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9648 SENATE RESOURCES



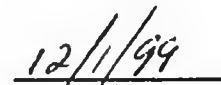
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DEPARTMENT OF FISH & GAME

DEPARTMENT OF NATURAL RESOURCES

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**BRIEFING:
CITIZENS
ADVISORY
COMM. ON
FED. AREAS**

**STATE OF ALASKA
CITIZENS' ADVISORY COMMISSION
ON FEDERAL AREAS**

1996 ANNUAL REPORT

February 1997

INTRODUCTION

Since its creation in 1981, the Citizens' Advisory Commission on Federal Areas has worked extensively with public user groups to help them understand federal regulations and policies and to ensure that they have a voice in the development of those same regulations and policies. This report will outline the statutory mandates of the Commission and provide a brief overview of some of its activities during 1996. This document represents the Commission's annual report to the Governor and the Alaska State legislature as required by AS 41.37.080(f).

The Citizens' Advisory Commission on Federal Areas was established in 1981 by the Alaska State Legislature to provide assistance to the citizens of Alaska who are affected by the management of federal lands within the state. The need for the Commission arose primarily from the passage of the Alaska National Interest Lands Conservation Act (ANILCA) in 1980. The ANILCA placed an additional 104 million acres of land in Alaska into federal conservation system units. It also delineated specific uses requirements and restrictions for those areas.

The changes in land status that resulted from the creation and expansion of conservation system units increased the potential for conflict between Alaskans' traditional uses of these federal lands and the various agency mandates in ANILCA. Of the 239 million acres in Alaska still under Federal management, there are more than 150 million acres with conservation restrictions. In addition, there have been significant changes in the management directions for Federal public lands throughout the country. Even lands with no specific statutory conservation restrictions are subject to a steadily increasing number of administrative designations and withdrawals that can result in reductions in public uses, including hunting, fishing, trapping, timber harvest, mineral extraction, grazing and other resource development opportunities on the Federal public lands.

The Commission, through its enabling legislation, is charged with determining the impact of Federal statutes, regulations and management decisions on the citizens of Alaska in order to minimize or resolve existing and potential conflicts. Through the development and maintenance of a good working relationship with the various Federal agencies, the Commission has been effective in assuring that land management decisions are consistent with both statutory language and Congressional intent, and in protecting the interests of Alaska's citizens.

DUTIES OF THE COMMISSION

The duties of the Citizens' Advisory Commission on Federal Areas are mandated in AS 41.37.080. These duties include:

- (a) "The commission shall consider, research and hold hearings on the consistency with federal law and congressional intent on management, operation, planning, development and additions to federal management areas in the state.
- (b) The commission shall consider research and hold hearings on the impact of federal regulations and federal management decisions on the people of the state.

- (c) The commission may, after consideration of the public policy concerns under (a) and (b) of this section, make a recommendation on the concerns under (a) and (b) of this section to an agency of the state or to the agency of the United States which manages federal land in the state.
- (d) The commission shall consider the views, research, and reports of advisory groups established by it under AS 41.37.090 as well as the views, research, and reports of individuals and other groups in the state.
- (e) The commission shall establish internal procedures for the management of the responsibilities granted to it under this chapter.
- (f) The commission shall report annually to the governor and the legislature within the first 10 days of the regular legislative session.
- (g) The commission shall cooperate with each department or agency of the state or with a state board or commission in the fulfillment of their duties.

To ensure that it meets its mandates and responsibilities under the law, the Commission has adopted the following goals and objectives statement.

- I. To provide a citizens' forum to facilitate improvement in intergovernmental relations regarding federal area management issues.
- II. To ensure that the impacts on Alaskans by federal area managers are minimized.
- III. To advocate for consistency, with the law, in the management of federal areas.
- IV. To circulate information to the public on federal area management.

To fulfill these goals, the Commission will perform the following functions:

The Commission will monitor federal agency planning, management activities and implementation efforts.

The Commission will review any proposed exchange of federal public lands.

Commission research and analysis of special projects mandated by ANILCA or other federal statutes will continue.

The Commission will become involved at the earliest stages of any planning effort for the conservation system units established or expanded by ANILCA.

Commission efforts to resolve conflicts between federal land managers and land users will be emphasized.

The Commission will work to assure that the best interests of the State of Alaska are brought into the decision making process.

The Commission will work with the congressional delegation and monitor proposed federal legislation and regulations that have an impact on the administration and management of federal lands in Alaska.

The Commission will continue to report to the Governor and the Legislature on any recommendations made on federal land management decisions that affect Alaskans.

Since beginning full time operations in 1982, the Commission has worked closely with both federal and state agencies and with individual and organizational contacts to thoroughly analyze issues before submitting all comments and recommendations. In recent years, due to significant reductions in staff and budget for the Commission, staff has coordinated much of its work with other state agency personnel. Through various cooperative efforts, primarily with the Division of Governmental Coordination the Alaska Department of Fish and Game ANILCA program, and the Department of Natural Resources, the Commission has remained effective in monitoring, analyzing and submitting recommendations on a wide array of federal land management proposals and initiatives. This team approach has worked to the benefit of the Commission and the other state agencies involved in implementation of ANILCA and other Federal statutes.

Although the Commission's role is advisory, it has the authority under AS 41.37.100 to request the attorney general file suit against a federal agency or official if the Commission determines that the federal agency or official is "acting in violation of an Act of Congress, congressional intent, or the best interests of the State of Alaska.

COMPOSITION

The Commission is composed of sixteen members, eight appointed by the Governor and eight appointed by the Legislature. Current Commission officers are: Chairman, Ms. Thyas Shaub (Juneau) and Vice-Chairman, Mr. Del Ackels (Fairbanks). The Chairman, Vice-chairman and Sen. Rick Halford (Chugiak), Mr. Steve Porter (Anchorage) and Mr. Don Finney (Ward Cove) comprise the Commission's Executive Committee. A full list of the members for 1996 is included at the end of this document.

STAFF

There is currently one staff position for the Commission: an executive director, Stan Leaphart. The office is located in the Department of Natural Resources Northern Regional Office, 3700 Airport Way, Fairbanks, AK 99709-4699. (907) 451-2775. FAX 451-2761.

COMMISSION ACTIVITIES

Activities for 1996 were divided between reviewing and commenting on federal agency planning documents and regulations, monitoring proposed federal legislation, and investigating citizens' complaints about federal agency actions. Commission staff was also given the opportunity to participate in 3 groups working to resolve various federal land management issues. These are discussed in greater detail later in this report.

Special effort is made to ensure maximum levels of public participation in agency management and policy decisions affecting the federal public lands in Alaska. This is accomplished through regular contact with individuals, organizations, and interest groups interested in or affected by land management decisions. Commission staff monitors the *Federal Register* on a daily basis and routinely provides other State agencies, organizations, interest groups and individuals with copies of notices and proposed or final regulations and policies. Commission files, with a 15 year collection of information and background material, have also become a useful resource for researching the implementation of ANILCA.

As a major part of its mandated duties, the Commission reviews and provides comments and recommendations on federal land management agency planning documents, policies and proposed regulations. In conducting its review, the Commission consults with affected user groups and land owners, as well as with interested groups and organizations and with other state and federal agencies.

Unfortunately, due to budget reductions, the Commission is no longer able to sponsor public meetings solely for gathering public input on specific issues. However, at each regular Commission meeting, opportunities are provided for members of the public to present their views and concerns on any matter concerning federal public land management. Minutes of Commission meetings, as well as copies of all comments and recommendations made by the Commission are also available upon request.

Following is a brief overview and status report of a number of major issues in which the Commission was involved during the past year and which we are currently monitoring. The list does not include every issue or activity with which we have been involved. The reader is also reminded that what is presented here is only a thumbnail sketch of each. Commission members and staff are always available to provide more information or a more in depth explanation of any of the issues and activities outlined in this report.

REGULATORY AND POLICY ISSUES

National Park Service

Glacier Bay Vessel Management Regulations. In May 1996 the National Park Service also adopted regulations (36 CFR §13.65) that implement various closures and use restrictions within Glacier Bay National Park & Preserve. Many of these closures and restrictions were originally contained in the park's improperly implemented Compendium and were also proposed in the park's recently adopted Vessel Management Plan. Other portions of these regulations were originally adopted in 1985 to regulate use of the bay to protect humpback whales, an endangered species which seasonally is found in park waters. The new regulations, in addition to revising those regulations aimed at protecting whales, closed portions of the marine waters in the bay to motorized vessels during the summer season, closed several island and upland areas in the park to protect a variety of resources and provided for an increase in cruise ships, tour boats and charter boats entries in the bay.

In comments on the Vessel Management Plan and the draft regulations the Commission argued that many of the closures and use restrictions were unnecessary and failed to meet the criteria in 1110(a) of ANILCA for closure of these areas to motorized vessels. The Commission is considering filing a petition for revision of portions of these regulations.

Navigable Waters Regulations. In July 1996 the National Park Service adopted revised regulations (36 CFR Parts 1 and 13) which the agency claimed clarified the "applicability of those regulations that apply in all National Park System areas to waters subject to federal jurisdiction located within park boundaries, including navigable waters." (61 FR 35133) According to the NPS the revision simply clarified that NPS regulations continue to apply on navigable waters within national park units, as they have for years. In actuality the regulations improperly extend NPS jurisdiction into State-owned water in direct violation of ANILCA.

The Commission strongly objected to these revisions when they were first proposed in 1995. While the actual effect of the revised regulations is not yet known, the likely result will be another intrusion into the State's ability to manage uses and activities on its lands and waters. The Commission is considering filing a petition with the Secretary of the Interior requesting further revision of the regulations to more properly reflect the limits of the agency's management authority intended under ANILCA.

Special Visitor Services Regulations. Section 1307 of ANILCA allows Federal agencies to grant a preference to historical operators, local residents or Native corporations when issuing permits for providing visitor services within conservation system units. It was not until 1995 that regulations implementing this preference were proposed. Commission staff worked with the visitor service industry and other State agencies to identify potential problems with the draft regulations and suggested a number of revisions.

In late 1996, some 16 years after the passage of ANILCA, both the National Park Service and the U.S. Fish and Wildlife Service adopted final regulations (36 CFR §13.80) which provide guidance and a mechanism for granting a preference in permitting visitor services.

U.S. Fish & Wildlife Service

Commercial Visitor Services- Special Use Permits. The U.S. Fish & Wildlife Service proposed regulations for the administration of commercial visitor services permits for hunting guides and outfitters operating on national wildlife refuges in Alaska. Because of the Alaska Supreme Court's decision in *Owsichuk v. State Guide Licensing and Control Board*, which declared the State's system of assigning exclusive big game guide areas unconstitutional, the USFWS implemented its own interim system in 1992. That interim program had a number of problems and guides and outfitters encouraged the agency to make some much needed changes.

The proposed regulations (50 CFR §36.41) would establish a more equitable program for issuing and administering both competitively and non-competitively issued permits for commercial visitor services on national wildlife refuges. These regulations would be supplemented by the agency's ANILCA 1307 regulations, which are similar to those adopted by the NPS discussed above.

The Commission reviewed the proposed regulations and, after discussing them with the agency and a number of hunting guides and outfitters, submitted a number of suggested revisions. Final regulations are anticipated in the near future.

Status Reviews: Alexander Archipelago Wolf and Queen Charlotte Goshawk. The USFWS is currently conducting status reviews to determine if listing under the Endangered Species Act (ESA) is warranted for these two species found in Southeastern Alaska. Status reviews for both the wolf and the goshawk were conducted previously in 1994 and 1995. Following those reviews, the agency made the determination that listing under the ESA was not warranted. However, because of a recent Federal court ruling, the status reviews have been reinitiated.

During the previous status reviews the Commission submitted comments strongly in opposition to listing either species as threatened. Our analysis of the available information indicated that listing was not warranted, as neither population met the necessary criteria for listing under the ESA. One of our primary concerns is that listing would have significant consequences for future management of the Tongass National Forest and disastrous impacts on the timber industry. In response to the current status review, the Commission has again indicated its opposition to listing either of these two populations under the ESA. The comment period on the status reviews remains open until March 7.

Bureau of Land Management

Law Enforcement Regulations- Criminal. Released in late 1996, and still under public review, these revisions to the BLM law enforcement regulations (43 CFR Part 9260) have generated considerable public interest. Although the agency categorizes the changes as "housekeeping" type revisions several of the proposed revisions are more substantive in nature. For example, a key section states that the regulations apply to "activities on or having a clear potential to affect water bodies on or adjacent to BLM lands." In its discussion of the proposed regulations (61 FR 57606) BLM asserts that this statement is "not an attempt to establish ownership over those waters [on or adjacent to BLM lands], but an attempt to clarify BLM's jurisdiction for protection of resources." In fact, BLM has no jurisdiction over waters or lands that are not in Federal ownership. In addition, several sections of the regulations do not reflect specific statutory guidance found in ANILCA for the management of federal public lands in Alaska. The public comment period remains open until March 7, 1997.

Wild and Scenic River Proposed Regulations. The BLM has proposed regulations (43 CFR Parts 6400 and 8350) which would establish standards and procedures by which the agency will consider Federal licensing of, or assistance to, water resources projects on components affecting Wild and Scenic Rivers or Study Rivers. In proposing the regulations, the BLM cites its authorities under the Wild and Scenic Rivers Act (WSRA). However, there are a number of sections within the proposed regulations that clearly exceed the agency's authorities under that statute. In its review of the proposed regulations, the Commission also identified conflicts with provisions of the ANILCA and its implementing regulations. In addition, there are serious questions regarding study rivers, as well as requirements for managing both designated and study rivers. The Commission also identified particular concerns about the affects of these proposed regulations on permitting and management of mining activities on State owned navigable waters and development of transportation and utility system corridors under ANILCA Title XI.

U.S. FOREST SERVICE

Cancellation of Timber Sale Contracts. These proposed regulations (36 CFR Part 223) would revise the rules on cancellation of timber sale contracts, permits, and other such instruments authorizing the sale or harvest of timber to clarify when, why and by whom contracts may be canceled. The revisions also contain a new formula for compensation if sale contracts are canceled and would limit the financial liability of the United States. Because of the management situation on the Tongass National Forest, these regulations could have significant effects on the ability of timber companies to recoup any losses incurred resulting from cancellations of sale contracts. The Commission has not completed its review of the regulations. Public comment period ends 2/13/97.

DEPARTMENT OF THE INTERIOR

Revised Statute 2477 Rights-of-way -Revised Interim Policy. This interim policy, issued in January of this year, repeals the 1988 Policy which was developed and adopted after extensive consultation with Alaska and the other Western public lands states. It also maintains Secretary Babbitt's 1993 moratorium on processing of RS2477 assertions, except in cases where there is a demonstrated, compelling need to make a determination. Further, it establishes a revised policy for carrying out any determinations that the DOI might be called upon to make regarding RS2477. As a practical matter, the Hodel policy had been inoperative since 1990 so the argument has been made that little is lost by its repeal. However, the Commission identified several problem areas in this interim policy.

Following DOI's 1994 release of draft regulations on RS 2477, Congress attached provisions to the department's appropriation bill for FY 96 which prohibited use of funds for the promulgation, adoption and implementation of final regulations. The appropriations bill for FY 97 allows publication of final regulations, but states that no regs may become effect unless authorized by an act of Congress. This interim policy appears to be an effort to circumvent Congressional intent.

The interim policy recognizes that anyone making a claim of the existence of an RS 2477 right-of-way continues to have the option of seeking validation of the claim in court. While this is true regardless of DOI policy, there is concern that this policy will negatively impact any future court action on an RS 2477 right-of-way. Any adverse decision on the part of a DOI agency will affect the outcome in any quiet title action, particularly since DOI will be a party to any action on a claim involving lands under its management authority

The interim policy does provide for an entity to ask the DOI to make a determination of validity in advance of adoption of final regulations if there is a "demonstrated, compelling and immediate need" for such determination. The policy contains no definition or explanation of what constitutes a "demonstrated, compelling and immediate need." If the department does not believe such a need exists a request will not be processed.

One of the major problems of the 1994 draft regulations was the definition of construction. The draft regulations would require that in order to meet the definition of construction, intentional physical acts must have been performed with the achieved purpose of preparing a durable, observable physical modification of land and that the modification be suitable for highway traffic. Creation of a right-of-way by passage of vehicles or people- the so-called "public user" standard- would only be recognized if the right-of-way was subsequently maintained by acts that meet the requirements of construction. The interim policy maintains the same restrictive definition and criteria. We should point out that the courts have long recognized the validity of rights-of-way created through the passage of

vehicles, pack animals and even foot traffic. Many trails still in use today in Alaska were created by simple public use.

As with the section on construction, the interim policy reflects the definition of highway proposed in the 1994 draft regulations. In order to meet the standard in the interim policy a RS 2477 would have to constitute a thoroughfare used prior to October 21, 1976 by the public for the passage of vehicles carrying people or goods from place to place.

It is still too soon to determine exactly how this interim policy will affect Alaska's ability to assert its rights under RS 2477. Commission members were told at our December 1996 meeting that the Department of the Interior would be re-writing the draft RS 2477 regulations and releasing them for another round of public review and comment by late this year. The Commission has been involved with the RS 2477 rights-of-way since the early 1980's. We will continue to monitor this issue and to work with other State agencies and the public in an effort to protect Alaska's interests in these rights-of-way.

PROJECTS AND STUDIES

Denali National Park- North Access Study. In 1995, the Commission endorsed a proposal for the private construction of a railroad into the northern portion of Denali Park and Preserve. In addition to specifically supporting the railroad the Commission also expressed its general support for the concept of a northern access route into the park.

In April 1996, Congress directed the National Park Service to conduct a feasibility study for a northern access route into Denali National Park and Preserve. The study was to be completed within one year, utilizing existing funds and taking into consideration the "viewpoints of all interested parties, including the tourism industry and the State of Alaska." (Public Law 104-134) Further the study was to be conducted solely by NPS planning personnel permanently assigned to Alaska in consultation with the Alaska Department of Transportation and Public Facilities.

