiving Interior's Briefing Book were misled as to the mineral values in the proposed withdrawal areas and they were misled into believing that each of the areas had substantially less mineral value than had been reported by the Bureau of Mines and the Assistant Secretary of Interior for Energy and Minerals.

The timing of the decision-making process also indicates that the Department of Interior had an opportunity to correct its inaccurate minerals assessments but chose to let the inaccuracies stand. On September 12, 1977, the Acting Assistant Secretary for Energy and Minerals transmitted a memorandum to Cynthia Wilson entitled "Discussion of Hard Rock Minerals in Secretary's Testimony and Briefing Book for D-2 Lands". In a cover letter attached to the memorandum, the Acting Assistant Secretary states that "The briefing book needs

substantial correction to accurately reflect the mineral values of the proposed areas." The memorandum contains a list of the specific changes that the Energy and Minerals Section of Interior felt were necessary. The cover letter went on to state that "In particular, referring primarily to existing claims and their appraised value is not necessarily a realistic indication of mineral potential." The site specific corrections necessary to make the briefing book conform to the Interior Department's most accurate and up-to-date mineral data for the withdrawal access are quoted in Column 4 of the attached chart. Once again, they indicate that the mineral descriptions in the briefing book substantially understate the mineral values in the proposed withdrawal areas.

Despite having the corrected mineral data three days before Secretary Andrus was to announce and document the administration's position before the House Interior Committee's Alaska Lands Subcommittee, the Interior Department chose to ignore the corrections to the recipient agencies, the House Interior Committee, or the public. The extensive descriptive material distributed by Secretary Andrus with the administration's September 15 announcement of its consensus position deletes all site-specific reference to mineral values in the withdrawal areas.

To my knowledge, no correction to the briefing book errors have ever been issued by the Interior Department. In

summary, the document search at the Bureau of Mines indicates that the office of the Special Assistant to the Secretary of Interior on Alaska had comprehensive, current, and accurate mineral assessment information in hand prior to the issuance of its September 1 briefing book. Despite said information, the Department of Interior's briefing book contained vastly understated mineral value estimates for the proposed withdrawal areas. Finally, when the specific understatements were pointed out to the Special Assistant for Alaska and a plea to correct the briefing book was entered, the Department of Interior chose not to privately or publicly correct its errors.

We are continuing to assess the documents we have received from the Bureau of Mines and will update the chart as new documents require.

Lastly, after this memo was typed, our Washington office received a phone call from an employee of the Bureau of Mines in Anchorage. The employee indicated that the Bureau of Mines has prepared a total assessment of the mineral potential on Alaska lands, and that that map is intentionally being withheld by the Interior Department in Washington and has not yet been published. Under the ambit of the authority granted to us by the Council for obtaining information mentioned in the request, we will pursue the refusal of information contained in that map.

1. ADMIRALTY ISLAND NATIONAL PRESERVE/REFUGE

NOT APPLICABLE

d) " Although there is some ongoing exploration, no major mineral values have been identified on the island even though it is free of the access problems common to most of Alaska."

" Admiralty Island: Statement that no major mineral values have been identified is incorrect. Mining, primarily for gold, has occurred mainly in the Funter Bay area. A new significant discovery of nickel-copper-cobalt has been made in the same area. Another copper-zinc-silver discovery valued at \$120 million has been made this year in the Green Creek area and the prospects for finding additional deposits is excellent. At least two other silver-zinc-lead deposits are under active exploration, and two of several copper deposits are being prospected. Recent reconnaissances on Admiralty have identified two previous unknown areas of mineralizations."

2. ANIAKCHAK NATIONAL MONUMENT/PRESERVE

" 12. Aniakchak Caldera National Monument

No deposits of critical minerals have been located in this unit. The southeast half of the area is considered highly favorable for such deposits, with the northeast half ranging from favorable to less favorable. About four-fifths of the unit is within the Cook Inlet Mesozoic petroleum province. An important geothermal area occurs in the southwest part of the unit (estimated at about one-eighth of the unit). There are no existing roads showing on the Alaska Map E and no proposed transportation corridors that would traverse the unit.

The proposed monument would be made up of 17(d) (2) lands and dual withdrawal lands for (d) (2) and Native regional deficiencies and for (d) (2) and Native village deficiencies."

" There is some oil and gas potential in the coastal portion of the area, but the Natives will have the rights to extract any reserves here (see P.L. 94-204). The preserve unit includes those lands with hydrocarbon and hunting potential. There are no existing mineral claims within the park/preserve."

" Aniakchak: Although no deposits have been located in the proposed area, the southeastern slope of most of the Alaska Peninsula is highly favorable for the occurrence of minerals."

3. Bering Land Bridge National Preserve

14. Chukchi-Imuruk National Monument

The northern coastal area of the unit from north of Cape Prince of Wales to the west end of Goodhope Bay is considered unfavorable for most minerals. Most of the unit ranges from favorable to highly favorable. It contains parts of each of the Teller, Kougarok and Fairhaven gold placer districts. These districts are still productive. The Potato Mountain area has produced tin by dredging and other placer methods and has a high potential for significant additional placer and lode tin. Cape Mountain has significant tin lode and placer resources that are adjacent to the western tip of the unit and may be partly in it. The area has also produced from placer and lode mines. The Ear Mountain district has prospects carrying tin, tungsten and uranium. Copper deposits have been found on the Ward and the Wheeler prospects. The Independence Creek prospect is rated significant for gold, silver, lead and zinc. Indications of hydrocarbon content have been found in the northern tip of the unit, west of Goodhope Bay and south of Kotzebue Sound. This area, about 35 miles wide, is in the southern part of the Selawik Basin petroleum province. Four geothermal areas are listed as moderate to important. The largest of these is between Aurora and Imuruk Lake, and is over 20 miles in diameter

b) Potential mineral areas were excluded in the southcentral and southeast portion of earlier proposals. Generally, there is rather low potential for mineral development, with 6 existing mineral claim groups, totalling some 2,700 acres within the proposal."

Bering Land Bridge: We agree that most of the best mineralized area for beryllium, tungsten, tin and fluorspar have been excluded. However, it is not possible to say that the remaining area with some claims has low potential. Part of the Kougarok district remains in the proposal area."

4. Cape Krusenstern National Monument

13. Cape Krusenstern

This unit is rated highly favorable for the occurrence of mineral deposits. Several groups of claims were located on lead-zinc-barite prospects in the northeastern part of the unit in September, 1975, on lands west of the 17(d)(2) area withdrawn by Secretary of the Interior for the proposed Noatak National Arctic Range. This mineralized area extends easterly into the Noatak Preserve (unit 22) proposed in H.R. 39. It includes the Red Dog Creek deposits in unit 22. The northern tip of the area is in the southern part of the Arctic Foothills petroleum province. Selawik Basin province includes a strip along the southern coast of this unit.

A transportation corridor proposed by the Bureau of Land Management traverse this unit from north to south. Their proposed system map indicates it might accommodate a railroad, coal slurry line and petroleum pipelines to serve the large caking or coking coal deposits and possible oil and gas developments to the north."

b) Minerals - the area has low potential for minerals, there are no claims within the area."

Cape Krusenstern: The briefing statement says that the area has low potential and that there are no claims. We would say that the geologic environments indicate favorable potential although no discoveries have been made."

N/A

c) Minerals - the only significant mineralization occurs in the Kantishna mining district, in the heart of the northern additions; while no significant mining occurs at this time, quantities of gold have been removed in historic times. There are 45 mineral claim groups, totaling some 11,000 acres within the area additions. //

1. Denali National Park: Although there is no significant mining at this time, an area of 400,000 acres in the northern addition that includes the Kantishna mining district is very favorable for the occurrence of metallic mineral deposits and is part of a larger mineral trend now being recognized along the north flank of the Alaska Range. Three areas in the southern addition are also highly mineralized.

2. A second Department of Interior comment on the Briefing Book description reads as follows:

"Item C of Decision rational is in extreme error. Most of park has high mineral potential." 1/ //

6. Gates of the Arctic National Park

"Only the northern 40 miles of the northernmost extension of the unit are rated unfavorable for critical locatable minerals, excepting uranium. The northern part has a potential for sedimentary uranium deposits. The balance of the unit is rated highly favorable to favorable. The high, granitic mountains and divide area in the central part is rated lower than the south and north mountain flanks. The outstandingly important Kobuk-Ambler copper-zinc-lead-silver province extends easterly across the southern part of the unit. Six significant deposit areas have been located and partially explored. The most important of these, to date, are the Picnic Creek and Giahugus zinc-copper-lead-silver deposits and the Ann-Abo Group lead-zinc-silver deposits. An historic placer district, with some lode claims, was active on Lucky Six Creek and several others in the southern part of the unit were prospected. The significant and currently active Koyukuk gold placer region extends about 60 miles into the southeast corner of the unit.

The northern extension of the unit lies within the Northern and the Southern Sections of the Arctic Foothills petroleum province. There are oil and gas seeps in the Northern Section. There are known coal deposits that have not been evaluated in this northern extension. Two geothermal areas have been identified; they are rated from moderate to important in potential. There is also an unevaluated potential for oil shale //

d) Potential mineralized areas have been excluded from the southwest of the proposal where there are substantial deposits of copper and other metaliferous minerals in commercial quantities. There are some 821 mineral claims existing within the area, totaling some 16,420 acres. //

"Gates of the Arctic: This is coincident with one of the highest potential hardrock mineral areas in Alaska. Contrary to the statement in the briefing book, the southern one third of the proposed area has a high mineral potential. All of the potential mineralized areas have not been excluded. The proven discoveries to date were made in open ground and there is every indication that similar discoveries could be made in the closed area to the east. //

7. Glacier Bay National Park

The Northwest unit contains the northern part of the Mount Fairweather ultramafic intrusive area. The southern part of the unit is favorable for nickel-copper deposits that might carry values in platinum metals. No known significant prospects or deposits have been located in the area. A narrow coastal strip is in the Gulf of Alaska Tertiary petroleum province. The same area has a uranium potential.