In May 1996 a study group consisting of representatives from the National Park Service, Alaska Department of Natural Resources, Alaska Department of Fish and Game, Alaska Department of Transportation and Public Facilities, Office of the Governor- Division of Governmental Coordination and the Citizens' Advisory Commission on Federal Areas began the preparation of this northern access feasibility study. During a series of monthly meetings, issues were defined, information sources identified, and existing data compiled. In addition, information was solicited from a wide range of interests, organizations and user groups to help determine the need and feasibility for an additional access route into the park.

The range of alternatives examined ranged from a pioneer road, to a two lane gravel road, to an all-season paved road and both a publicly and privately funded railroad into the Kantishna area of the park. While no specific alignment was defined, a general route corridor along the Stampede Road was identified. Estimated costs, permitting

requirements and other compliance issues were outlined. This information was conveyed to the public in three meetings held in Anchorage, Healy and Fairbanks in January 1997. A draft of the study has been circulated to study group members for their input and a final report will be sent to Congress by April of this year.

Squirrel River Study. Section 604 of ANILCA mandated that the Squirrel River be studied for possible designation as a National Wild and Scenic River. The NPS conducted a study and prepared a draft environmental impact statement in 1985. That EIS was never finalized. Because so much time had passed since release of the NPS draft EIS, the Bureau of Land Management, the agency now charged with completing the study, decided that the best approach would be to start over and prepare a new Legislative EIS.

Initially, after a series of public scoping meetings and consultation with the State of Alaska, the BLM proposed recommending sections of the Squirrel for designation as scenic. A draft legislative EIS was scheduled for release in late 1995 or early 1996. However, the agency has now taken a step back to "address concerns both inside and outside the BLM" and in December 1996 released a "Scoping" draft EIS. The purpose of this document is to ensure that all important issues are identified; that there is an adequate range of alternatives; and that the existing situation and possible impacts from the various alternatives are addressed. The next phase of the study is the preparation and release of another draft environmental impact statement.

The Commission first went on record in opposition to designation of any portion of the Squirrel River as a component of the Wild and Scenic River System when the NPS released its study. During this current round of BLM planning, the Commission has reconfirmed that opposition. The Commission does, however, strongly support completion of the study.

Currently the entire area of the Squirrel River is withdrawn under the ANILCA mandated study. It has been under interim management as a wild and scenic river since 1980. This means that the river is managed to protect its "wild and scenic values" and the lands encompassed by the withdrawal are not available for selection by the State or Native corporations and cannot be conveyed until the withdrawal is lifted. Once the agency makes its recommendation to Congress, a three year time limit for action begins. If Congress takes no action within 3 years, the withdrawal is lifted. The Commission feels it is in the State's interest to complete the study, as it is unlikely that the delegation would support designation.

Commercial Fishing- Glacier Bay National Park. This is an issue with which the Commission has been involved since 1982, our first year of operation. Commission members and staff have been involved with at least 5 different efforts to reach some equitable resolution to commercial fishing within Glacier Bay. The National Park Service has consistently maintained that commercial fishing is not allowed in designated wilderness waters by statute and by regulation in other marine waters surrounded by the park.

In December 1995 another effort began. The Glacier Bay Working Group, consisting of representatives from the National Park Service, Alaska Department of Fish and Game, Governor's office, Lieutenant Governor's office, Commission staff, Sealaska Corporation, the commercial fishing industry, local and national environmental groups held 3 meetings under the guidance of a facilitator. Some progress toward resolving the complicated issues was made, but the effort stalled when the NPS, who had organized the meetings, raised concerns about potential violation to the Administrative Procedures Act (APA). The last meeting was held in May 1996.

In the fall of 1996, the NPS suggested to the Department of the Interior that a negotiated rulemaking process be initiated. This process involves creation of a negotiated rulemaking committee under the authority of an APA charter. The Commission had serious reservations about a negotiated rulemaking process because the NPS made it clear that the regulations developed by the committee would not necessarily be those that would ultimately be adopted. Our reservations were further tempered by the knowledge that the NPS has indicated that it would insist on an eventual shutdown of all fishing within the bay. The commercial fishing industry had made it very clear that such a shutdown was not acceptable.

As of the date of this report, it appears that a negotiated rulemaking will not be pursued by the NPS. Rather, it is our understanding that the agency will revise draft regulations it originally released in 1991. Those regulations are expected to be available for public review within the next few months. While it is not known exactly how the regulations will address commercial fishing in the bay, it is anticipated that fishing in wilderness waters will be terminated within a year and commercial fishing in the remainder of the bay would be phased out over an, as yet, unknown period of time.

The Commission has always opposed closing Glacier Bay to commercial fishing. It is our goal to achieve a solution that is equitable for the industry, protects the resources within the bay and maintains the State of Alaska's ability to manage the fishery. We will continue to work toward that goal.

Alaska Land Managers Forum- Permitting Work Group. During 1996, Commission staff had the opportunity to work with the Alaska Land Managers Permitting Work Group. This group consists of representatives from the Division of Governmental Coordination, Department of Commerce and Economic Development, Department of Natural Resources, Department of fish and Game, U.S. Fish and Wildlife Service, National Park Service, U.S. Forest Service, Bureau of Land Management, Alaska Visitors Association and the Alaska Wilderness Recreation and Tourism Association.

The work group is working toward developing a streamlined permitting process for commercial visitor service providers that operate on the public lands in Alaska. The need for some type of permit streamlining was first identified in the early 1980's by the Alaska

Progress by the work group has been good. Work is underway on a inter-agency *Commercial Visitor Services Guide* which will provide an over view of each agencies permitting and insurance requirements. The group is also looking into standardizing policies and procedures for liability insurance, issuing multi-year permits, developing standardized applications and reporting forms. The Commission staff will continue its involvement with the work group's efforts.

FEDERAL LEGISLATION

On November 12, 1996 President Clinton signed into law the "Omnibus Parks and Public Lands Management Act of 1996" (Public Law 104-333). This law contains a number of sections which affect federal public lands in Alaska. Some portions of the statute, such as Sections 302 and 303, were originally separate bills endorsed by this Commission. Following is a brief outline of those sections directly affecting Alaska.

Section 302: Ratifies the "Donation and Exchange of Lands and Interests in Lands and Wilderness Redesignation Agreement Among Arctic Slope Regional Corporation, Nunamiut Corporation, City of Anaktuvuk Pass and the United States of America," executed December 17, 1992.

Section 303: Directs the Secretary, subject to specified requirements, to: (1) value the rights granted to Koniag, Incorporated and confirmed as valid selections to receive title to certain oil and gas rights and other interests in the subsurface estate of certain public lands in Alaska which Koniag possesses within boundaries of Aniakchak National Monument and Preserve, Alaska Peninsula National Wildlife Refuge, and Becharof National Wildlife Refuge; and (2) enter into negotiations for an agreement or agreements to exchange Federal lands or interests in Alaska for such rights.

Section 311: Kenai Natives Association Equity Act Amendments of 1996- Directs the Secretary to offer to convey to the Kenai Natives Association, Inc. (KNA) specified interests in land and rights in Alaska in return for the conveyance by KNA to the United States of the interests in land or relinquishments of certain Alaska Native Claims Settlements Act of 1971 selections, subject to specified requirements.

Requires the United States to make a specified cash payment to KNA for specified lands, contingent upon the appropriate approvals of the Federal or State of Alaska Exxon Valdez Oil Spill Trustees (or both) necessary for any expenditures of the settlement funds. Directs the Secretary to nominate the Stephanka Tract to the National Register of Historic Places.

Sets forth provisions regarding; (1) removal of KNA lands from the National Wildlife Refuge System, maps, and KNA acceptance of the Secretary's offer; (2) adjustments to the National Wilderness System; and (3) designation of the Lake Tondatonten Special Management Area.

Section 513: Aleutian World War II National Historic Areas Act of 1996- Designates the Aleutian World War II National Historic Area. Directs the Secretary to award grants and provide assistance to the Ounalaska Corporation and the City of Unalaska.

Section 704: Modifies Federal law to direct that 60 percent of the fees paid by permittees to enter Glacier Bay over a specified period be available to: (1) acquire and preposition necessary and adequate emergency response equipment to prevent harm or the threat of harm to aquatic park resources from permittees; and (2) conduct investigations to quantify any effect of permittees' activity on wildlife and other natural resource values of Glacier Bay National Park.

Section 1038: Directs that local residents who are descendants of Katmai residents who lived in the Nakenk Lake and River Drainage be permitted, subject to reasonable regulations established by the Secretary, to continue their traditional fishery for red fish within Katmai National Park.

Section 1039: Authorizes the Cape Fox Corporation to transfer all or part of its right to the 320-acre parcel that includes Beaver Falls Hydroelectric power-house site to the United States as part of an equal value exchange.

Proposed Federal Legislation During the 104th Congress, the Commission also endorsed the following legislative proposals affecting federal public lands in Alaska:

S. 1054- *Southeast Alaska Jobs and Community Protection Act of 1995.*

H.R. 2413- *Tongass Transfer and Transition Act.*

H.R. 2081- *Revised Statute 2477 Rights-of-Way Settlement Act.*

PLANNING DOCUMENTS

During 1996, the Commission received the following planning documents:

Katmai National Park & Preserve- Final Development Concept Plan Brooks River Area.

Klondike Gold Rush National Historic Park- General Management Plan.

Bering Land Bridge National Preserve- Development Concept Plan Nome Visitor Facilities

Glacier Bay National Park and Preserve- Vessel Management Plan.

Denali National Park and Preserve- Southside Development Concept Plan.

Entrance Area & Road Corridor Development Plan.

Tongass National Forest: Tongass Land Management Plan Revision & EIS.

Helicopter Landings in Wilderness EIS.

Stikine Area- Outfitter/Guide EA.

Chugach National Forest: Six Mile Creek Timber Salvage Sale EA

Moose Pass Cooperative Project EA.

CONCLUSION

The Alaska National Interest Lands Conservation Act passed in December 1980. In the intervening 16 years the level of federal land management planning, accompanied by regulation and policy development has been unprecedented. The impacts to the citizens of Alaska and their uses of the federal public lands have been considerable. The level of planning by federal agencies will remain high into the foreseeable future. As a general rule, federal land management plans are revised on a 10 to 15 year schedule. Federal agencies will soon begin revising many of the original ANILCA mandated plans for national park and wildlife refuge units. At the same time, numerous unit specific resource management plans, development concept plans, land protection plans and public use management plans continue to be released.

Problems and conflicts between federal land managers and public land users also continue. During 1996, Commission staff provided assistance to individuals having problems with access to private property within national park units and commercial visitor service activities on federal lands. Whenever possible, the staff will continue to provide similar assistance in 1997. Additionally, the Commission remains committed to resolving the commercial fishing issue in Glacier Bay National Park.

In the coming year, the Citizens' Advisory Commission on Federal Areas will continue to advocate for maximum levels of public involvement in the planning and regulatory processes of all federal agencies and for the protection of customary and traditional uses of the federal public lands throughout Alaska. As competition for public resources increases, cooperation and understanding between user groups will be critical to successful management of these areas. At the same time, federal land management agencies must recognize the role of the public in their planning and regulatory efforts and the effects of their decisions on the citizens of Alaska. This Commission will strive to work toward these and other stated goals during 1997.

**CITIZENS' ADVISORY COMMISSION
ON FEDERAL AREAS
3700 AIRPORT WAY
FAIRBANKS, ALASKA 99709-4699
(907) 451-2775
FAX 451-2761**

COMMISSION MEMBERS

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P.O. Box 61520
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Ms. Kathleen Weeks
425 G. Street, Suite 850
Anchorage, Alaska 99501



Official Business

ALASKA STATE LEGISLATURE

SENATE RESOURCES COMMITTEE

State Capitol
Juneau, AK 99801

Chairman: Senator Rick Halford
Vice Chair: Senator Lyda Green
Senator Loren Leman
Senator Bert Sharp
Senator Robin Taylor
Senator John Torgerson
Senator Georgianna Lincoln

AGENDA

3:30 to 5:00 p.m.

Wednesday, February 26, 1997

Joint with House Resources

BRIEFING: Citizens' Advisory Commission on Federal Areas

Ms. Thyes Shaub, Chairman
Mr. Steven Porter, past Chairman
Mr. Stan Leaphart, Executive Director

* bills previously scheduled

NEXT MEETING

Wednesday, March 5

Schedule to be announced

ADJOURN

P. 10/10

**CITIZENS' ADVISORY COMMISSION
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FAIRBANKS, ALASKA 99709-4699
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Note: Legislators' session address: State Capitol, Juneau, AK 99801-1182

**CITIZENS' ADVISORY COMMISSION
ON FEDERAL AREAS
3700 AIRPORT WAY
FAIRBANKS, AK 99709
(907) 451-2775
FAX (907) 451-2761**

TO: Senate Resources Committee Members
House Resources Committee Members

FROM: Stan Leaphart- Executive Director

DATE: February 26, 1997

SUBJECT: Selected Federal Land Management Issues

Navigable Waters. The following recent regulatory actions attempt to extend Federal management authority and jurisdiction into State-owned navigable waters.

- 1) **National Park Service Regulations (36 CFR Parts 1 and 13)** In July 1996 the National Park Service adopted revised regulations which it claimed simply clarified the "applicability of those regulations that apply in all National Park System areas to waters subject to federal jurisdiction located within park boundaries, including navigable waters." According to the NPS the revision clarified that NPS regulations continue to apply on navigable waters, as they have for years. In actually the regulations improperly extend NPS jurisdiction into State-owned water in direct violation of ANILCA. While no direct effects have been identified as yet, these regulations eventually will be utilized to by the NPS to restrict or regulate use of motorized boats, commercial activities, and recreational uses, including hunting and fishing.
- 2) **BLM Wild and Scenic River Regulations 43 CFR Parts 6400 and 8350).** The BLM has proposed regulations which would establish standards and procedures by which the agency will consider Federal licensing of, or assistance to, water resources projects on components affecting Wild and Scenic Rivers or Study Rivers. In proposing the regulations, the BLM claims authorities under the Wild and Scenic Rivers Act (WSRA) that clearly exceed the agency's authorities under that statute. There are also conflicts with key provisions of the ANILCA and its implementing regulations. Further, there are serious questions regarding study rivers, as well as

requirements for managing both designated and study rivers. The proposed regulations raise particular concerns about the effects on permitting and management of mining activities on State owned navigable waters and development of transportation and utility system corridors under ANILCA Title XI. As proposed, the regulations would almost certainly shutdown suction dredge operations on the Fortymile River and seriously restrict mining activities on any tributary to a wild and scenic river.

- 3) **BLM Law Enforcement Regulations- Criminal (43 CFR Part 9260)**. Released in late 1996, and still under public review, these revisions to the BLM law enforcement regulations have generated considerable public interest and concern. Although the agency categorizes the changes as "housekeeping" type revisions several of the proposed revisions are much more substantive in nature. For example, a key section states that the regulations apply to "activities on or having a clear potential to affect water bodies on or adjacent to BLM lands." In its discussion of the proposed regulations BLM asserts that this statement is "not an attempt to establish ownership over those waters [on or adjacent to BLM lands], but an attempt to clarify BLM's jurisdiction for protection of resources." In fact, BLM has no jurisdiction over waters or lands that are not in Federal ownership. In addition, several sections of the regulations do not reflect specific statutory guidance found in ANILCA for the management of federal public lands in Alaska. The public comment period remains open until March 7, 1997.
- 4) **Glacier Bay National Park**. Management of the marine waters in this park unit continues to be a major concern. In May 1996 the NPS adopted a Vessel Management Plan and regulations for the park which closed large portions of the bay (both wilderness and non-wilderness) to any motorized vessels through most of the summer season. Additionally, a cooperative effort between local and regional NPS staff, State of Alaska agencies, commercial fishing interests and environmental groups to resolve the commercial fishing question now appears to be abandoned by the Department of the Interior. Regulations which will close the bay to commercial fishing are expected in the near future.
- 5) The Department of the Interior has expressed interest in reestablishing the Navigability Task Force which ceased to function in 1995. The Special Assistant to the Secretary of the Interior, in a meeting with the Commission, stated that if the State was willing to participate, they would like to continue with the task force.
- 6) The Commission is considering filing a Petition for Rulemaking with the Secretary of the Interior to request revision of regulations and policies that do not allow BLM to make navigability re-determinations on lands conveyed to Native corporations. Under current procedures, all landowners must agree to re-determinations. This has resulted in what are likely State-owned submerged lands being conveyed to private corporations.

Revised Statute (RS) 2477 Rights-of-Way.

This interim policy, issued by the Secretary of the Interior in January, repeals the 1988 Hodel Policy which was developed and adopted after extensive consultation with Alaska and the other Western public lands states. It also maintains the 1993 moratorium on processing of RS2477 assertions, except in cases where there is a demonstrated, compelling need to make a determination. Further, it establishes a revised policy for carrying out any determinations that the DOI might be called upon to make regarding RS2477.

The interim policy recognizes that anyone making a claim of the existence of an RS 2477 right-of-way continues to have the option of seeking validation of the claim in court. While this is true regardless of DOI policy, there is concern that this policy will negatively impact any future court action on an RS 2477 right-of-way. Any adverse decision on the part of a DOI agency will affect the outcome in any quiet title action, particularly since DOI will be a party to any action on a claim involving lands under its management authority.

The interim policy does provide for an entity to ask the DOI to make a determination of validity in advance of adoption of final regulations if there is a "demonstrated, compelling and immediate need" for such determination. The policy contains no definition or explanation of what constitutes a "demonstrated, compelling and immediate need." If the department does not believe such a need exists a request will not be processed.

One of the major problems of the 1994 draft regulations was the definition of construction. The draft regulations would require that in order to meet the definition of construction, intentional physical acts must have been performed with the achieved purpose of preparing a durable, observable physical modification of land and that the modification be suitable for highway traffic. Creation of a right-of-way by passage of vehicles or people- the so-called "public user" standard- would only be recognized if the right-of-way was subsequently maintained by acts that meet the requirements of construction. The interim policy maintains the same restrictive definition and criteria. We should point out that the courts have long recognized the validity of rights-of-way created through the passage of vehicles, pack animals and even foot traffic. Many trails still in use today in Alaska were created by simple public use.

As with the section on construction, the interim policy reflects the definition of highway proposed in the 1994 draft regulations. In order to meet the standard in the interim policy a RS 2477 would have to constitute a thoroughfare used prior to October 21, 1976 by the public for the passage of vehicles carrying people or goods from place to place.

It is still too soon to determine exactly how this interim policy will affect Alaska's ability to assert its rights under RS 2477. Commission members were told at our December 1996 meeting that the Department of the Interior would be re-writing the draft RS 2477 regulations and releasing them for another round of public review and comment by late this year.

Endangered Species Act (ESA)

The U.S. Fish and Wildlife Service is currently conducting a status review for the Alexander Archipelago Wolf and the Queen Charlotte Goshawk to determine if either or both species should be listed as threatened under the ESA. Previous status reviews resulted in determinations that listing was not warranted for either species. Listing could have disastrous implications for the timber industry in Southeast Alaska. Listing of the Stellar Sea Lion as threatened (endangered for the Western Alaska population) has had major impacts on the commercial fishing industry in the Bering Sea and Aleutian Islands areas.

At present both the wolf and the goshawk are listed as "species of concern," along with some 15 other birds, mammals and fishes in Alaska. There are some 10 species of birds and mammals in Alaska currently listed as threatened or endangered. Absent some reforms to the ESA and the manner in which it is implemented, its effects will increase in Alaska.

International Area Designations

There is increasing concern about programs such as the United Nations Man and the Biosphere Program and the World Heritage Convention. These programs have resulted in the designation of some 67 sites throughout the United States, including 4 Biosphere Reserves and 2 World Heritage Sites in Alaska. There are an additional 7 areas in Alaska that have been nominated for inclusion on the World Heritage Sites list. The National Park Service has for several years moved forward to implement the designation of 3 national park units in northwestern Alaska as the Beringian Heritage International Park.

The Alaska Legislature is currently considering passage of HJR14 "Relating to supporting the "American Land Sovereignty Protection Act." This act was introduced by Congressman Don Young during the last 104th Congress. This bill would require Congressional approval prior to restricting any use of U.S. land under international agreements.

Studies

BLM- Squirrel River Wild & Scenic River Suitability Study. Mandated by Section 604 of ANILCA, the study has never been completed. A Scoping Draft EIS is currently under review. Public comment period on the scoping draft ends 1/31/96.

Following public comment period, BLM will make any revisions, select a preferred alternative and publish a draft EIS. Target date "early 1997."

NPS- Denali National Park & Preserve- Northern Access Study. Congress directed the NPS, Alaska, in consultation with the State of Alaska, to conduct a feasibility study for a northern access route into Denali NP&P. Report due to Congress April 1997.

On the Horizon

US Fish & Wildlife Service- Review and Revision of the Comprehensive Conservation Plans for National Wildlife Refuges in Alaska. The agency has indicated that it will begin the process of revising the management plans for the 16 national wildlife refuges in Alaska in 1997.

US Forest Service- Revision of Chugach Forest Plan. Agency is currently conducting a "need to change" analysis to determine scope of revision. Formal scoping will begin with publication of Notice of Intent sometime in mid 1997.

BRIEFING:

COMINCO,

ALASKA



Official Business

ALASKA STATE LEGISLATURE

SENATE RESOURCES COMMITTEE

State Capitol
Juneau, AK 99801

Chairman: Senator Rick Halford
Vice Chair: Senator Lyda Green
Senator Loren Leman
Senator Bert Sharp
Senator Robin Taylor
Senator John Torgerson
Senator Georgianna Lincoln

AGENDA
1:00 TO 3:00 p.m.
Tuesday, January 21, 1997

BRIEFING: COMINCO ALASKA

Doug Horswell, Vice President, Environmental and Government Affairs, Cominco, Ltd
John Key, General Manager, Red Dog Mine, Cominco Alaska
Charlotte McCay, Senior Administrator, Environmental and Regulatory Affairs, Cominco Alaska
Sarah Scanlon, Vice President, Corporate Affairs, Nana Development Corporation

I Introduction

- Red Dog Mine
- Cominco Alaska, Ltd
- Zinc Market
- Zinc Industry

II Discussion

- Beginning of Red Dog Mine
- Nana - Cominco Partnership
- AIDEA Transportation System Funding
- National Park Service Road Agreement
- Cominco Commitment to Mining in Alaska

III Background Video

IV Benefit to Local and State Economy

- Native Shareholders
- State of Alaska

V Upcoming Cominco Developments

VI Exploration in Alaska

VII State/Private Sector Cooperation

NEXT MEETING

Wednesday, January 22:

Overview - Department of Natural Resources

ADJOURN



Official Business

ALASKA STATE LEGISLATURE

SENATE RESOURCES COMMITTEE

State Capitol
Juneau, AK 99801

Chairman: Senator Rick Halford
Vice Chair: Senator Lyda Green
Senator Loren Leman
Senator Bert Sharp
Senator Robin Taylor
Senator John Torgerson
Senator Georgianna Lincoln

AGENDA

3:30 to 5:00 p.m.

Friday, January 31, 1997

BRIEFING:

NATIONAL PARK SERVICE

Bob Barbee	Field Director, Alaska Field Area, National Park Service
Steve Martin	Superintendent, Denali National Park and Preserve
Jim Brady	Superintendent, Glacier Bay National Park and Preserve
Judy Gottlieb	Assistant Field Director, Alaska Field Area
John Quinley	Public Affairs Officer, Alaska Field Area

- I Introduction and Overview Bob Barbee
 - NPS priorities for the coming years
 - Development plans: Katmai, Wrangell-St. Elias, Kenai Fjord
- II Denali National Park Steve Martin.
 - Public access and development
- III Glacier Bay National Park Jim Brady
 - Cruise ships, commercial fishing and development

BRIEFING:

COMINCO ALASKA

Doug Horswell, Vice President, Environmental and Government Affairs, Cominco, Ltd
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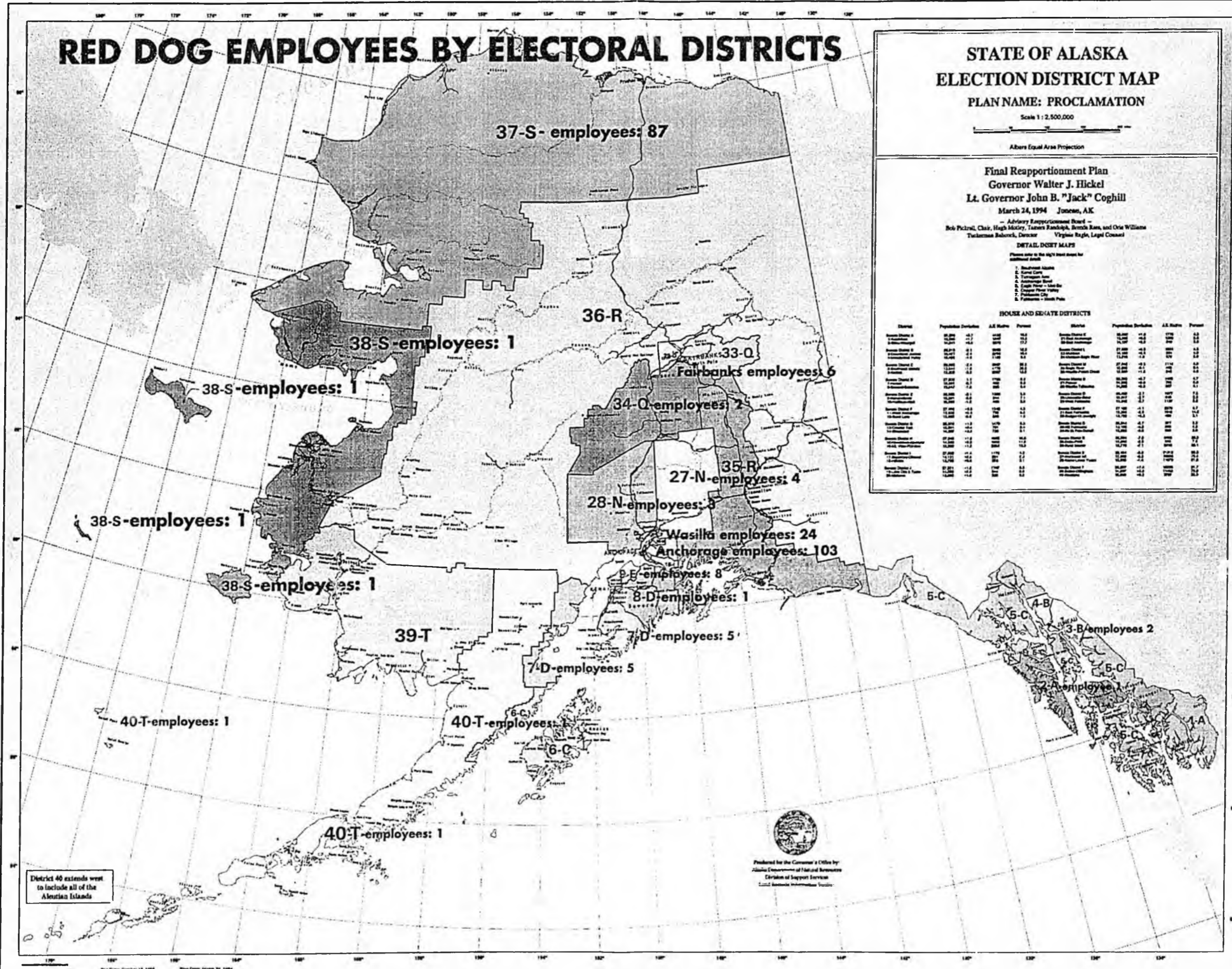
VII State/Private Sector Cooperation

NEXT MEETING

Monday, February 3, 1997:

ADJOURN

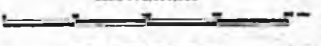
RED DOG EMPLOYEES BY ELECTORAL DISTRICTS



STATE OF ALASKA ELECTION DISTRICT MAP

PLAN NAME: PROCLAMATION

Scale 1 : 2,500,000



Albers Equal Area Projection

Final Reapportionment Plan
Governor Walter J. Hickel
Lt. Governor John B. "Jack" Coghill

March 24, 1994 Juneau, AK
Advisory Reapportionment Board
Bob Pichell, Chair, Hugh McIntire, Tamara Randsdahl, Brenda Ross, and Chris Williams
Tina Marie Beland, Director Virginia Ruffa, Legal Counsel

DETAIL DISTRICT MAPS

Please refer to the right hand sheet for additional maps

- 1. Southeast Alaska
- 2. Juneau City
- 3. Fairbanks Area
- 4. Fairbanks Area
- 5. Anchorage Area - West Side
- 6. Anchorage Area - East Side
- 7. Anchorage Area - North Side
- 8. Anchorage Area - South Side

HOUSE AND SENATE DISTRICTS

District	Population	Area	House	Senate	Population	Area	House	Senate
1	10,000	10,000	1	1	10,000	10,000	1	1
2	10,000	10,000	2	2	10,000	10,000	2	2
3	10,000	10,000	3	3	10,000	10,000	3	3
4	10,000	10,000	4	4	10,000	10,000	4	4
5	10,000	10,000	5	5	10,000	10,000	5	5
6	10,000	10,000	6	6	10,000	10,000	6	6
7	10,000	10,000	7	7	10,000	10,000	7	7
8	10,000	10,000	8	8	10,000	10,000	8	8
9	10,000	10,000	9	9	10,000	10,000	9	9
10	10,000	10,000	10	10	10,000	10,000	10	10
11	10,000	10,000	11	11	10,000	10,000	11	11
12	10,000	10,000	12	12	10,000	10,000	12	12
13	10,000	10,000	13	13	10,000	10,000	13	13
14	10,000	10,000	14	14	10,000	10,000	14	14
15	10,000	10,000	15	15	10,000	10,000	15	15
16	10,000	10,000	16	16	10,000	10,000	16	16
17	10,000	10,000	17	17	10,000	10,000	17	17
18	10,000	10,000	18	18	10,000	10,000	18	18
19	10,000	10,000	19	19	10,000	10,000	19	19
20	10,000	10,000	20	20	10,000	10,000	20	20
21	10,000	10,000	21	21	10,000	10,000	21	21
22	10,000	10,000	22	22	10,000	10,000	22	22
23	10,000	10,000	23	23	10,000	10,000	23	23
24	10,000	10,000	24	24	10,000	10,000	24	24
25	10,000	10,000	25	25	10,000	10,000	25	25
26	10,000	10,000	26	26	10,000	10,000	26	26
27	10,000	10,000	27	27	10,000	10,000	27	27
28	10,000	10,000	28	28	10,000	10,000	28	28
29	10,000	10,000	29	29	10,000	10,000	29	29
30	10,000	10,000	30	30	10,000	10,000	30	30
31	10,000	10,000	31	31	10,000	10,000	31	31
32	10,000	10,000	32	32	10,000	10,000	32	32
33	10,000	10,000	33	33	10,000	10,000	33	33
34	10,000	10,000	34	34	10,000	10,000	34	34
35	10,000	10,000	35	35	10,000	10,000	35	35
36	10,000	10,000	36	36	10,000	10,000	36	36
37	10,000	10,000	37	37	10,000	10,000	37	37
38	10,000	10,000	38	38	10,000	10,000	38	38
39	10,000	10,000	39	39	10,000	10,000	39	39
40	10,000	10,000	40	40	10,000	10,000	40	40
41	10,000	10,000	41	41	10,000	10,000	41	41
42	10,000	10,000	42	42	10,000	10,000	42	42
43	10,000	10,000	43	43	10,000	10,000	43	43
44	10,000	10,000	44	44	10,000	10,000	44	44
45	10,000	10,000	45	45	10,000	10,000	45	45
46	10,000	10,000	46	46	10,000	10,000	46	46
47	10,000	10,000	47	47	10,000	10,000	47	47
48	10,000	10,000	48	48	10,000	10,000	48	48
49	10,000	10,000	49	49	10,000	10,000	49	49
50	10,000	10,000	50	50	10,000	10,000	50	50

District 40 extends west to include all of the Aleutian Islands



Printed for the Governor's Office by
Alaska Department of Administration
Division of Support Services
2222 Stevens Highway, Anchorage, Alaska 99501



Cominco Alaska/Red Dog Mine Employees by Election District

2/A	Sitka	1	37/S	Ambler	4
3/B	Juneau	2		Buckland	9
7/D	Homer	3		Kiana	15
	Seldovia	1		Kivalina	5
	Anchor Pt.	1		Kotzebue	15
8/D	Kasiloff	1		Noatak	14
9/E	Soldotna	4		Selawik	4
	Nikiski	1		Shishmaref	1
	Kenai	3		Shungnak	6
10/E	Anchorage	10		Noorvik	14
11/F	Anchorage	7	38/S	Nome	1
12/F	Anchorage	7	40/T	Kokhanok	1
13/G	Anchorage	8			
15/H	Anchorage	8		Total	261
16/H	Anchorage	12			
17/I	Anchorage	4			
18/I	Anchorage	5			
19/J	Anchorage	8			
20/J	Anchorage	14			
21/K	Anchorage	10			
22/K	Anchorage	1			
24/K	Anchorage	1			
25/M	Chugiak	1			
	Eagle River	9			
26/M	Wasilla	24			
27/N	Palmer	3			
	Sutton	1			
28/N	Big Lake	1			
	Talkeetna	1			
	Willow	1			
29/C	Ester	1			
32/P	Fairbanks	6			
34/Q	North Pole	2			
36/R	Nenana	1			



RED DOG MINE

P.O. Box 1230 • Kotzebue, Alaska 99752

Phone (907) 426-9141 • FAX (907) 426-2177





**Cominco Alaska/1996
Dollars Spent by Election District**

<u>Election District</u>	<u>Dollars Spent .</u>
1/A	\$5,199.00
8/D	\$7,382.00
9/E	\$7,097.12
10/E	\$40,416.81
11/F	\$6,249,210.69
12/F	\$10,967.76
13/G	\$16,890.42
14/G	\$185,718.24
15/H	\$1,271,865.99
16/H	\$1,850,752.69
17/I	\$1,008,387.78
19/J	\$26,246.86
20/J	\$4,031,723.09
21/K	\$2,061.91
25/M	\$247,133.35
26/M	\$467,237.14
27/N	\$1,412.32
28/N	\$1,780.00
30/O	\$215,440.68
31/P	\$235,276.00
32/P	\$3,340.00
35/R	\$26,861.90
37/S	<u>\$32,891.68</u>
	\$15,476,276.39





1996 Vendor List
Cominco Alaska

<u>Election District</u>	<u>Vendor</u>
1/A	CRC Cultural Services
8/D	Anglers Lodge & Fish Camp
	Mining & Petroleum Training
9/E	Hotcoat Systems
	Morgan Steel
	Dave Egge Repair
10/E	Steam Supply
	Grinnel Fire Protection
	Stephens Tool Rentals
	Orange Sol Inc.
	Alyeska Pump & Equipment
	Secorp Industries
	Stinebaugh & Co.
	Uresco Construction Material
	Waukesha Alaska Corp.
11/F	Alaska Steel
	Unit Process Company
	Garness Industrial
	Wastinghouse Electric Supply
	Maskell Robbins
	NC Machinery
	Alaska Pacific Powder
	Arctic Wire Rope & Supply
	Air Liquide
	Alaska Winter
	Asplund Supply
	Hilti
	Genuine Parts
	Spenard Builders Supply
	Automated Laundry services
	Furbish Chemical



	Raven Electric
	Grainger
	Alaska Diesel Electric
	Drivetrain Distributors
	Young's Firehouse
	Yukon Fire Protection
	ERA Aviation
	Northern Test Lab
	Coast Crane
	Safety & Supply
	Rubey Engine & Electrical Service
	Big Three Lincoln
	Anchorage Yamaha
	Southern Air Transport
	Alaska X-Ray
	Ametek Inc.
	Johnstone Supply
	Alaska Builders Cache
12/F	Bowman Distributors
13/G	Delta Western Anchorage
	Exercise Equipment Center
	Alaska Eye Care Center
14/G	Alaska Truck Center
	Jackovich Industrial
	Inlet Petroleum
	Preservative Paint Company
	Suburban Propane
	Auto Electric Sales
	DJ Alaska Rentals
	Six Robbless
	Testing Institute of Alaska
	EJ Company
	Air Van North America
	North America Van Lines
	Laynes Art & Frame
15/H	Taiga Sales
	Frigid North
	Surveyors Exchange
	Cal Worthington Ford
	Capital Glass
	Anchorage Reprographics
	Fairweather Inc.
	Stewarts Photo Shop
	Action Locksmiths
	Army Navy Surplus
	Alaska Newspapers