The east unit is highly favorable for mineral deposits. It contains several minor copper, lead, zinc and radioactive prospects. A uranium prospect between William Henry Bay and the Endicott River is getting new attention by exploration geologists. None of the known prospects are presently classed as significant."

b) Minerals - the area is under exploration but reportedly has low marketable values, due to extreme isolation in glaciated area. ↴

Glacier Bay: Area is not presently under exploration, but southeastern part of northern addition contains strong indications of nickel-copper-cobalt deposits similar to the important deposit in Glacier Bay NM. Isolation is not a factor. Industry was ready to develop deposit to the south which is in similar terrain prior to withdrawal of monument."

8. Kenai Fjords National Park

"The west half of the unit is favorable for mineral deposits. No significant deposits of critical minerals have been discovered. A minor amount of gold has been produced by milling vein deposits from small gold mines at Nuka Bay just inside the southwest corner of the unit."

"c) Mineral - low potential; market value of claims appraised at \$535,000. ↴

Kenai Fjords: The briefing statement refers to low mineral potential. We believe that the southwest corner is favorable where gold mining has occurred in the past. We don't consider area highly favorable."

the southern part favorable geologically. The eastern part of the historic Klery Creek (Kiana) gold placer district extends into the southwestern part of the unit. Gold has been produced in this district by dredging, drift-mining and other placer methods."

10. Lake Clark National Park

"Parts of this unit are highly favorable for mineral deposits. Current studies indicate this area is considerably larger than previously known. The southwestern fifth of the area is rated less favorable. A significant copper-molybdenum deposit has been extensively explored by diamond drilling and trenching on Kasna Creek, just south of Lake Kontrashibuna. This property has also had recent metallurgical testing and economic feasibility work performed by the owners. The Tak and other promising partially-explored deposits are nearby. Other known deposits have a potential for resources of copper, molybdenum, lead, zinc, iron, silver, gold and antimony. The best description of the mineral potential of this area is contained in a memorandum to Legislative Counsel from the Director, Bureau of Mines (June 8, 1977, through Assistant Secretary - Energy and Minerals). It concerns H.R. 1454 - To establish the Lake Clark National Park in the State of Alaska, and for other purposes. This memorandum and attached map should be made a part of the comments on unit 20 of H.R. 39.

The only mineral production from the unit has been relatively small amounts of placer gold. There is a current placer operation in the Bonanza Hills, intermittent operations in the Kijik-Portage Creek area just north of Lake Clark, and a reported new discovery with some current exploration near Whitefish Lake. There are reported deposits of high-grade limestone and cement raw materials.

The coastal strip along the east side of the unit is in the Cook Inlet Mesozoic petroleum province. It contains known oil seeps and other evidences of hydrocarbon content. This is also a favorable area for non-marine sedimentary uranium deposits, in addition to its potential for oil and natural gas.

Three geothermal areas have been rated as moderate to important. They are in the northeast corner, east central part, and southeastern corner areas of the unit. The Ingersoll (Lackbun Lake) hydropower site has a potential installed capacity of 104 megawatts. The Chakachamna, Nondalton and some other hydropower sites could be critically affected by management policies of lands and watersheds within this unit."

b) Mineral potential is low. There are two mineral claim groups totalling 400 acres within the area, appraised at no market value."

c) Minerals - There are 19 existing mineral claim groups totalling some 4,000 acres within the park/preserve. Some potential for copper exists in the southern fringe of this proposal; however, due to its location in high scenic recreational setting is included within the proposal. No marketable mineral deposits are known."

"Kobuk Valley: Statement is incorrect. Few deposits have been found to date because area has been closed to exploration during time discoveries were made in adjacent Kobuk-Ambler district. Area has same highly favorable geology for copper-lead-zinc-silver-gold discoveries as Kobuk-Ambler district. Two claim groups do not indicate lack of potential. "No market value" can presently apply to much of Alaska in sense of lack of access."

"Lake Clark: Statement understates importance of minerals. About one-third of the area running generally north-south through the center is highly mineralized with potentially significant occurrences of copper, molybdenum, lead, zinc, iron, and antimony. A significant copper deposit, Kasna Creek, and a molybdenum discovery occur a few miles inside the south boundary. Considerable drilling, including a program by our Department, has been done at the Kasna Creek deposit. Most mineral discoveries have been made at the north and south ends of the proposed park because of easier access but there are many anomalous areas indicating equally high potential through the proposed park itself. "No marketable minerals" has little meaning in the sense of long-range mineral adequacy. Considerable interest has been shown by industry within the last three years."

11. KODIAK NATIONAL PRESERVE

NOT APPLICABLE

a) "The area has low potential for minerals. Only a few gold claims exist in the proposal. The Squirrel River drainage has several claim groups but was excluded from the proposal."

"Notes: The statement that the area has low potential is incorrect. Closed to mineral exploration during the recent active period in the Kobuk-Ambler area, no deposits have proven by drilling but the geology of the area is highly favorable to favorable for discovery. Particular areas of highest interest are believed to contain lead-zinc-buxite deposits, copper-zinc-barite deposits, as well as significant deposits of chromium, nickel, iron, copper and platinum group metals."