16/H

AIC
Electronic Supply Center
Bicycle Shop
Satellite Alaska
Alaska Computer and Typewriter
Lantech
Cardiff Wireless
Wolf's
Peratrovich Nottingham
Bovey Trophy
Snap On Tools
Pameco-Aire
USGS Earth Science Information
PC Possibilities
Visual Communications Group
Alaska Sales & Service
Alaska Industrial Hardware
Potelcom Supply
B & B Tool Supply
Pacific North Equipment
GCR Anchorage Truck Tire Center
Salhberg Safety Supply
Totem Equipment & Supply
Ace Supply
Alaska Mill & Feed
Alaska Mining and Diving
Aeromap US
Cummins Northwest
Far North Supply
Lewis & Lewis
Steel Fabricators
Arctic Controls
Alaska Tool & Equipment
Bob's Services
Stake Shop
General Parts and Service
Automatic Welding & Supply
Kenworth of Alaska
Safety Inc.
Anchorage Suzuki/Arctic Cat
AAA Billiards Sales & Service
Arctic Technology
Audio Video
Engineered Fire Systems
Northern Lights Avionics
Interstate Battery System

17/I

American Sigma-Arctic Contractors
Tom's Plumbing & Heating
Anchorage Cold Storage
Fessler Equipment
Philip Environmental Chemical
Suncoast Pictures
Yukon Equipment
Polar Reproduction Supply
Signs Now
Rayville Enterprises
Alaska Pipe & Supply
Alaska Pump & Supply
DSR Companies
Alaska Yacht World
Trailer Craft
Liberty Alaska
Alaska Fire Inc.
Unitech of Alaska
Pacific Detroit Diesel
Warning Lites of Alaska
Pioneer Door
Eagle Enterprises
Radiator Shop
Alaska Auto Electric Rebuild
Arctic Surveyors Instrument
Quality Fabrication
Superior Plumbing Western States Electric Inc.
Polar Refrigeration
Alaska Industrial Resources
Vallen Safety Supply Company
Alaska Power Sports
Signs and Sounds
Lee's Embroidery
Keystone Industrial
Chill Out Parts and Equipment
Kit's Camera
Dryden Instruments
Borders Books and Music
Pacific Tile
Computer City Corporate Sales
Industrial Lift Truck
Northwood Furniture
Alaska Valve & Fitting
Winter Telecom
Dowland Bach
Ameritone

19/J

Alaska Bearing
Arctic Office Products
Graybar Electric
Construction Machinery
Polar Supply
Alaska Hydraulics
Professional Paint
Van Ooteghem
AAA Rubber Stamp & Engraving
Debenham Electric
Xerox Corporation
Bearing Engineering
Alaska Rubber
Alaska Instrument Company
Control Contractors
Moore Business Forms
Unique Machine & Welding
Fasteners Fire & Equipment
Alaska Electronics Supply
Central Plumbing & Heating
Industrial Valve & Heating
Zee Medical Services
Alaska Pure Water Products
Industrial Boiler & Controls
J & J Services
Quality Litho Printing
Anchorage Telephone Utility
Hayden Electric Motor
General Communication Inc.
Hobart Sales & Service
Honeywell
Arctic Welding Supply
Northern Office Supply
Alaska Diesel Service
Chemex Labs
Eba Engineering
Office Products & Services
Computerland
Gary Kings
Alaska Telecom
Strusser Electric
Curtis & Campbell
Mt. McKinley Fence Co.
Alaska Mechanical
Ronan
R. T. Rude Corporation

Atlas Alaska
Cadillac Plastic
Commercial Testing & Engineering
Alaska Generator & Engine
Refrigerator & Food Equipment
Alaska Pacific Water Group
Molecutech
K Appliance
ENSR Consulting & Engineering
Debenham Electric
Industrial Gasket
General Electric
Ken's Electronic Service
Alaska Scientific
Refrigeration Supplies
Opensystems Inc.
NANA Oilfield Services
Chemex Labs
Hoefer Consulting Group
Nalco/Exxon Energy Chemical
Recreation Equipment
Red Wing Shoe Store
Engineered Equipment
Shimeks Audio
Haztek
Don Dwiggins Associates
Sears Roebuck
Time Frame
Water Works
Cleanair Alaska
Harolds Appliance
Bay Networks
Key c/o The Alaska Showroom
Microplay
North Slope Telecom
Precision Power Company
Financial System Products
Alaska Auto & Marine Supply
Sound Tech
Kinko Copies
Providence Alaska Medical Center
Motorola Communications
Arctic Rubber & Urethane
Brecht Studio
RWJ Consulting
Geiger Brothers West

21/K

25/M

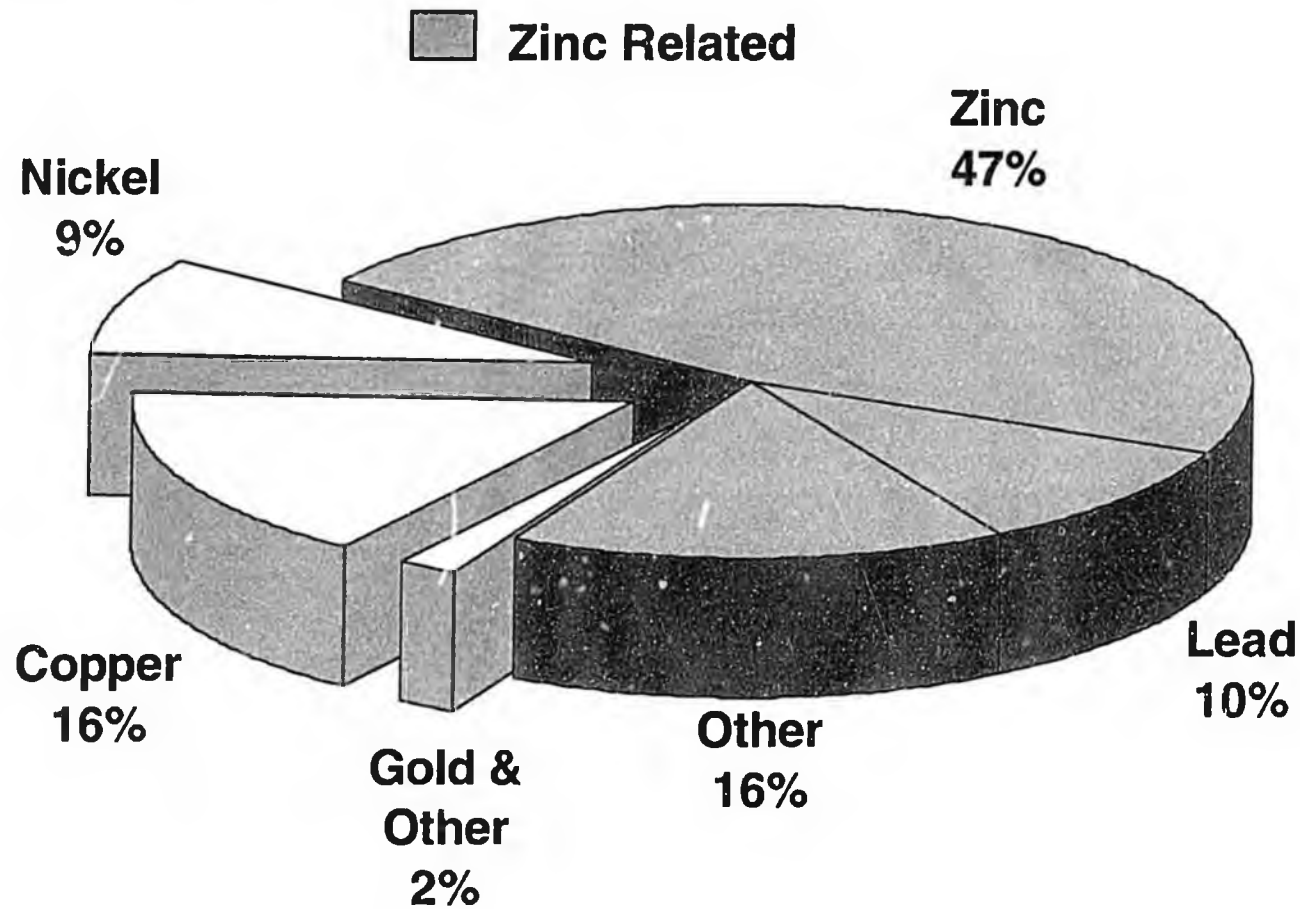
26/M	Suzuki Arctic Cat Motor Sports Gorilla FireWorks Tony Chevrolet Microspecialties Outdoor & More Sporting Goods Little Susitna Hydroseeding Nye Frontier Ford
27/N	Alaska Paint Materials Center Tundra Marketing
28/N	Satellite TV Systems
30/O	Florcraft Everts Air Fuel BCS Consulting Service Northern Land Use Research U of A Fairbanks
31/P	Corporate Express Denali Industrial Supply Alaska Tent & Tarp NDE Consultants Six Robbless Brown & Sons Arctic Fire & Equipment Altrol Inc. Northern Test Lab Capital Office System
32/P	Skidmore Machine Tool Company
35/R	Inchcape Testing Services
37/S	Napa Auto Parts Jerry Norton H & L Sales Hanson Eagle Quality Center Northwest Motor Sports Albert Norton Sleds

Cominco

- Established in 1906
- World's largest zinc ore reserves
- World's largest zinc mining company
- Third largest zinc refining company
- Technology leader
- Sales of \$1.6 billion



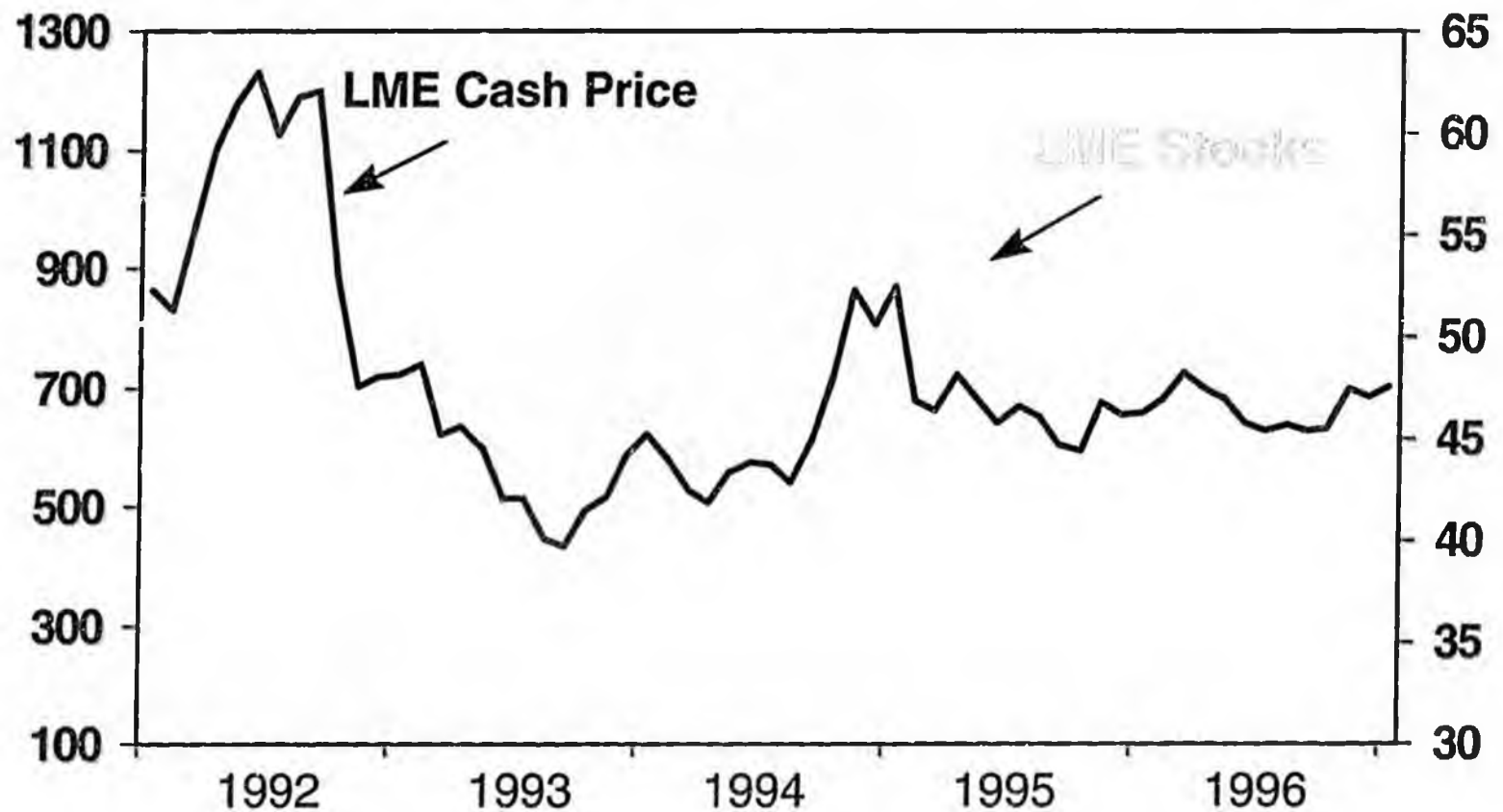
Product Contribution to Revenue (1996)



LME Zinc

Metric Tonnes (thousands)

US Cents / lb



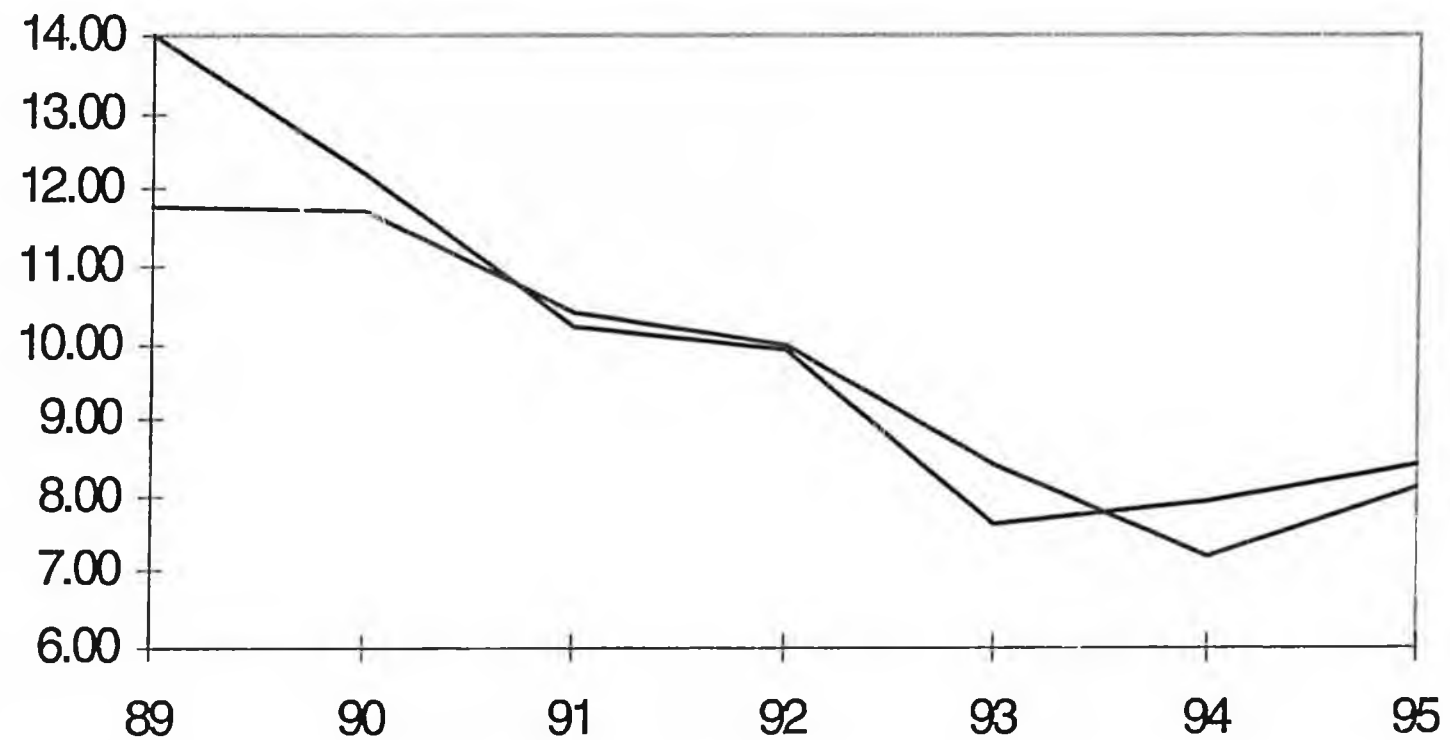
Prices and stocks plotted to January 10, 1997

Source: Metals Week

Zinc Industry Profitability

RESOURCES: IEPIC - WORLD WIDE

Aggregate Profitability (1995 US\$ billion)





Top 10 Western World Zinc Mines

1996 Production

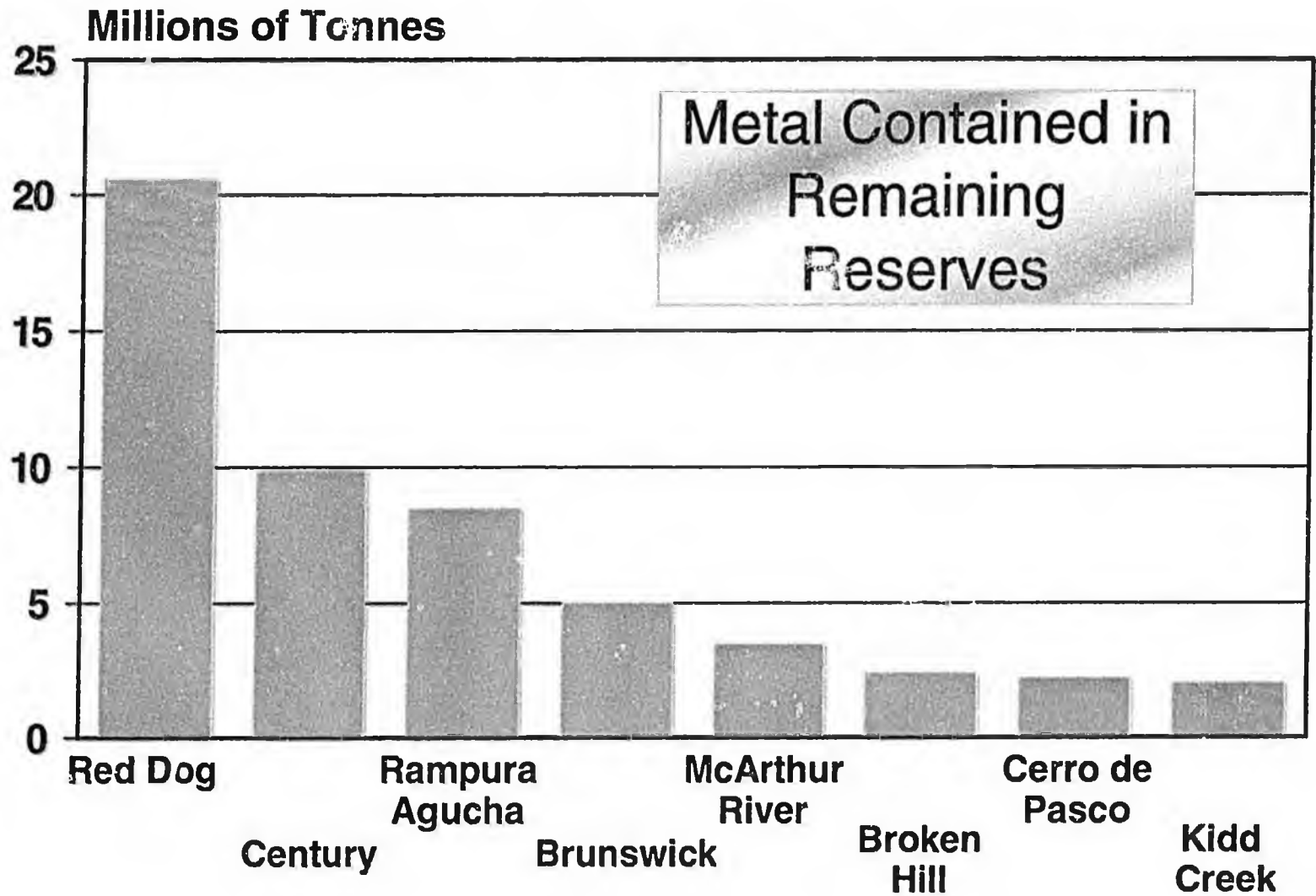
Thousand Tonnes
Contained Zinc

1. Red Dog	Alaska	325
2. Brunswick	Canada	245
3. Mount Isa	Australia	210
4. Cerro De Pasco	Peru	185
5. Broken Hill	Australia	175
6. Tara	Ireland	170
7. Faro	Canada	135
8. Helleyer	Australia	130
9. Polarix	Canada	120
10. Sullivan	Canada	120

Source: Brook Hunt, Cominco



Alaska Leads the World in Zinc Reserves



Red Dog Beginning

RESOURCES - WORLDWIDE

- ◎ NANA Land Agreement
- ◎ AIDA Road/Port Agreement
- ◎ National Park Service Road Agreement
- ◎ Permitting Difficulties

Commitment to Red Dog

RESOURCE WORLDWIDE

- ⊙ Cominco initial investment was \$250 million
- ⊙ Additional capital to make it work totaled \$35 million
- ⊙ Capital invested to make environmental improvements totaled \$46 Million

RED DOG RESERVES

RESOURCEFUL WORLDWIDE

	TONNES	GRADE
MAIN	52,000,000	19.5/5.3/100
AQQALUK	76,000,000	13.7/3.6/66
HILLTOP	9,600,000	17.8/5.5/117
TOTAL	137,600,000	16.2/4.4/82

Returns from Red Dog

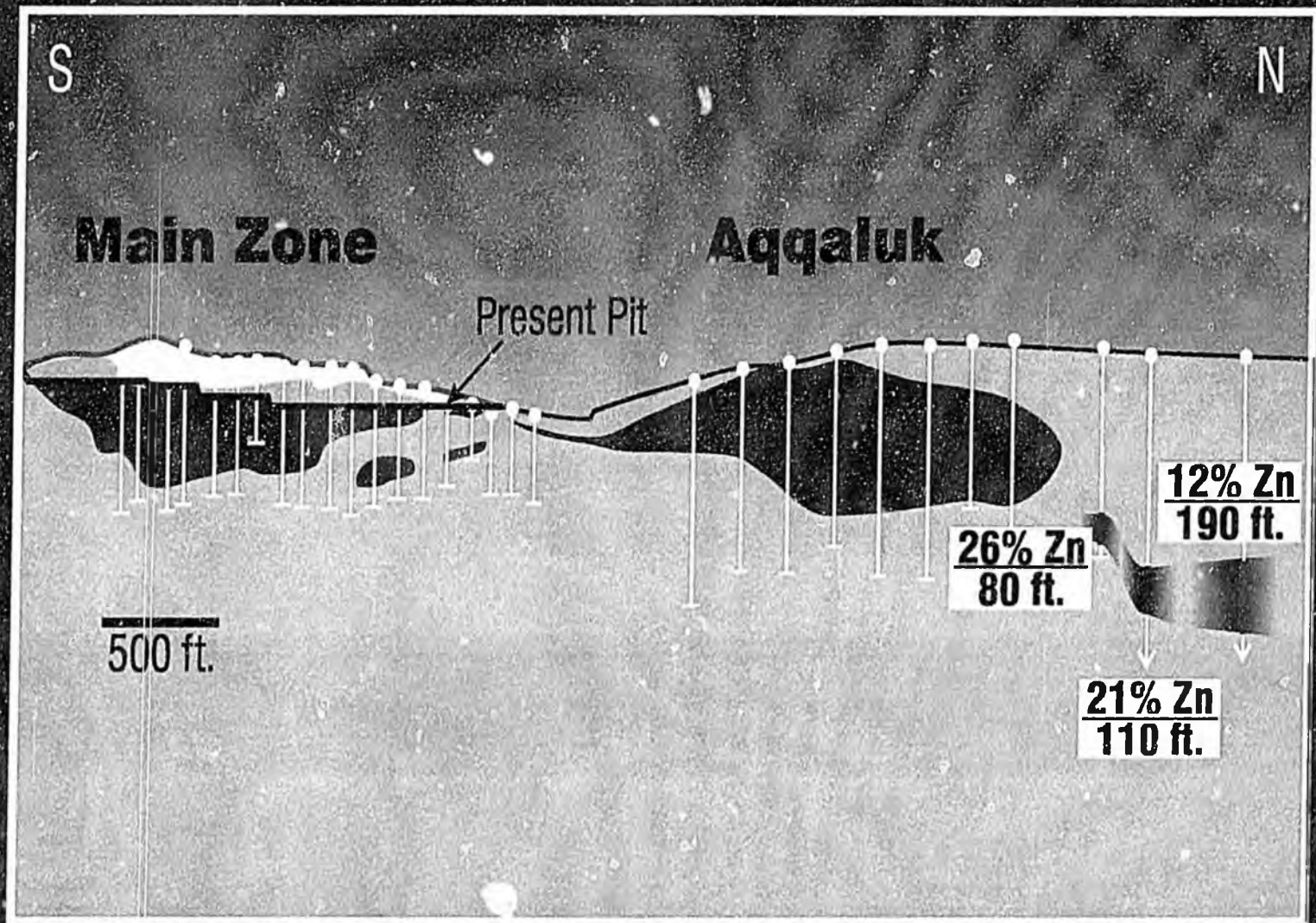
RE-OURCEPII - WORLDWIDE

◎ Operating profit by year:

90	\$ 1,580,000
91	\$ (20,572,000)
92	\$ (39,289,000)
93	\$ (80,602,000)
94	\$ (24,219,000)
95	\$ (7,465,000)
96	\$ 18,709,000
Total	\$(151,858,000)

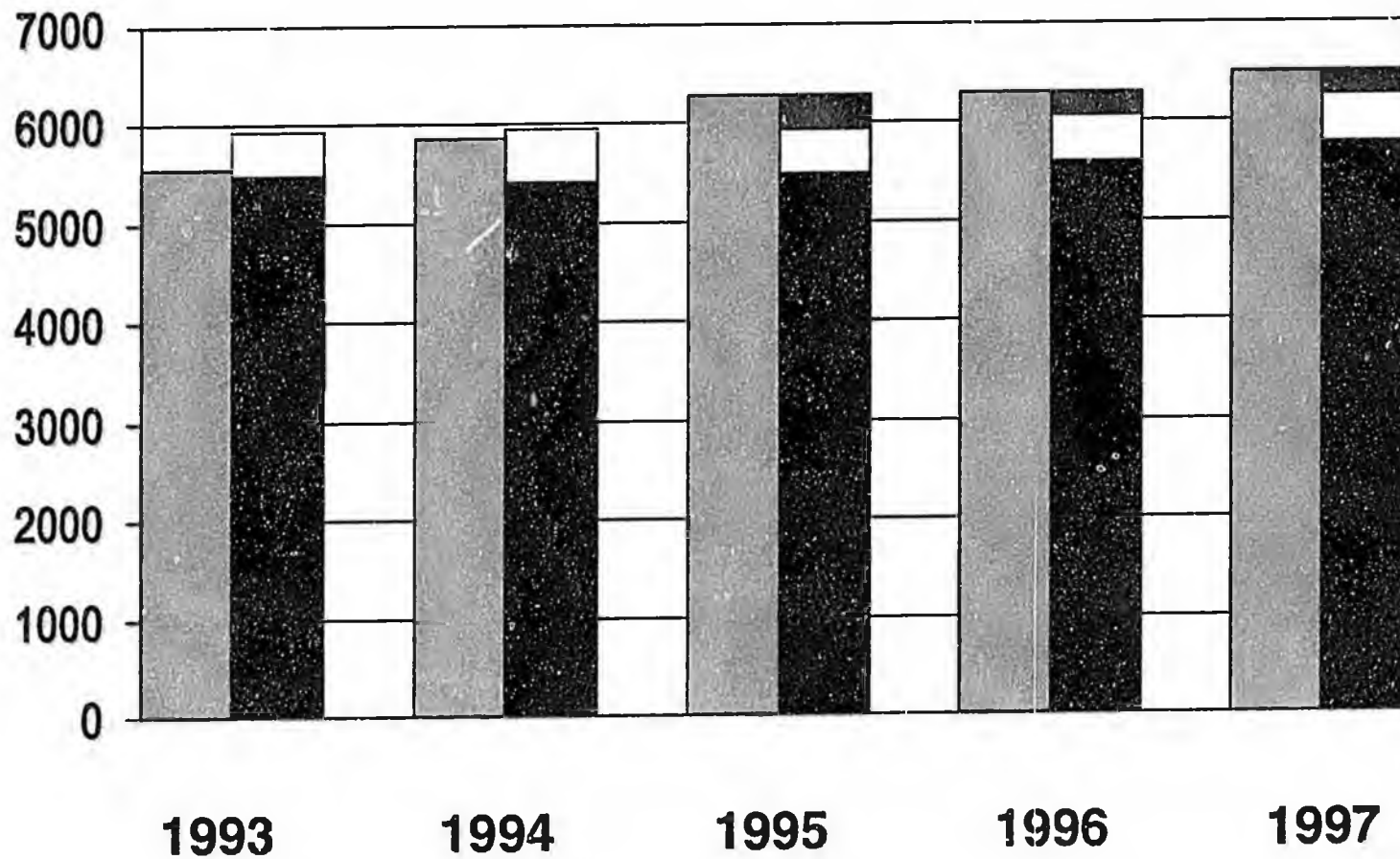
Red Dog - Aqqaluk Drill Section

RESOURCEFUL - WORLDWIDE

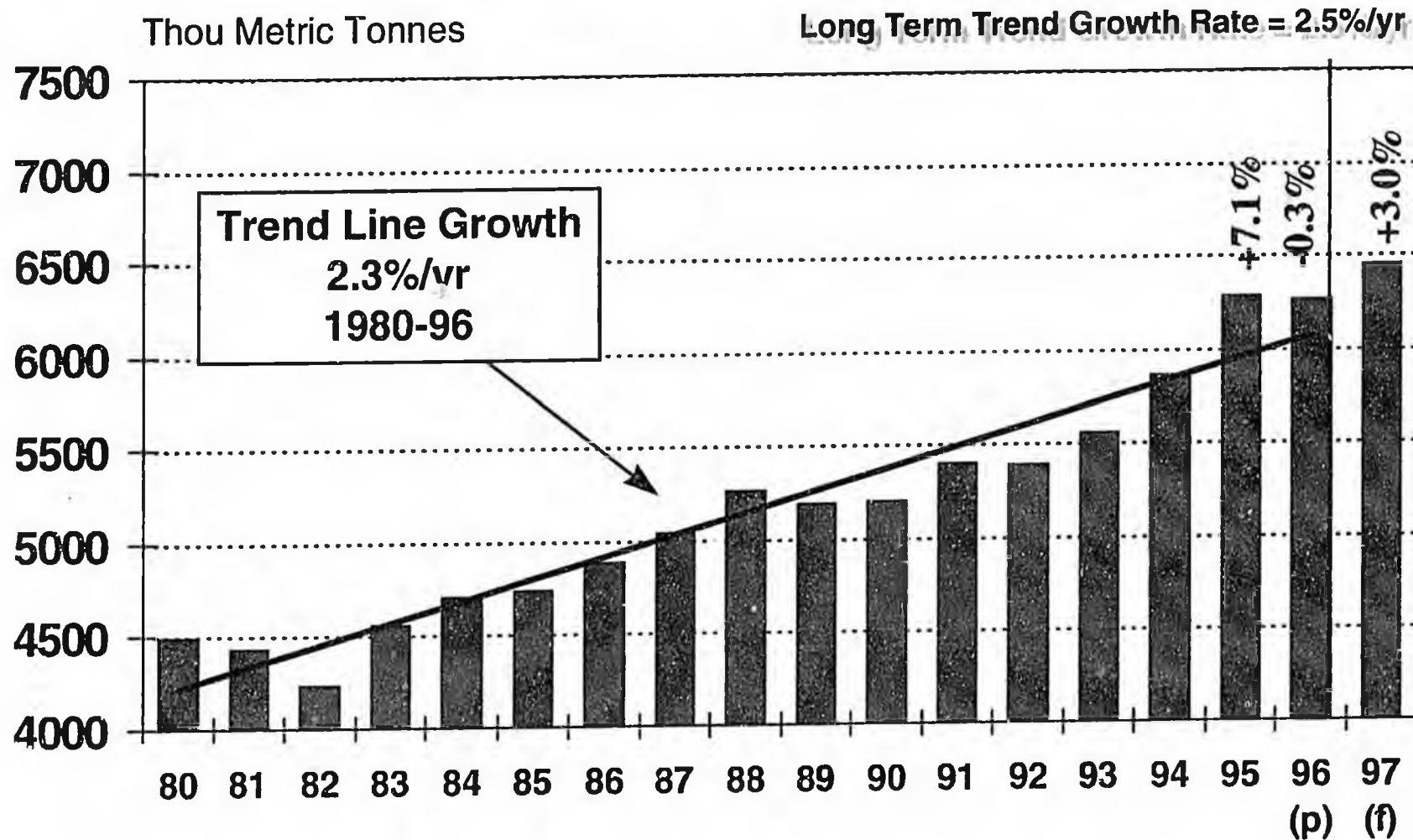


Western World Experiencing Zinc Deficit

WW Consumption WW Supply EW Trade Stock Drawdown



Western World Refined Zinc Consumption



Source: ILZSG, Cominco

Cominco - A Zinc Company

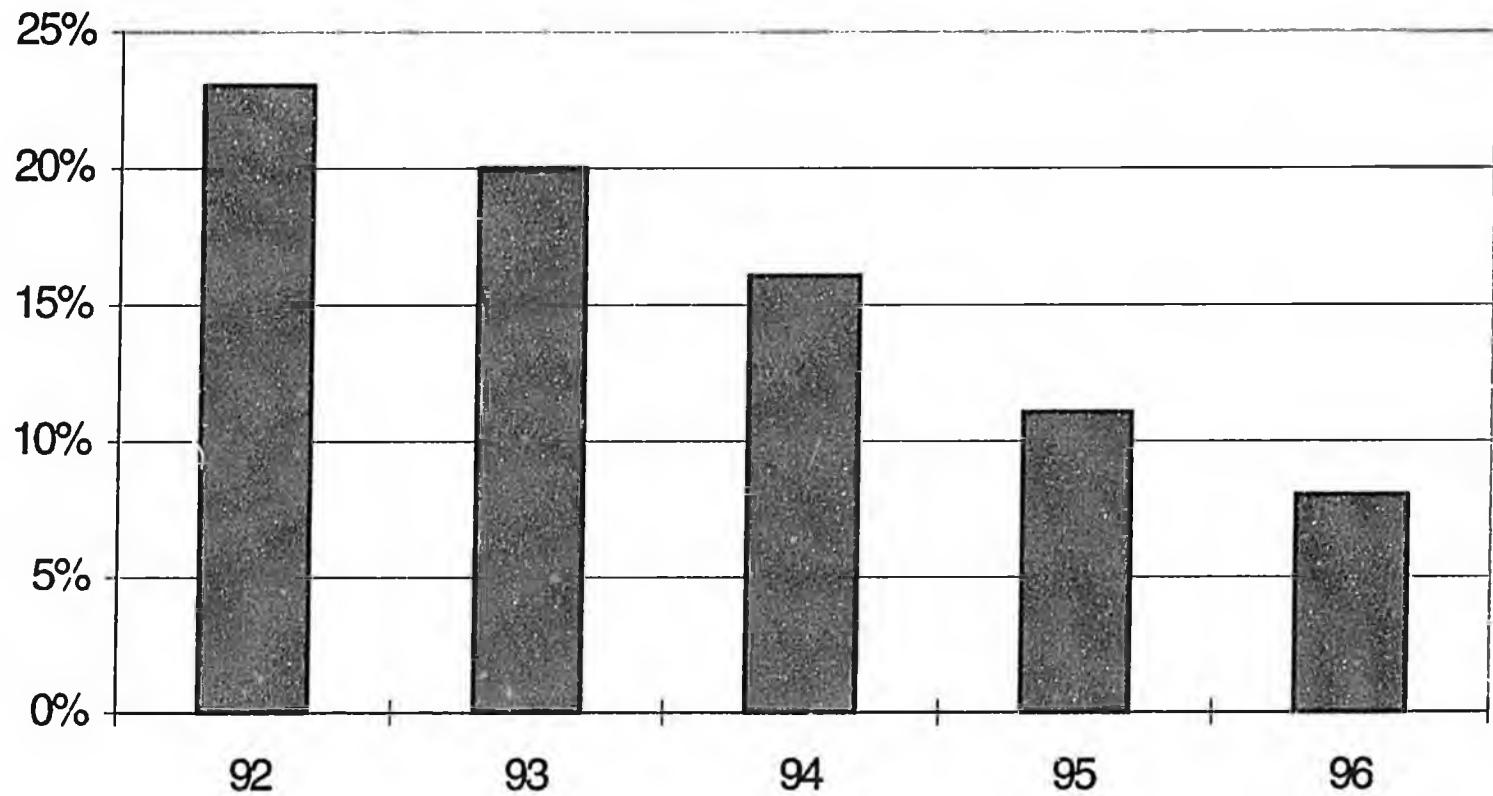
RESOURCEFUL - WORLDWIDE

- ◎ 75% of Revenue Zinc Related
- ◎ Technological Leader in Zinc
- ◎ Refinery and Smelting Capacity
Dedicated to Red Dog
- ◎ Industry Leader in Marketing Zinc
Concentrates and Metal
- ◎ Cominco's future is Zinc