12. WRANGELL-ST. ELIAS NATIONAL PARK

NOT APPLICABLE

d) "Minerals - within the preserve unit there are some concentrations of minerals that may be considered to have high potential, especially for copper. There are 71 mineral claim groups totalling some 45,000 acres within the park/preserve. Two special mineral management zones will be established to permit continued mineral exploration under permit."

"Wrangell-St. Elias: The briefing book understates the mineral potential of this area when it says that the preserve unit has some concentrations of minerals that may have high potential. Much of the proposed park and preserve is heavily mineralized. Existing mining claims indicate only part of the potential, probably a relatively small part. Areas much broader than the 71 claim groups are known to contain important deposits of copper and/or molybdenum, and chromium, zinc, silver and gold. This is one area in which Interior has done considerable work."

13. YUKON-CHARLEY NATIONAL PRESERVE/NATIONAL RIVERS

a) "Minerals: There is some potential for gold within the proposal, especially within the Yukon corridor; there are a number of small operators working claims at this time and 23 mineral claim groups exist, totalling some 4,500 acres. These have been appraised at a market value of \$250,000. Working of claims is considered a part of the historical scene in this area."

"Yukon-Charlie: Statement reports that there is some potential for gold. It would be better to replace some with favorable. There has been production over the years. Also, the placer deposits contain tin and tungsten."

14. ALASKA PENINSULA REFUGE/STUDY AREA

"The east half of each unit is highly favorable for mineral deposits. Eight significant deposits are known in the south unit containing copper, molybdenum, gold and silver in higher-grade vein and in low-grade porphyry-type deposits. The relatively small Chignik, Herendeen and Unga coalfields are in this unit. The unit has produced gold and silver from the Apollo mines on Unga Island and some coal from the island and the peninsula.

The units are in the favorable Cook Inlet Mesozoic petroleum province. Three important geothermal areas have been identified."

NO COMMENT ON MINERALS IN BRIEFING BOOK

"Alaska Peninsular Study Area: The briefing book contains no mineral information. The southeastern ridge of the peninsula has a high potential for precious metal deposits and the porphyry copper-molybdenum deposits. Eight significant deposits are known in the southern part of the area."

15. ARCTIC NATIONAL WILDLIFE REFUGE

Arctic (Additions)

Three-quarters of this unit is highly favorable for occurrence of metallic minerals. Two important copper and copper molybdenum deposits are known and another significant copper prospect found. A small favorable petroleum structure occurs in the northwest part of the northwestern unit. Coal production potential is unknown.

An alternate surface utility corridor and other proposed surface transportation routes cross the area. It includes State and Native land selections.

Exclusive of a small area south of latitude 68° north and west of longitude 148° west would exclude presently known significant mineral deposits. This area is in the southwest corner of the unit. //

Part of the existing Range lies within a high potential petroleum province. Designation as a unit of the Wilderness System would require subsequent Congressional action to open the area to mineral exploitation. The potential for copper, lead, and zinc is only present in a small area of the proposal north of and between Chandalar Lake and Big Lake near the area known as Horace Mountain. These mineralized areas including placer deposits were excluded from the proposal by drawing the southwest corner essentially on hydrologic features, in such a way as to preserve within the Refuge the last undisturbed western migration corridor for the Porcupine caribou herd. //

Arctic National Wildlife Refuge: There are other areas with potential for the occurrence of copper, lead, and zinc deposits other than the Chandalar district described in the briefing book. In fact the mineral potential map mutually agreed-to by the State, Commission, and Interior shows the Chandalar district as favorable for mineral discoveries whereas a large area to the north and a belt along the Canadian border is shown to be highly favorable. Two important copper and copper-molybdenum deposits are known and another significant copper prospect has been found. //

16. BECHAROF NATIONAL WILDLIFE REFUGE

NOT APPLICABLE

A small portion of a petroleum province is included within the proposed refuge, although LUPC maps (profiles and proposals) noted only a broad potential mineral province without specific information on any known locations. Refuge designation would preclude mineral development to the extent that the 1872 mining law would not apply. Otherwise, exploration and development for oil and gas would be subject to Secretarial decision and classification and permit requirements. //

Becharof Lake: The briefing book should read that the potential of this area is unknown because very little prospecting and exploration has been carried out. What is important is that the area is highly favorable for discoveries. //

SELAWIK NATIONAL WILDLIFE REFUGE

NOT APPLICABLE

No significant mineral deposits are known and petroleum potential is considered low. Oil and gas exploration or extraction will be permitted only pursuant to Secretarial decision and classification and under strict permit requirements."

"Range: We agree that no significant mineral deposits are known but the east half of the unit is considered highly favorable for metallic and related nonmetallic mineral deposits."

18. SELAWIK NATIONAL WILDLIFE REFUGE

"The southern fifth of this area is rated highly favorable for minerals but no known significant deposits have been discovered. The western and central parts of the unit are in the Selawik Basin petroleum province and the north half is in the Kobuk Cretaceous province. The Kobuk Cretaceous area has potential for sedimentary uranium."

"Selawik lowlands have a low metallic mineral potential, although the possible occurrence of buried alkaline complexes with associated rare earth deposits cannot be dismissed. The area has a low to moderate petroleum potential. Hydroelectric power potential is known to exist in the area. Boundaries have been drawn to avoid mineral values in the south and southeast and geothermal values in the west, although This eliminated significant migratory bird nesting habitat and caribou in the east. Oil and gas exploration or development of nationally significant deposits could be permitted according to Secretarial decision and classification and under strict permit requirements."

"Selawik: The briefing statement notes that boundaries have been drawn to avoid mineral values in south and southwest. Although parts of the highly favorable belt along the south was excluded, much of it remains in the proposed refuge."

19. TOGIK NATIONAL WILDLIFE REFUGE

Geologic conditions highly favorable for mineral deposits are found in the western quarter and favorable conditions in the central half of the Togiak unit. The Butte Creek area has produced a significant amount of placer gold and platinum. Platinum group metals and gold occur in mafic intrusive rock bodies south and southwest of Goodnews Bay. The supply port, store, fuel storage and part of the road to the Goodnews platinum district are in this unit. The only large identified reserve of placer platinum in the United States and the largest platinum producer is in this district. The deposits, worked since the late 1920's by dredging and various placer methods, lie within the Cape Newenham National Wildlife Refuge, and it is surrounded by the proposed Togiak unit.

Part of the unit has petroleum potential in the Kulukak Bay-Nushagak Bay and the Nushagak Basin petroleum provinces. //

The proposed refuge is located adjacent to a major hard rock mineral province containing known and potential deposits of mercury, antimony, gold, platinum, palladium, zinc, copper, and silver. These mineral hot spots were accommodated by removing them from the proposed refuge area. //

Togiak: As noted in the briefing book, the known "mineral hot spots" were excluded. However, the intervening ground in a narrow belt of highly favorable ground trending northwest mostly in the northwest corner was not excluded. //

**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

REP. STEVE COWPER
CHAIRMAN
REP. ALVIN OSTERBACK
REP. JOE L. HAYES
SEN. CHANCY CROFT
SEN. MIKE COLLETTA
SEN. JOE ORSINI
WALTER PARKER
COMM. ROBERT LERESCHE
JAMES HOFFMAN
C. C. HAWLEY
DAVE CLINE



1018 WEST 6TH AVENUE, SUITE 3
ANCHORAGE, ALASKA 99501
(907) 277-2418/16
(POUCH V. JUNEAU, ALASKA 99811)

MEMO: TO ALL COUNCIL MEMBERS
FROM: SHARON LONG
RE: BUREAU OF MINES INFORMATION
DATE: JANUARY 3, 1978

Pursuant to the Council passed statement regarding "U.S.G.S. and Bureau of Mines Mineral Potential Maps and Data", Chairman Cowper filed a Freedom of Information Act request with the Bureau of Mines. The enclosed documents show discoveries made as a result of that request and a search made by the BIRCH, HORTON, BITTNER, and MONROE law firm in Washington D.C.

ENCLOSURES:

- (1) MEMORANDUM FROM RONALD G. BIRCH
- (2) CHART OUTLINING DISCREPENACIES IN VARIOUS DOCUMENTS

TO: D-2 STEERING COUNCIL *R. Birch*
FROM: RONALD G. BIRCH
RE: FREEDOM OF INFORMATION REQUEST
AT BUREAU OF MINES
DATE: DECEMBER 30, 1977

Pursuant to the Freedom of Information Act Request by Representative Steve Cowper, we were given access to all documents pertaining to D-2 in the Washington offices at the Bureau of Mines. The documents we searched tend to show that the Department of Interior specifically and intentionally withheld pertinent mineral information with respect to the specific D-2 withdrawal sites under consideration for the administration's final position on H.R. 39. Furthermore, these documents indicate that the Department of Interior failed to correct these understated mineral descriptions when the inaccuracies were raised, despite a September 12, 1977 recommendation to Special Assistant to the Secretary for D-2, Cynthia Wilson, from the Acting Assistant Secretary For Energy and Minerals, Charles Eddy, that "the briefing book needs substantial correction to accurately reflect the mineral values of the proposed areas."¹

¹
In its suit against the Department of Interior to enforce the National Environmental Protection Act, the National Chamber of Commerce asked for discovery of the September 12 memorandum from Charles Eddy. The Department not only denied that it existed, but both Wilson and Tony Raspolic, Deputy Assistant Secretary of Energy and Minerals, testified that they had no knowledge of site-specific mineral data other than what was reflected in the briefing paper. The Eddy memo contradicts the above testimony because it was addressed to Wilson and copies were sent to all the assistant secretaries, the Secretary, and the Director of the Geological Survey.

in reaching a consensus D-2 position is necessary to put the documents discovered in the Bureau of Mines search into perspective. On July 29, 1977, Buff Bohlen, who was then the Special Assistant to the Secretary of Interior on Alaska asked all of the affected divisions and bureaus within the Interior to comment on the issues which he had delineated in a D-2 option paper. The Bureau of Mines, through the Assistant Secretary for Energy and Minerals, sent its complete report to Cynthia Wilson, who had replaced Buff Bohlen. This final report summarized all of the known mineral deposits and mineral potential areas for each site recommended for inclusion in the D-2 proposals. John Morgan, Acting Director of the Bureau of Mines, transmitted the report to the Assistant Secretary for Energy and Minerals on August 22, who in turn transmitted the report to Cynthia Wilson by August 25.