U.S. Share of Global Exploration Expenditures

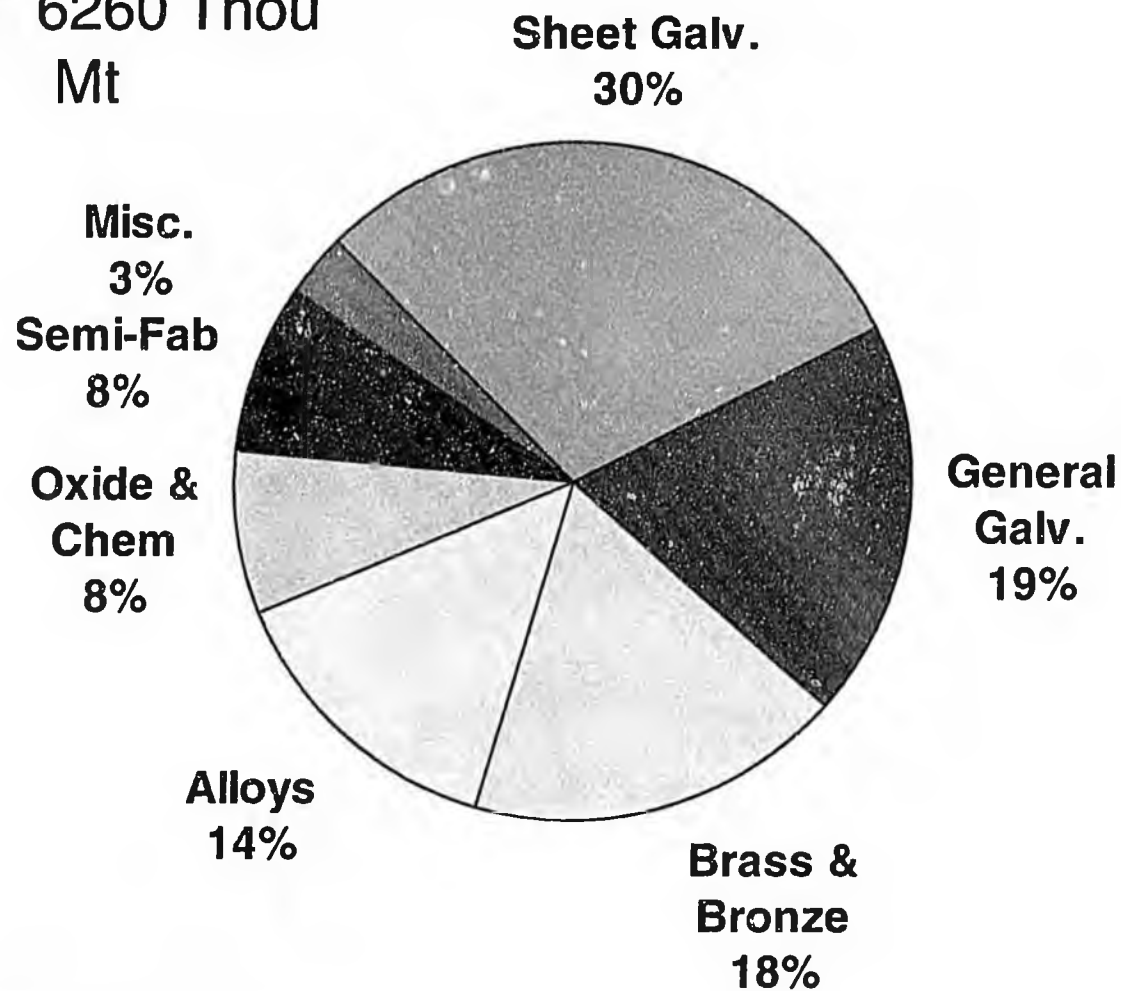
RESOURCEFUL - WORLDWIDE

United States



Western World Refined Zinc Consumption by End-Use (1996)

Total: 6260 Thou
Mt



Source: ILZSG, Cominco

RED DOG

FACTS

History

The Red Dog zinc/lead ore deposit is situated in the DeLong Mountains of the Brooks Range, 90 miles north of Kotzebue, and roughly 55 miles from the Chukchi Sea. It is situated within the Northwest Arctic Borough.

The first report of mineralization in the Red Dog area was in 1953. At that time, geologists noted mineral staining in the area. In 1968, mention of potential mineralization in the Red Dog area was made again to the U.S. Geological survey (USGS).

The Red Dog Deposit was later documented by Mr. Irving Tailleir of the U.S. Geological Survey in 1970. The late Bob Baker of Kotzebue, Alaska, a bush pilot and prospector, noticed a rusty alteration zone in Red Dog Creek while flying over the area. He brought it to the attention of Mr. Tailleir, who was mapping the geology of the DeLong Mountain quadrangle, which includes Red Dog. Mr. Tailleir visited the site and immediately noticed abundant barite, black chert, siliceous sinter and iron oxide staining. His few rock samples graded over 2% lead and 1% zinc. One stream sediment sample graded over 10% lead.

Mr. Tailleir's findings and the apparent similarities of this occurrence to other large zinc/lead deposits around the world were documented in a USGS open file report published in 1970. The name "Red Dog Creek" was coined by Mr. Tailleir after Bob Baker's prospecting company, the Red Dog Mining Company, which was named after his pet dog, who frequently flew with him.

With the passage of the Alaska Native Claims Settlement Act, certain lands in Alaska were withdrawn from staking and selection. This included the land at Red Dog. In 1975, the U.S. Bureau of Mines was directed to conduct a mineral assessment in Northwest Alaska. As a result of this detailed assessment, Red Dog was 'discovered' again. In the fall of 1975 the U.S. Bureau of Mines issued a press release announcing the significance of the deposit at Red Dog.

Mining companies who were working in Alaska at the time of the announcement proceeded to stake hundreds of thousands of mining claims in the DeLong Mountains.

The NANA Regional Corporation became interested in selecting the land at Red Dog in 1976. Since the area was withdrawn from selection, NANA approached Congress about obtaining the rights to this area. With the passage of the 1980 Alaska National Interest Lands Conservation Act, the lands around and including Red Dog were available for selection by NANA.

Subsequently, NANA selected the lands, and finally after approval by shareholders, NANA proceeded to discuss mine development possibilities. Then, in 1982, NANA signed an agreement with Cominco regarding the development of the deposit.

Cominco Alaska, is a wholly-owned subsidiary of Cominco Ltd., whose principle activities are in exploration, mining and refining. Cominco Ltd., incorporated in 1906, one of the world's largest producers of zinc and lead, which accounts for about 10 percent of production in the western world, also produces copper concentrate, silver and gold.

With the agreement signed, there were a number of projects to be completed before construction of the mine could begin. These included: developing design concepts; feasibility studies; completing environmental reports and permitting, and finally the start of detailed engineering.

In addition, there were two other major hurdles to overcome; obtaining congressional approval for the road through Cape Krusenstern National Monument, and financing from the State of Alaska for the transportation system.

RED DOG

FACTS

History Cont'd



In May 1985, the Alaska State Legislature authorized the Alaska Industrial Development and Export Authority (AIDEA) to construct the DeLong Mountain Regional Transportation System (DMRTS). The primary objective of the DMRTS was to facilitate the development of the Red Dog Mine. Later that year, Congress passed legislation authorizing a transportation easement through the monument.

Initial development in the project began in 1986 with the installation of a shallow water dock and small staging area at the port site. With these facilities in place, major construction on the road and the mine site started in July 1987. By November 1989, construction was complete, the Red Dog Mine was a reality, commencing operations and producing concentrate in December 1989.

The Red Dog zinc/lead orebody contains one of North America's most significant mineral deposits. The U.S. Bureau of Mines (1989) expected the deposit to contain 29 percent of all proven U.S. zinc reserves. It is the largest zinc mine in the western world.

COMINCO/NANA AGREEMENT

In 1982, Cominco Ltd. and NANA reached an agreement that led to the development of the mine. Under the agreement, Cominco leases the property from NANA, operates the mine, and markets the concentrate.

The purpose of the agreement is threefold: to develop one of the richest zinc deposits in the world; provide employment, and protect the subsistence lifestyle of the people in the region.

Upon signing the agreement, NANA received \$1.5 million. Every year thereafter, until the mine went into production, NANA received an additional \$1.0 million, plus a general cost escalator. Once production began, NANA received 4.5% of the net smelter return. After Cominco recovers its capital

investment, NANA will begin sharing in the net proceeds. This begins at 25% and increases by 5% every 5 years until NANA and Cominco share equally in the profits.

An important provision in the agreement deals with employment. First preference on all Red Dog jobs goes to qualified natives in the NANA region.

Despite the remote location, as well as high development and shipping costs, Red Dog is expected to operate as an efficient ore producer for a half century, due to the grade of the deposit and the size of the orebody.

During the first five years of operations, Cominco Alaska was able to resolve operating and metallurgical challenges, and by the end of 1995 is expected to be producing at above design production levels.

The Aqqaluk Deposit, a new orebody discovered during the 1995 exploration program, 1/4 mile from the main Red Dog ore deposit, significantly increased the ore reserves at Red Dog.

Red Dog is truly a great example of all levels of government, local native corporations, and industry, working together to provide a good future for mining in Alaska.



RED DOG

FACTS

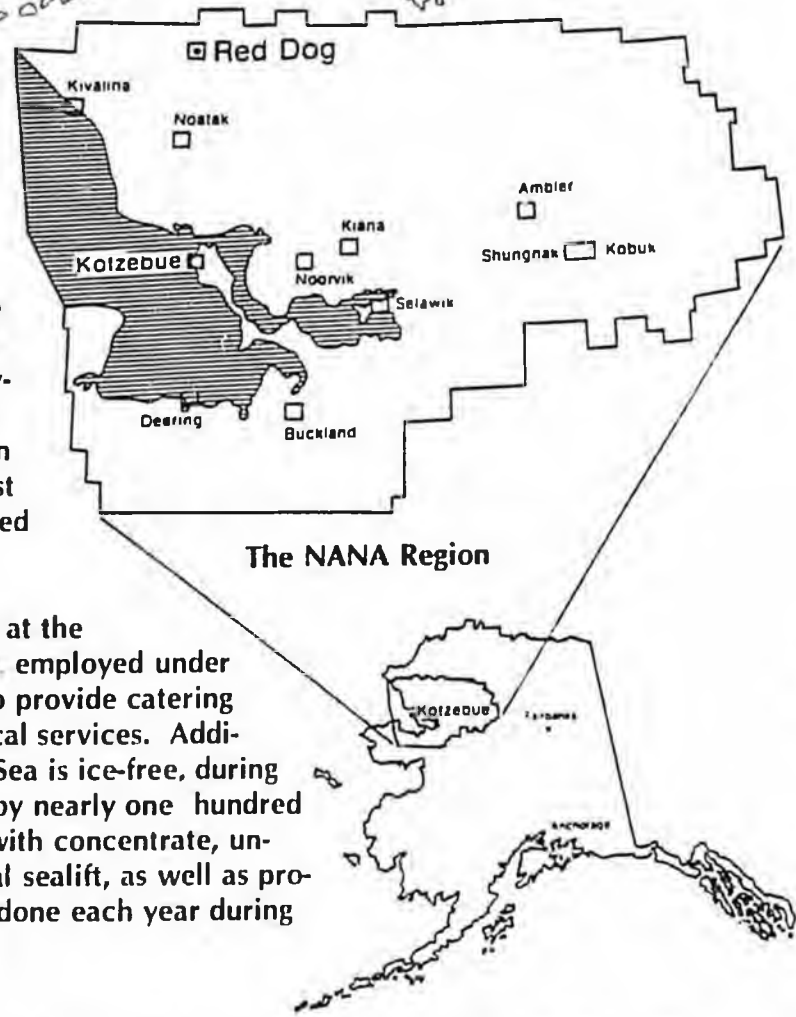
People

In the 1970's, most NANA shareholders did not favor development of the Red Dog Mine, or mining at all for that matter, for fear of the possible adverse impacts on the land and subsistence uses. In 1979, when NANA again polled its shareholders, it was found that most of the people felt that the mine could be developed in a way which could protect traditional activities. Of equal importance to NANA, is the understanding that for the next 50 years, Red Dog's mine, mill and port will provide employment, training and income for people of the region. Consequently, another important provision in the agreement deals with employment. First preference on all Red Dog jobs goes to qualified natives in the NANA region.

Cominco Alaska employs 325 regular employees at the Red Dog Mine Site, with an additional 75 people employed under contracts for hauling concentrates to the port; to provide catering and housekeeping services; and for on-site medical services. Additionally, due to the short time that the Chukchi Sea is ice-free, during the summer months, the workforce may swell by nearly one hundred people. These people are needed to load ships with concentrate, unload and store supplies arriving during the annual sealift, as well as provide additional labor for a series of betterments done each year during the short construction season.

Cominco has established a drug and alcohol-free policy at Red Dog, endorsed by NANA, which applies to all employees, contractors and visitors. The workforce, half of which are Inupiat people from the NANA region, is made up of mining professionals from a wide variety of occupations, which include engineers, geologists, laboratory assistants, mill operators, equipment operators, technicians, clerical support, and many more. Since Cominco provides on-the-job training in most areas of operations and maintenance, many of the Inupiat employees having learned their trades at Red Dog during the mine's first five years of operation.

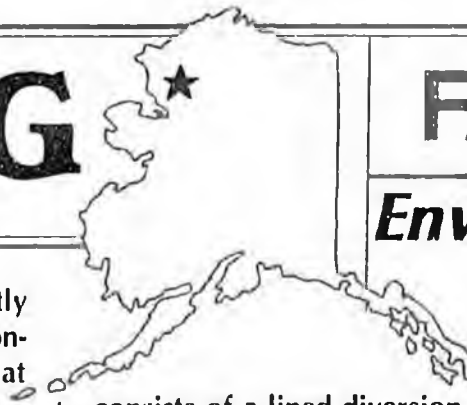
Transportation to and from Anchorage, Kotzebue and the ten villages of the NANA region is provided on a weekly basis, and most Cominco employees work either a four weeks on/two weeks off site, or the two weeks on/one week off site schedule. Most, except for those assigned to the port site, live at "The Doghouse", a large accommodations complex, equipped with sleeping and dining facilities, as well as gymnasium, saunas, weight rooms, running track, library, and several lounges dedicated to activities ranging from darts, to music, to television.



RED DOG

FACTS

Environment



NANA and Cominco are singularly, and jointly very much concerned with protecting the environment and the subsistence lifestyle of the Inupiat people.

The Subsistence Advisory Committee, formed when the Cominco/NANA Agreement was signed, is designed not only to consider the effects of development and operations activities on the environment and on subsistence needs, but also to ensure that all mining activity at the mine site is consistent with these needs.

The Committee had an integral role in the selection for the routing of the road from the mine site to the port. The current 52 mile route was chosen to avoid important caribou migration paths, fish spawning areas and waterfowl nesting sites.

Cominco strongly exhibits its commitment to pollution prevention in air, water and waste.

Prior to mine development, Red Dog Creek was a naturally toxic waterbody. High concentrations of minerals such as zinc, iron and cadmium prevented use of the Middle Fork by fish and aquatic invertebrates. Fish use of the Main Stem was limited, due to the high metals concentrations. Fish would die when they migrated through the Main Stem to the North Fork during low flow periods. Although the state designated these streams, as they did most water bodies in the state, suitable for the highest use, the process is underway to reclassify these creeks to their appropriate uses, as based on pre-mining conditions.

Cominco Alaska is pro-active in pollution prevention by controlling and managing all stormwater run-off. The diversion ditch system is a prime example of the commitment to minimizing the effects of Red Dog Mine on the surrounding subsistence areas. Therefore, with development of the mine, a diversion ditch system was installed as a pollution prevention measure to manage stormwater and mine drainage. The diversion system

consists of a lined diversion channel that carries upstream Middle Fork Red Dog Creek, as well as unaffected tributaries, and a drainage ditch which collects mine drainage and seepage. The diversion channel protects the creek from mine drainage water.