During the last week of August, Interior's Alaska Policy Group, which consisted of all the Assistant Secretaries, the Special Assistant to the Secretary on Alaska, the Solicitor, and the Secretary of Interior met to develop Interior's final position on H.R. 39. Between mid-August and the last part of August, the Alaska Policy Group held many briefings and meetings in order to discuss and disseminate all the necessary information.² It was during this period that the Bureau of Mines forwarded the final data to Wilson on the location of hardrock minerals, as well as some oil and gas deposits, on proposed D-2 lands.

2

At the evidentiary hearing of National Chamber of Commerce v. Department of Interior, Guy Martin, Assistant Secretary for Land and Water Resources, testified that during the latter part of August, sufficient information on the proposed D-2 areas was finally made available.

On September 1, 1977, the Department of Interior distributed its final position on D-2 lands to all of the concerned federal agencies and to the Office of Management and Budget for their comments, criticisms, and other input. The Interior position was transmitted in the form of a "D-2 Briefing Book". The Book stated the proposed withdrawals and a rationale for each withdrawal, which included an assessment of known minerals and mineral potential.

Each federal agency receiving the briefing book was given approximately two working days to submit written comments on the Interior proposal to the Office of Management and Budget. OMB's responsibility was to collect and compare all of the comments received on the Interior proposal and then to conduct an inter-agency meeting at which each commenting agency would advocate its position. The purpose of the inter-agency meeting was to reach a consensus. The Carter Administration D-2 position would be announced by Secretary of Interior Andrus at a September 15 hearing before the House Interior Committee's Subcommittee on Alaska Lands. The inter-agency meeting was held at the Office of Managements and Budget on September 9, 1977.

The significance of our document search of Bureau of Mines and the attached chart is as follows: The Bureau of Mines Memorandum transmitted to the Special Assistant to the Secretary on Alaska, Cynthia Wilson, between August 22 and August 25 details

the Department of Interior's most comprehensive and accurate data on mineral deposits and potentials in the D-2 withdrawal areas. These data are described in Column 2 of the attached chart. The briefing book distributed to all other federal agencies included mineral assessments for the same withdrawal areas that diverged drastically from the input received by Ms. Wilson's office from the Bureau of Mines. In each and every case, the disparity between the Bureau of Mines data and the data that Interior distributed to the other agencies for their review understated the mineral values in the withdrawal areas. Column 3 of the attached chart quotes the mineral assessments distributed to the other federal agencies in the Department of Interior's September 1 briefing book. The unmistakable conclusion is that the federal agencies receiving Interior's Briefing Book were misled as to the mineral values in the proposed withdrawal areas and they were misled into believing that each of the areas had substantially less mineral value than had been reported by the Bureau of Mines and the Assistant Secretary of Interior for Energy and Minerals.

The timing of the decision-making process also indicates that the Department of Interior had an opportunity to correct its inaccurate minerals assessments but chose to let the inaccuracies stand. On September 12, 1977, the Acting Assistant Secretary for Energy and Minerals transmitted a memorandum to Cynthia Wilson entitled "Discussion of Hard Rock Minerals in Secretary's Testimony and Briefing Book for D-2 Lands". In a cover letter attached to the memorandum, the Acting Assistant Secretary states that "The briefing book needs

substantial correction to accurately reflect the mineral values of the proposed areas." The memorandum contains a list of the specific changes that the Energy and Minerals Section of Interior felt were necessary. The cover letter went on to state that "In particular, referring primarily to existing claims and their appraised value is not necessarily a realistic indication of mineral potential." The site specific corrections necessary to make the briefing book conform to the Interior Department's most accurate and up-to-date mineral data for the withdrawal access are quoted in Column 4 of the attached chart. Once again, they indicate that the mineral descriptions in the briefing book substantially understate the mineral values in the proposed withdrawal areas.

Despite having the corrected mineral data three days before Secretary Andrus was to announce and document the administration's position before the House Interior Committee's Alaska Lands Subcommittee, the Interior Department chose to ignore the corrections to the recipient agencies, the House Interior Committee, or the public. The extensive descriptive material distributed by Secretary Andrus with the administration's September 15 announcement of its consensus position deletes all site-specific reference to mineral values in the withdrawal areas.

To my knowledge, no correction to the briefing book errors have ever been issued by the Interior Department. In

summary, the document search at the Bureau of Mines indicates that the office of the Special Assistant to the Secretary of Interior on Alaska had comprehensive, current, and accurate mineral assessment information in hand prior to the issuance of its September 1 briefing book. Despite said information, the Department of Interior's briefing book contained vastly understated mineral value estimates for the proposed withdrawal areas. Finally, when the specific understatements were pointed out to the Special Assistant for Alaska and a plea to correct the briefing book was entered, the Department of Interior chose not to privately or publicly correct its errors.

We are continuing to assess the documents we have received from the Bureau of Mines and will update the chart as new documents require.

Lastly, after this memo was typed, our Washington office received a phone call from an employee of the Bureau of Mines in Anchorage. The employee indicated that the Bureau of Mines has prepared a total assessment of the mineral potential on Alaska lands, and that that map is intentionally being withheld by the Interior Department in Washington and has not yet been published. Under the ambit of the authority granted to us by the Council for obtaining information mentioned in the request, we will pursue the refusal of information contained in that map.

LAW OFFICES

BIRCH, HORTON, BITTNER AND MONROE

783 W. FOURTH AVE., SUITE 208
ANCHORAGE, ALASKA 99501
(907) 279-9403
TELEX 25-358

4400 JENIFER ST., N. W. - SUITE 300

WASHINGTON, D. C. 20015

(202) 244-4250

TELEX 9-89-2501

781 OLD RICHARDSON HWY., SUITE 340
FAIRBANKS, ALASKA 99707
(907) 452-1888

130 SEWARD STREET, SUITE 314
JUNEAU, ALASKA 99901
(907) 586-2800

1200 AIRPORT HEIGHTS DRIVE
ANCHORAGE, ALASKA 99504
(907) 279-9801

MEMORANDUM

To:

Date: December 30, 1977

Memo to File
d-2 Legislation

I received a telephone call from Rita Bailey who is a physical science aide with the Bureau of Mines in Anchorage. She had read the Anchorage newspaper accounts of our investigation into minerals information available at the Bureau of Mines. She suggested that we request to see a publication entitled "Alaska's Energy and Mineral Potential - 1977". It is a Bureau of Mines publication authored by Bob Bottge who is with the Bureau of Mines in Juneau.

Rita explained that this publication comes out every two years and was completed by the Bureau of Mines a few months ago. It was forwarded to Washington where the Assistant Secretary of Interior for Energy and Minerals, Joan Davenport, decided that it should not be published under the name of the Bureau of Mines but should go to the U.S.G.S. for publication. The U.S.G.S. received the document and then refused to publish it and has returned it to Joan Davenport. Assistant Secretary Davenport has not determined when or in what form to publish the report. At present, the report is being held up pending some decision.

(202) 244-4250

4400 JENIFER ST. N. W.
WASHINGTON, D. C. 20015

JOSEPH M. CHOMSKI

BIRCH, HORTON, BITTNER & MONROE
ATTORNEYS AT LAW

733 WEST FOURTH AVE.
ANCHORAGE, ALASKA 99501

Memo to File
d-2 Legislation
December 30, 1977

I called Bottge but he will not be in until Tuesday. I hope to speak to him then. My guess is that this report and Interior's failure to publish it is what sparked the rumors we heard in November that Interior was covering up mineral information. Those rumors led to the Freedom of Information Act Request filed by Steve Cowper in our current investigation.

Suggestion: We follow this lead up but not make any public statement about it until our other investigation findings have been made public.

Joseph M. Chomski

MEMORANDUM

TO: D-- STEERING COUNCIL
FROM: RONALD G. BIRCH
RE: FREEDOM OF INFORMATION REQUEST
AT BUREAU OF MINES
DATE: DECEMBER 20, 1977

Pursuant to the Freedom of Information Act Request by Representative Steve Cowper, we were given access to all documents pertaining to D-2 in the Washington offices at the Bureau of Mines. The documents we searched tend to show that the Department of Interior specifically and intentionally withheld pertinent mineral information with respect to the specific D-2 withdrawal sites under consideration for the administration's final position on H.R. 39. Furthermore, these documents indicate that the Department of Interior failed to correct these understated mineral descriptions when the inaccuracies were raised, despite a September 12, 1977 recommendation to Special Assistant to the Secretary for D-2, Cynthia Wilson, from the Acting Assistant Secretary For Energy and Minerals, Charles Eddy, that "the briefing book needs substantial correction to accurately reflect the mineral values of the proposed areas."¹

1

In its suit against the Department of Interior to enforce the National Environmental Protection Act, the National Chamber of Commerce asked for discovery of the September 12 memorandum from Charles Eddy. The Department not only denied that it existed, but both Wilson and Tony Raspolc, Deputy Assistant Secretary of Energy and Minerals, testified that they had no knowledge of site-specific mineral data other than what was reflected in the briefing paper. The Eddy memo contradicts the above testimony because it was addressed to Wilson and copies were sent to all the assistant secretaries, the Secretary, and the Director of the Geological Survey.

in reaching a consensus D-2 position is necessary to put the documents discovered in the Bureau of Mines search into perspective. On July 29, 1977, Buff Bohlen, who was then the Special Assistant to the Secretary of Interior on Alaska asked all of the affected divisions and bureaus within the Interior to comment on the issues which he had delineated in a D-2 option paper. The Bureau of Mines, through the Assistant Secretary for Energy and Minerals, sent its complete report to Cynthia Wilson, who had replaced Buff Bohlen. This final report summarized all of the known mineral deposits and mineral potential areas for each site recommended for inclusion in the D-2 proposals. John Morgan, Acting Director of the Bureau of Mines, transmitted the report to the Assistant Secretary for Energy and Minerals on August 22, who in turn transmitted the report to Cynthia Wilson by August 25.