Downstream effects of the diversion system have been documented in the Alaska Department of Fish and Game's annual fisheries studies, in which it has been noted that metal levels in streams below the orebody have decreased. Fish habitat has expanded in Main Stem and North Fork Red Dog Creek to include usage by more species and age groups of fish. Overall, downstream fisheries and water quality are better now than they were prior to mining.

All surface run-off either flows to, or is pumped to the tailings impoundment, where it is reclaimed to a state-of-the-art water treatment plant and discharged to Middle Fork Red Dog Creek.

Discharge water has less metals, in order of magnitude, than the creek, so it dilutes the creek water, resulting in cleaner water downstream. Discharge water is sampled twice a week to monitor the water quality, whereas downstream water in Red Dog Creek, Ikalukrok Creek and Wulik River are sampled weekly to monitor water quality.

The Ikalukrok Creek and Wulik River are important over-wintering habitats for Dolly Varden. Since commencement of Red Dog operations, the Dolly Varden population has, not only, remained healthy, but has increased. This is due in part, to the better water quality in Red Dog Creek, as a result of the mine drainage diversion system and dilution of toxic creek water with clean treated water.



RED DOG

FACTS

Environment Cont'd

It is intended that Red Dog and Ikalukrok Creeks will be reclassified for usage, because of their natural toxicity. Reclassification will permit maximum allowable volumes of treated water to be discharged from the tailings impoundment. The pond will be kept at a safe level, and the natural metal concentrations in the creeks will be diluted at the same time, resulting in healthy fisheries downstream.

Cominco Alaska also exhibits its commitment to pollution prevention by installing secondary containment on all petroleum containers greater than 300 gallons. The fuel storage tanks at the mine and port sites were lined and bermed.

The high priority of air quality preservation resulted in enclosure of the coarse ore stockpile, the addition of a closed truck loading facility at the mine's concentrate storage building, and total enclosure of the shiploader at the port site. From the jaw crusher to the shiploader, the process is totally enclosed to protect air quality. Road watering, along with application of calcium chloride, has solved summer dust problems, not only in the pit, but on the port road as well.

Waste minimization is an important part of our pollution prevention program. Hazardous products such as solvents have been replaced with non-hazardous, or less hazardous equivalents, which reduce the amount of hazardous waste to be disposed. Scrap iron, batteries, hydraulic oil, antifreeze, paper, newspapers and magazines are all recycled, rather than disposed. Even soil which is contaminated with petroleum is recycled through bioremediation, rather than being sent off site for disposal.

Protection of archaeological sites south of the port is of high concern. With the installation of the port site dock, the natural sediment movement was interrupted, resulting in sediment accretion to the north and erosion to the south. To maintain the natural shoreline and to protect archaeologi-

cal sites, Cominco Alaska manually transfers the accreted sediment to the area of erosion each year, and an annual beach survey tracks shoreline movement at the beach.

Wildlife concerns were present prior to start-up of the mine, but annual caribou studies have not found any adverse affects. In fact, the herd population peaked during the first six years of operation. A clean camp has prevented wildlife attraction, and there has been no observable affect on the wildlife. Cominco Alaska also conducts an annual Spring Clean-up Day, in an effort to maintain a clean camp.

PROTECTION OF THE ENVIRONMENT

"To comply with all existing local, state and federal laws and regulations. To provide additional environmental protection measures, where warranted, that are technically feasible and economically viable. To encourage, support and conduct necessary research to establish high standards of performance and to improve methods for environmental control. To keep employees, agency personnel, and the general public fully informed concerning the environmental aspects of Company operations. In all emergency situations, protect in order of priority: personnel, environment, property and production."



RED DOG

FACTS

Mining

Red Dog ore is mined by open pit techniques. Mining rates of 7,000 TPD are small relative to most other open pit operations, due to the high grade of the deposit, the low stripping ratio and short haul distances.

The original reserves were 85 million tons at 17.1% zinc; 5.0% lead and 2.4 oz./ton silver, and a stripping ratio of less than 1:1 over mine life. During mine construction, 2.5 million tons of overburden and waste was stripped from the orebody. Competent non-mineralized waste was used to build roads and waste dumps.

With an operating schedule of 365 days/year, in 1991-1992, the estimated tons per day were 5,260; the 1995 estimated tons were 7,000 per day. The ore mining rate is 2.6 million tons per year. The strip ratio starts off at 1.2 to 1, falling to 1.0 to 1 by year five and ultimately to 0.8 to 1.

Bench heights are set at 25 feet. Pit slopes vary, depending on the material present in the wall. The slope, through competent waste and the sulphide package, is set at 45 degrees. The Kivalina shales are an ice-rich shale whose carbonate matrix has been leached-out and which exhibits little or no strength as it thaws.

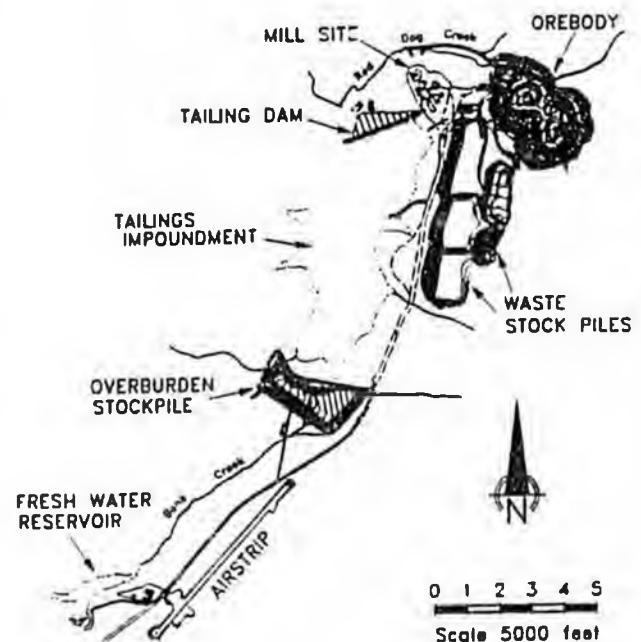
Haul roads are 60 feet wide, providing a 50 foot driving surface. Maximum grades are usually 8%. Blasthole diameters are 6 to 9 inches. Since the density of the ore varies with its grade, hole spacing is adjusted accordingly. Rotary, and in-the-hole drilling systems are being utilized. ANFO is used in the dryer parts of the pit and packaged slurry in wet ones.

A relatively small fleet of mobile equipment is required for mining operations. Two 13 cubic yard loaders are being utilized, with a third unit for backup and stockpile operations. Five 85-ton haulage trucks, three bulldozers, two utility loaders, two graders and a water/sand truck round-out the equipment fleet. Ore is hauled to a

blended stockpile a distance of approximately 0.3 miles.

For the first 6 years of operation, the open pit was confined to the west flank of Red Dog Creek. Stripping of material on the east side of the creek commenced in 1995.

Waste disposal requires special attention because of the location of the project and the varying natures of the environmentally sensitive materials handled. One important criterion in the design of the waste dumps was that all water draining through the dumps be directed to the tailings pond to be treated.



Mine Site

RED DOG

FACTS

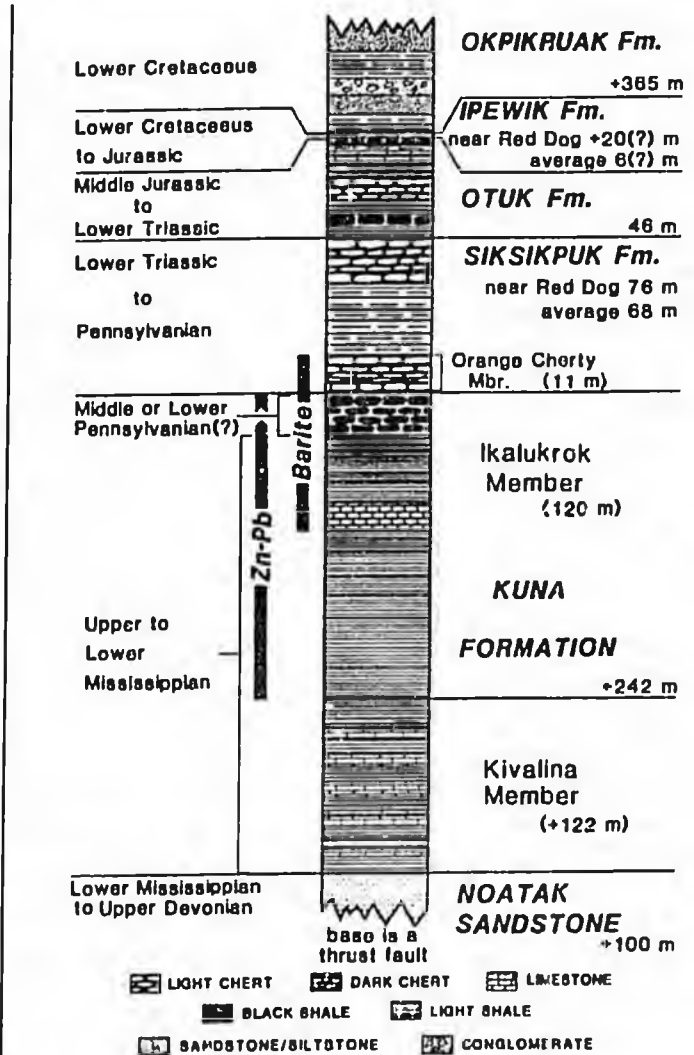
Geology

Red Dog is a Mississippian to Permian (300 m.y.), black shale hosted, zinc-lead-silver deposit located in the DeLong Mountains, western Brooks Range, Alaska. The property currently contains 152 million tons (138 M tonnes), averaging 16.2% zinc, 4.4% lead and 2.4 oz/ton (82 g) silver.

The Brooks Range is comprised of eight stacked thrust plates that represent portions of a basin thrust northward by a Jurassic to Cretaceous aged (~85 m.y.) compressional event. The Brooks Range allochthon, the second lowest thrust plate, is comprised of Devonian to Cretaceous clastic sediments and contains Red Dog and all other similar regional occurrences.

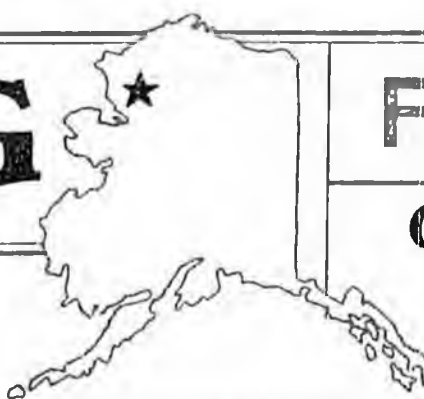
The oldest rocks in the Brooks Range allochthon are the Devonian to Mississippian Endicott group. The group contains a deltaic sandstone (Noatak sandstone) that hosts regionally distributed base metals and is thought to be the aquifer for the mineralizing fluids. Conformably overlying the Endicott is the Mississippian or Pennsylvanian Kuna Formation, which at Red Dog, is subdivided into two members. The older Kivalina Member comprises the lower half and is the deposit's footwall. The Kivalina is a calcareous shale and limestone, and is thought to represent a distal turbidite. The upper Ikalukrok Member is a carbonaceous shale and the host to the deposit and all other regional occurrences. This unit represents a local sag in the basin which produced a low energy reducing environment. The Pennsylvanian to Permian Siksikpuk Formation conformably overlies the Kuna Formation and is the deposit's hanging wall. It is comprised of light colored shales and cherts that were deposited in an oxidizing environment. Interbedded and unmineralized barite occurs at the base of the Siksikpuk Formation.

The following figure, from Moore et al (1986), shows a stratigraphic section for the Red Dog sequence, Brooks Range allochthon.



All the rocks associated with the mineralizing event are considered to be part of the exhalite rock package. This package is comprised of three components, silica, barite and sulfides that form three exhalite rock types; silica rock, barite rock and sulfide rock. These rocks are gradational, all can contain ore. At Red Dog, the exhalite rocks are facies of the Ikalukrok Member. Silicification was a dominant component of the mineralizing event and the host shale has been silicified and

RED DOG



FACTS

Geology Cont'd

locally resembles a chert. The major sulfides in decreasing order of abundance are sphalerite, pyrite, marcasite and galena. Most of the deposit's silver occurs within the crystal structure of the galena. The dominant ore mineral, sphalerite, is very fine grained to amorphous and is commonly intergrown with silica. Ore textures are massive, fragmental, chaotic, veined and rarely show classic sulfide sedimentary layering. The upper portion of the orebody has been physically and chemically weathered. Oxidation has altered the sulfides to sulfates. The zinc and iron sulfates are very soluble and are readily depleted from the weathered cap, while the lead sulfate is residual and is, therefore, enriched.

Three deposits occur at Red Dog: the Main Deposit (the area of our current mining), the Aqqaluk Deposit (a northward extension of the Main Deposit) and the Hilltop Deposit. The Hilltop Deposit is an isolated thrust plate, located 2,400 feet (730 meters) south of the Main Deposit, now separated by faulting and/or erosion. In the Main Deposit and Aqqaluk Deposit areas, the ancestral deposit has been structurally repeated by a series of low angle Cretaceous aged thrust faults and now occurs in three plates. The lower plate occurs throughout this area, but is best developed in the north. It contains the entire Aqqaluk Deposit. The median plate starts at the south end of the area and laps over the lower plate before being truncated by erosion as it rises in the north. The Main Deposit includes all the ore in this plate plus a portion of the southern lower plate. The upper plate is restricted to the south end of the area and is not ore bearing. The reserves, by deposit are:

Sulfide veins are common. They cut the silicified host shale at the base and periphery of the deposits and also occur in the exhalite package. Bitumen blebs occur locally in the exhalite package, are quite mature (ranging from pyro-bitumen to semi-anthracite) and are believed to represent remobilized organic carbon from the carbonaceous host. Elongated cylindrical structures occur and represent a well developed vent biota. They bear similarities to worms observed around modern day sea floor hydrothermal vents.

A genetic model has been developed for Red Dog that combines a sedimentary exhalite (sedex) and replacement origin. Rifting during the early Mississippian developed a restricted sub-basin into which reduced black shale of the Kuna Formation was deposited. Block faulting associated with rifting tapped the regionally extensive Noatak sandstone and provided a pathway for fluid flow to the sea floor. Syngenetic barite rock and subordinate amounts of low grade sulfide rock and silica rock were deposited as sediments. The barite rock formed a cap which restricted and localized fluid flow. Replacement by silica and sulfides continued under this cap. Upward migration of the vein system, through the exhalite, further upgraded the deposit. Thrusting, related to a Cretaceous aged compressional event, fragmented and structurally repeated the orebody.

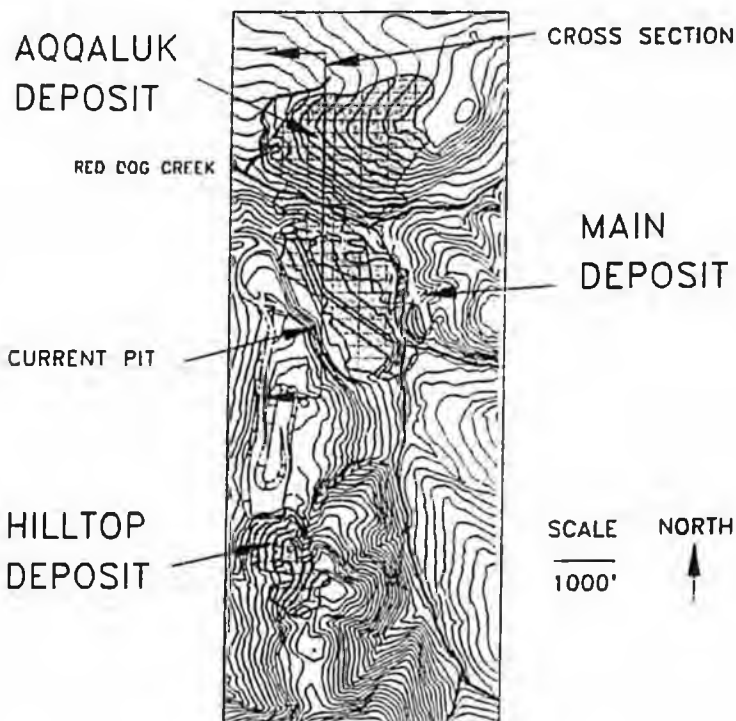
DEPOSIT	TONS (Tonnes) x 1000	% Zn	% Pb	Ag Oz/T (g)
MAIN (Indicated)	57,526 (52,176)	19.5	5.3	2.9 (100)
AQQALUK (Inferred)	83,832 (76,036)	13.7	3.6	1.9 (66)
HILLTOP (Probable Resource)	10,611 (9,624)	17.8	5.5	3.4 (117)
TOTAL	151,969 (137,836)	16.2	4.4	2.4 (82)



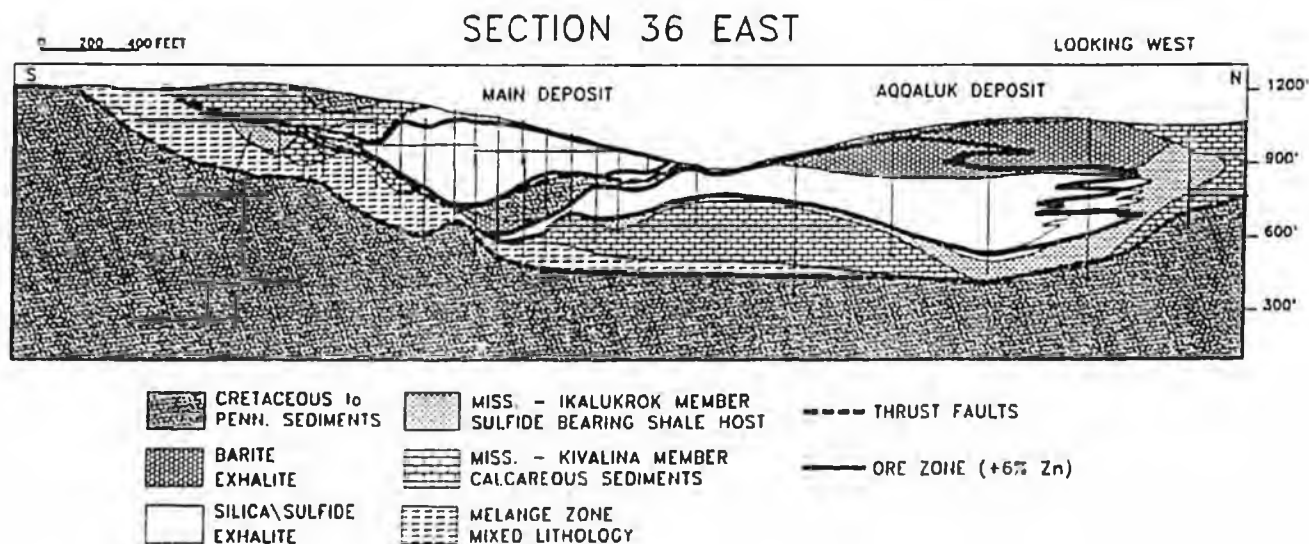
RED DOG

FACTS

Geology Cont'd



Three deposits exist at Red Dog, as shown by the adjacent map. These deposits, or ore zones, are pieces of one ancestral deposit. The Hilltop Deposit, which is the smallest, is a thin, moderate grade ore zone which caps a ridge south of the Main Deposit. Hilltop contains copper, averaging 0.2% and moderate grades, suggesting it contains a mineralizing center (four centers are postulated for Red Dog.) The Main Deposit and the Aqqaluk Deposit are a continuous zone of near equal size. The Main Deposit is the highest grade deposit at Red Dog and has a moderate thickness. Two mineralizing centers may occur within the Main Deposit. The Aqqaluk zone is slightly larger, due to a thick ore section. It is the lowest grade deposit at Red Dog, but has a higher grade area which probably defines a mineralizing center. As shown in the Cross Section, the Main Deposit and the Aqqaluk Deposit occur in two overlapping ore hosting plates. Red Dog Creek is used as the boundary between the two deposits. The Main Deposit's ore is from the median plate and the south end of the lower plate. The Aqqaluk Deposit is entirely within the lower plate.