During the last week of August, Interior's Alaska Policy Group, which consisted of all the Assistant Secretaries, the Special Assistant to the Secretary on Alaska, the Solicitor, and the Secretary of Interior met to develop Interior's final position on H.R. 39. Between mid-August and the last part of August, the Alaska Policy Group held many briefings and meetings in order to discuss and disseminate all the necessary information.² It was during this period that the Bureau of Mines forwarded the final data to Wilson on the location of hardrock minerals, as well as some oil and gas deposits, on proposed D-2 lands.

2

At the evidentiary hearing of National Chamber of Commerce v. Department of Interior, Guy Martin, Assistant Secretary for Land and Water Resources, testified that during the latter part of August, sufficient information on the proposed D-2 areas was finally made available.

On September 1, 1977, the Department of Interior distributed its final position on D-2 lands to all of the concerned federal agencies and to the Office of Management and Budget for their comments, criticisms, and other input. The Interior position was transmitted in the form of a "D-2 Briefing Book". The Book stated the proposed withdrawals and a rationale for each withdrawal, which included an assessment of known minerals and mineral potential.

Each federal agency receiving the briefing book was given approximately two working days to submit written comments on the Interior proposal to the Office of Management and Budget. OMB's responsibility was to collect and compare all of the comments received on the Interior proposal and then to conduct an inter-agency meeting at which each commenting agency would advocate its position. The purpose of the inter-agency meeting was to reach a consensus. The Carter Administration D-2 position would be announced by Secretary of Interior Andrus at a September 15 hearing before the House Interior Committee's Subcommittee on Alaska Lands. The inter-agency meeting was held at the Office of Managements and Budget on September 9, 1977.

The significance of our document search of Bureau of Mines and the attached chart is as follows: The Bureau of Mines Memorandum transmitted to the Special Assistant to the Secretary on Alaska, Cynthia Wilson, between August 22 and August 25 details

the Department of Interior's most comprehensive and accurate data on mineral deposits and potentials in the D-2 withdrawal areas. These data are described in Column 2 of the attached chart. The briefing book distributed to all other federal agencies included mineral assessments for the same withdrawal areas that diverged drastically from the input received by Ms. Wilson's office from the Bureau of Mines. In each and every case, the disparity between the Bureau of Mines data and the data that Interior distributed to the other agencies for their review understated the mineral values in the withdrawal areas. Column 3 of the attached chart quotes the mineral assessments distributed to the other federal agencies in the Department of Interior's September 1 briefing book. The unmistakable conclusion is that the federal agencies receiving Interior's Briefing Book were misled as to the mineral values in the proposed withdrawal areas and they were misled into believing that each of the areas had substantially less mineral value than had been reported by the Bureau of Mines and the Assistant Secretary of Interior for Energy and Minerals.

The timing of the decision-making process also indicates that the Department of Interior had an opportunity to correct its inaccurate minerals assessments but chose to let the inaccuracies stand. On September 12, 1977, the Acting Assistant Secretary for Energy and Minerals transmitted a memorandum to Cynthia Wilson entitled "Discussion of Hard Rock Minerals in Secretary's Testimony and Briefing Book for D-2 Lands". In a cover letter attached to the memorandum, the Acting Assistant Secretary states that "The briefing book needs

substantial correction to accurately reflect the mineral values of the proposed areas." The memorandum contains a list of the specific changes that the Energy and Minerals Section of Interior felt were necessary. The cover letter went on to state that "In particular, referring primarily to existing claims and their appraised value is not necessarily a realistic indication of mineral potential." The site specific corrections necessary to make the briefing book conform to the Interior Department's most accurate and up-to-date mineral data for the withdrawal access are quoted in Column 4 of the attached chart. Once again, they indicate that the mineral descriptions in the briefing book substantially understate the mineral values in the proposed withdrawal areas.

Despite having the corrected mineral data three days before Secretary Andrus was to announce and document the administration's position before the House Interior Committee's Alaska Lands Subcommittee, the Interior Department chose to ignore the corrections to the recipient agencies, the House Interior Committee, or the public. The extensive descriptive material distributed by Secretary Andrus with the administration's September 15 announcement of its consensus position deletes all site-specific reference to mineral values in the withdrawal areas.

To my knowledge, no correction to the briefing book errors have ever been issued by the Interior Department. In

summary, the document search at the Bureau of Mines indicates that the office of the Special Assistant to the Secretary of Interior on Alaska had comprehensive, current, and accurate mineral assessment information in hand prior to the issuance of its September 1 briefing book. Despite said information, the Department of Interior's briefing book contained vastly understated mineral value estimates for the proposed withdrawal areas. Finally, when the specific understatements were pointed out to the Special Assistant for Alaska and a plea to correct the briefing book was entered, the Department of Interior chose not to privately or publicly correct its errors.