RED DOG

FACTS

Production

The Red Dog process flow sheet is relatively simple, yet many techniques which are new to zinc/lead processing have been incorporated. Among these innovations are: modular construction, tower mills, column cells and pressure filters. The unique design of the flow sheet is the result of Cominco's 70 years of operating experience at the Sullivan Mine and successful arctic mining operations at Pine Point, Black Angel and Polaris.

Process facilities include the modular crushing plant located at the exit from the open pit, the coarse ore stockpile, and the eight prefabricated modules forming the mill complex. Adjacent to the concentrator is the power plant module and the mine site concentrate storage building. There is storage capacity at the mine site to hold up to two weeks of concentrate, in the event of haulage interruptions due to bad weather, or caribou migration. The mill modules were constructed in the Philippines and designed by the Ralph M. Parsons Company, Pasadena, California.

Crushing And Milling

The Red Dog orebody is a fine-grained, stratiform zinc-lead-silver deposit which requires a reasonably fine grind to achieve acceptable metal recoveries at marketable grades. After being crushed to minus 6 inches at the primary crusher, ore is conveyed to the milling complex. A grinding sequence consisting of SAG mill/ball mill/tower mill was chosen due to low capital and operating costs, and the high level of reliability. This circuit design eliminates fine crushing and achieves high energy efficiency through the use of tower mills, which can result in a reduction in power needs of up to 40%. Cominco has been successfully operating tower mills for over eight years. The final zinc concentrate is ground to 80%, passing 60 microns and the final lead concentrate is ground to 80%, passing 20 microns.

1995 Annual Production

Mined Ore:	2.5 million Tons/Year
Zinc Concentrate:	645,000 Tons/Year @ 55.6% Zn; 3% Pb; 3.7 Oz/T Ag
Lead Concentrate:	101,000 Tons/Year @ 55% Pb; 12.2% Zn; 12.1 Oz/T Ag

Flotation

Cominco has implemented column cell flotation technology at Red Dog in order to maximize metal recoveries and produce quality zinc/lead concentrates. It has been found that due to the fine-grained nature of the ore, conventional large diameter flotation tanks alone will not produce acceptable metal recoveries at marketable concentrate grades. The use of column cells have resulted in improved concentrate grades and zinc/lead separation at reduced operating costs.

Concentrator

Crushing:	Primary Jaw Crusher, to minus 6"
Grinding:	SAG Mill/Ball Mill/Tower Mill
Flotation:	Column Cells/Maxwell Cells
Dewatering:	Pressure Filters
Production Schedule:	365 days/year to produce 2000 TPD of concentrates



RED DOG

FACTS

Production Cont'd

Water Management

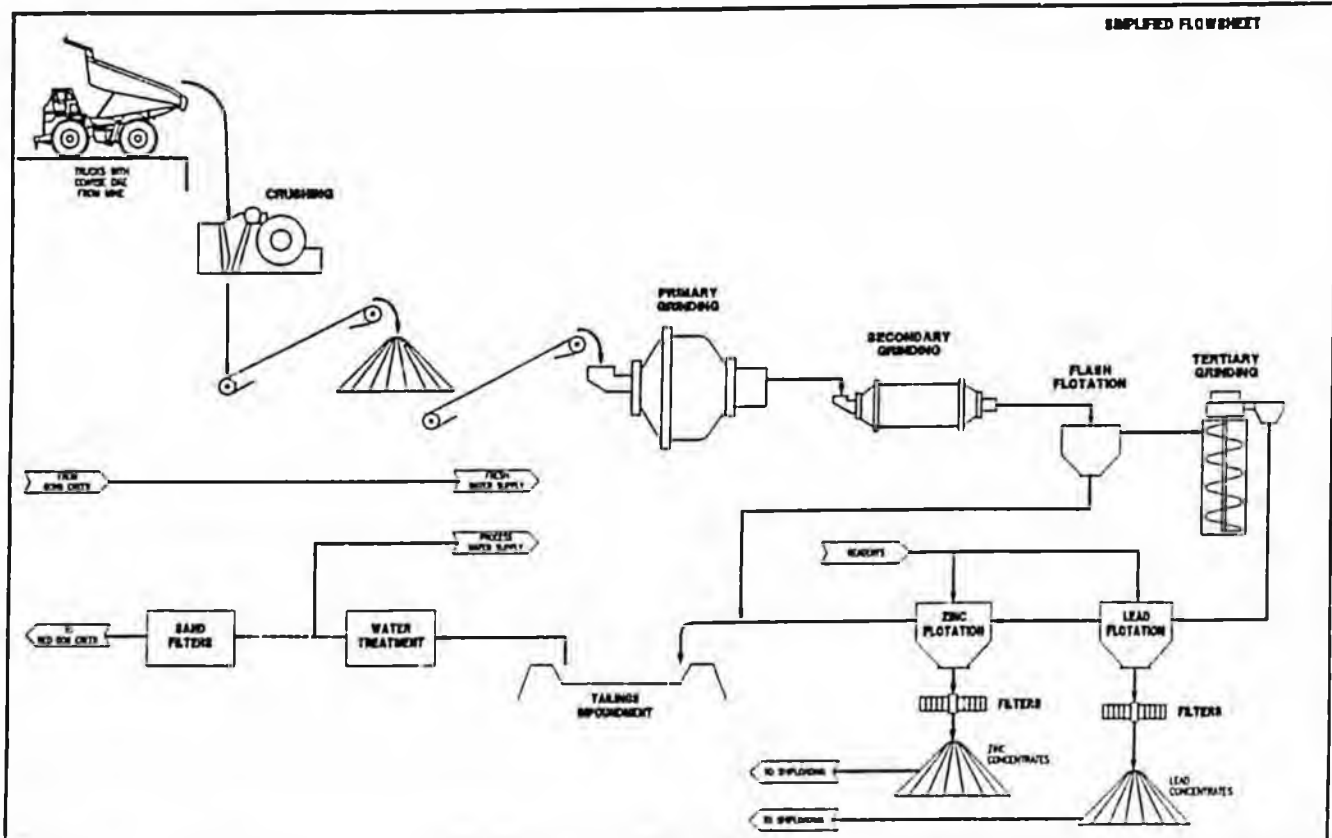
Management of the water regime at Red Dog is a key part of the process flow sheet for the following reasons:

1. Water flow ceases for five to six months each winter and there are no lakes available for long-term water storage.
2. Red Dog Creek already contains extremely high naturally occurring levels of soluble heavy metals which will create environmental and process problems, if uncontrolled.
3. Red Dog must adhere to EPA "zero discharge" requirements for flotation plant tailings.

A water treatment plant has been designed to remove heavy metals from the tailings pond effluent and ensure that water used in the flotation circuit does not contain excessive levels of heavy metals.

The ore processing and support systems are fully computerized. It is possible to continuously evaluate the main process variables, including ore and water flow rates, solids/water ratios, particle sizes, and assays.

Waste heat generated by the power plant is recovered and satisfies all heating requirements. Waste heat not used for buildings will be used in the mill process water.



RED DOG

FACTS

Transportation of Concentrates

Red Dog concentrates are hauled from the mine site to the port site facilities on the Chukchi Sea.

The \$180 million DeLong Mountain Regional Transportation System, financed by AIDEA, includes the 52-mile road from the mine site to the port site and all associated port facilities, such as the concentrate storage facilities, conveyors and fuel storage tanks. In return for these services, Cominco guaranteed to:

- Pay a yearly toll of approximately \$12 million for the life of the mine;
- Provide AIDEA a 6.5% return on its investment;
- Other users will share operating and maintenance costs, and
- Other users will pay similar fees to the state.

Since 23 miles of road traverses the Cape Krusenstern National Monument, a 100-year easement was granted to the NANA Regional Corporation by the U. S. congress in September 1985.

Road construction required the granting of 33 permits from 7 different state and federal agencies. Construction of the port site required an additional 20 permits and/or approvals from 9 state and federal agencies.

The road was constructed over permafrost, using a minimum of 5 feet of crushed rock placed on geotextile mat to ensure stability. A caribou monitoring plan has been developed to deal with annual caribou migrations which cross the road system.

Concentrate is moved from the concentrator to the port site under contract by Arrow Transportation International, Inc. of Seattle, in specially designed 75-ton trucks. During the 100-day shipping

season, Foss Maritime of Seattle, Washington, uses barges to carry the concentrate from the shallow water port to ships waiting several miles offshore. The shallow sea floor gradient has made it necessary to utilize self-unloading barges to load ocean-going vessels. Fednav Limited of Montreal, PQ, acts as shipping agent for the concentrates. An estimated 15 ships, ranging in size from 35,000 to 80,000 tons will call at the port each year.

Concentrates destined for Cominco's smelter in Trail, B.C. are transferred from ships to the Burlington Northern Railway at Vancouver, B.C., where they are transported by railway to the Waneta Reload Facility, located 8 km south of Trail. The short journey from Waneta to Trail is made by highway trucks, operated by Trimac Transportation Services Ltd. of Calgary.





Red Dog Mine Background

Just 55 miles from the Chukchi Sea, tucked in the DeLong Mountains, lies the world's largest zinc mine: the Red Dog Mine. The mine is a unique operation on property owned by the NANA Regional Corporation, an Alaska Native corporation, and leased to Cominco Alaska, which operates the mine.

Production at Red Dog began in 1989, bringing economic development and skilled jobs to a part of Alaska that has traditionally had high unemployment and a scarcity of year-round, ongoing employment. The lease agreement between NANA and Cominco provides for training and hiring of NANA shareholders, who now comprise half the mine's 400-person workforce.

Often described as a mining "success story" involving state and private sector cooperation, development of the Red Dog Mine began with reports of mineralization in the early 1950s. The deposit at Red Dog was later brought to the attention of the U.S. Geological Survey by Kotzebue-area bush pilot Bob Baker. Baker frequently flew over the region, accompanied by his pet, a red dog, who inspired the area's name. Subsequent mapping and sampling of the area by the USGS showed significant quantities of zinc and lead.

Under the Alaska National Interest Lands Conservation Act, NANA chose the Red Dog area during the land selection process. At the direction of NANA shareholders, corporate leaders signed an agreement in 1982 with Cominco Ltd., an international exploration, mining and refining company, to lease the land, construct the facilities, and operate the mine at Red Dog Creek. NANA owns approximately 72 square miles of land surrounding the mine site, all of which has geology that indicates lead, zinc and silver mineralization.

The Red Dog deposit is a shale-hosted, lead-zinc-silver deposit containing 170 million tons of 17.1 percent zinc, 5.0 percent lead and 2.4oz/ton silver. The discovery of the Aqqaluk orebody adjacent to the mine site have increased the deposit estimate to 170 million tons of zinc, lead and silver.

Production at the mine has proven beneficial to the residents of the Northwest Arctic Borough, who are actively involved in the regulation and oversight of resource production activities.



RED DOG MINE

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Workers at the mine site work directly for Cominco and are involved in exploration, mine operation and environmental compliance. The company also contracts with NANA/Marriott, a NANA joint venture, to provide on-site housekeeping and food services for mine employees.

To ensure that ongoing job opportunities are provided to shareholders, Cominco and NANA established a formal Employment Committee, consisting of village leaders and Cominco officials. In addition, village leaders are involved in a mine Operations Committee and a Subsistence Committee that is part of decisions that impact habitat and wildlife.

Cominco, which has a strong international environmental policy, readily agreed to strict protection of fish, wildlife and habitat at the Red Dog development. The Subsistence Committee reviews many of the environmental monitoring reports prepared by Cominco to assess any potential impacts.

As part of the Cominco/NANA operating agreement, Cominco agreed to employ and train NANA shareholders to work at the mine. Currently, approximately 50% of the mine's 350 workers are NANA shareholders.

In addition, a subsistence committee of residents from nearby villages is actively involved in decisions that impact habitat. Two other committees, which advise on employment and operations activities, are also comprised of village leaders and Cominco officials.

During the caribou migration season, the Subsistence Committee has authority to halt traffic on the 52-mile road from the mine to the port. This same authority is extended to the local people of Kivalina and Kiana, if they feel the impact of commercial traffic is proving detrimental to subsistence hunting.

The financial agreement between Cominco and NANA provided the Native corporation with \$1.5 million upon signing in 1982. An additional \$1 million was paid to NANA every year until production began in 1989. Once production started, NANA began receiving royalty payments at 4.5 percent of the net revenue. After Cominco has recovered its capital investment, NANA will share in net proceeds starting at 25 percent and increasing by 5 percent annually until both Cominco and NANA have an equal share in mine profits.

The transportation network for the mine was financed by the State of Alaska through the Alaska Industrial Development and Export Authority (AIDEA). A 52-mile road and sea port were constructed with a \$160 million loan that Cominco is repaying, with interest, from user and export fees.

In order to construct the road, which traverses the Cape Krusenstern National Monument, NANA requested a 100-year easement, granted by Congress in 1985. The road is built over permafrost using a minimum of 5 feet of crushed rock on a geotextile mat to ensure stability.

Zinc concentrate is trucked from the mine to the port and stored until the shipping season, which lasts for about 100 days each year. Due to shallow waters, barges carry the concentrate from the port facility to ships waiting several miles offshore. The ships then carry much of the concentrate to Vancouver, B.C., where it is carried via railroad, then truck, to Cominco's smelter at Trail, B.C. Some of the concentrate is shipped to overseas markets.

The Red Dog Mine was originally projected to operate for at least 50 years, Cominco, NANA and the state of Alaska recently announced 40 percent expansion activities that will reduce unit costs to a level that will ensure the operation can survive through the lows in the metal-price cycle. With the Aqqaluk orebody added to the original mine zone, the operation is secure for the next 50 years. AIDEA has agreed to issue tax-exempt revenues bonds -- this time to finance an \$85 million port expansion.

Cominco Alaska will invest \$108 million into the expansion efforts, which include a new ore storage facility, employee camp, and upgraded conveyor system. Construction is currently underway and will be completed in November, 1998.

"This is a real life example of a true partnership between government and the business community," said Governor Tony Knowles, announcing AIDEA's participation in the expansion project.

Alaska's Red Dog Mine now produces 5 percent of the world's supply of zinc. Output in 1996 was approximately 620,000 tons. By the year 2000, Red Dog will be producing more than 1 million tons of lead and zinc concentrate per year.



Fast Facts

- Red Dog Mine is on land owned by NANA Regional Corporation
- The land is leased by Cominco, which built and operates the mine
- Cominco/NANA lease agreement began in 1982
- Total capital construction costs to date exceed \$500 million
- Ore production began in 1989
- 400 year-round employees/50% are NANA shareholders
- Red Dog Mine is the world's largest zinc mine with reserves of 170 million tons
- Red Dog Mine produces 5% of world's supply of zinc
- NANA shareholders sit on Subsistence, Employment and Operations Committees
- Wages paid to NANA shareholders total approximately \$13 million per year
- Cominco conducts training programs to encourage shareholder advancement
- Cominco has recruitment programs designed to increase shareholder hire
- Cominco was founded in 1906



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Cominco Alaska Environmental Policy

Cominco Alaska recognizes that maintaining a healthy environment goes hand-in-hand with a strong economy. We understand that in order to prosper over the long-term we must incorporate environmental considerations into all aspects of our business dealings. This policy is adopted to guide all Cominco Alaska employees in the daily performance of their jobs.

1. Cominco Alaska will explore, develop and process resources and market products in an environmentally sound manner.
2. Cominco Alaska will provide information to counsel customers, transporters & others in the safe and proper handling of our products.
3. Appropriate environmental care will be exercised in the planning, development, operating and closure phases of Cominco Alaska operations in all jurisdictions. Environmental protection measures appropriate to site specific conditions will be applied in the absence of regulation.
4. Cominco Alaska will promote the development of open and constructive partnerships with the public to address environmental concerns and advance necessary protection measures.
5. Cominco Alaska will promote the advancement of scientific knowledge to be applied to the identification and effective resolution of real environmental problems.
6. Cominco Alaska will encourage pollution prevention, waste minimization and recycling efforts throughout its operations.
7. Observance of environmental legislation will be a priority in all company activities
8. Cominco Alaska will conduct audits of operations to ensure adherence to this policy.

