

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10666 SENATE RESOURCES

people in general, have to offer – an out pouring of love, good will and a rousing, hopeful spirit that can't help but provide comfort in the midst of chaos.

Whatever the reason, I consider the editor's comments an insult of the highest level and in very poor taste. I deeply resent such a comparison of myself, or others involved in this inquiry, to such evil - even in jest. This is no joking matter for me – is it for any of us?

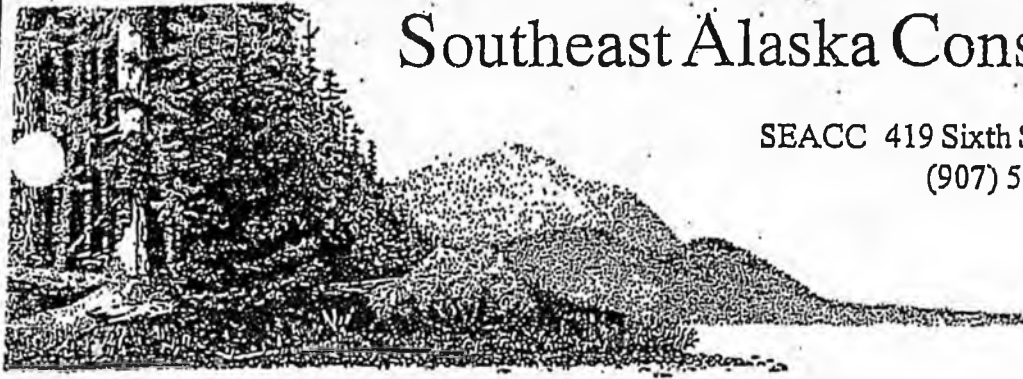
On behalf of Alaska fishermen, I wish to remember the 9-11 victims on this one month anniversary, and to extend to the families of this tragedy, both in our nation and throughout the world, our heartfelt sympathy. My hope for us all is for a lasting resolution to the horrors we currently face.

Here's to peace in our time.

Contact Information

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Southeast Alaska Conservation Council

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A Resolution Supporting a Ban on Pacific Coast Marine-Based Salmon Farming

Whereas commercial fishing and seafood processing comprise Southeast Alaska's largest private industry;

Whereas more than 80% of Southeast Alaska's rural households rely on subsistence hunting, fishing, and gathering and one out of four households harvest more than 250 pounds of wild food per year;

Whereas Tongass streams and lakes spawn and rear 80% of the wild salmon in Southeast Alaska, and wild salmon populations are dependant on wild watersheds;

Whereas Southeast Alaska salmon populations are robust, and not endangered, and can be maintained that way through reasonable effort;

Whereas farmed salmon potentially threaten to contaminate Southeast Alaskan salmon runs through risk of exotic disease transfer, habitat encroachment, competition for prey fish, and genetic weakening;

Whereas salmon farms threaten coastal resources with concentrated amounts of biowaste;

Whereas farmed salmon often contain antibiotics, pesticides, herbicides and dyes;

Whereas farmed salmon are not an environmentally sound, healthy alternative to wild salmon;

Whereas wild Alaskan salmon consume a natural diet, and are prized for their purity and wild origins;

Whereas wild Alaskan salmon set the standard for a wholesome and nutritious commodity, and are managed utilizing sustainable harvesting practices;

Therefore be it resolved that the Southeast Alaska Conservation Council supports Alaska's existing moratorium on salmon farms, and strongly urges the State of Alaska to renew the moratorium when it comes up for review;

Therefore be it resolved that the Southeast Alaska Conservation Council opposes any move towards marine-based salmon farming in the State of Alaska;

Therefore be it resolved that the Southeast Alaska Conservation Council encourages British Columbia to uphold the moratorium on new marine-based salmon farms;

Therefore be it resolved that the Southeast Alaska Conservation Council encourages British Columbia to establish stringent facility maintenance and oversight standards on existing marine-based salmon farms to prevent further escapement;

Southeast Alaska Conservation Council Board of Directors
Resolution 010902-2

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Therefore be it resolved that the Southeast Alaska Conservation Council opposes siting new salmon farms in the ocean; and

Therefore be it resolved that the Southeast Alaska Conservation Council opposes marine-based salmon farms because of the risks they pose to healthy populations of wild Alaskan salmon and intact Southeast Alaskan coastal resources.

ADOPTED this 2nd day of September 2001 by the Board of Directors of the Southeast Alaska Conservation Council by a vote of 12 ayes, 2 nays, and 0 abstentions from all present voting members of the Board of Directors.

CERTIFY

Wayne Wulung
Board of Directors President

ATTEST

Susan E. Schneider

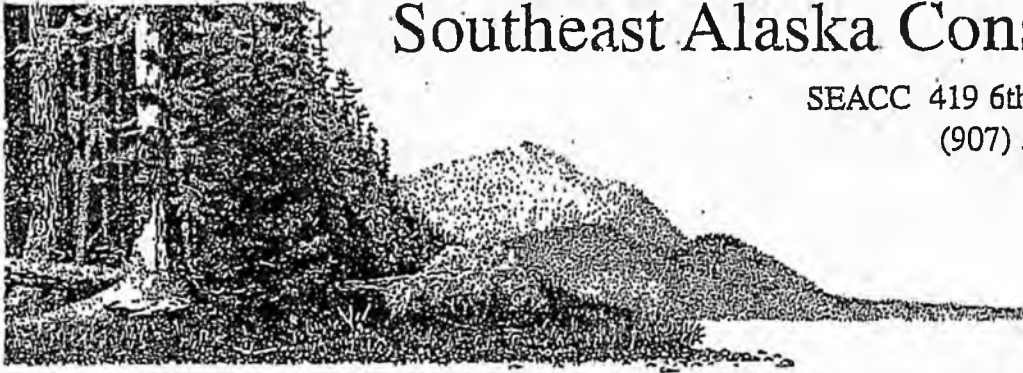
Board of Directors Secretary

SEACC is a coalition of eighteen volunteer conservation groups in fourteen far-flung communities across Southeast Alaska, from Ketchikan to Yakutat. SEACC's individual members include commercial and sport fishermen, Alaska Natives, subsistence users, hunters and guides, tourism and recreation business owners, small timber operators and high value-added wood product manufacturers, as well as concerned citizens from all walks of life. SEACC is dedicated to safeguarding the integrity of Southeast Alaska's unsurpassed natural environment while providing for balanced, sustainable use of our region's resources.

Copies sent to:

Alaska Department of Fish and Game
Alaska Department of Fish and Game Advisory
Committees
Alaska Independent Fishermen's Marketing
Association
Alaska Longline Fishermen's Association
Alaska Marine Conservation Council
Alaska Seafood Marketing Institute
Alaska Trollers Association
Alaska Board of Fisheries
Fishermen Involved in Saving Habitat
Governor Tony Knowles
Oceans Blue Foundation

Petersburg Vessel Owners Association
Regional Subsistence Advisory Councils
Sierra Club, Alaska
Sierra Club, B.C
Sierra Club, Washington
Southeast Alaska Fishermen's Alliance
Southeast Alaska Seiners Association
Southern S.E. Regional Aquaculture Association
Transboundary Watershed Alliance
United Fishermen of Alaska
United Southeast Alaska Gillnetters
United States Forest Service

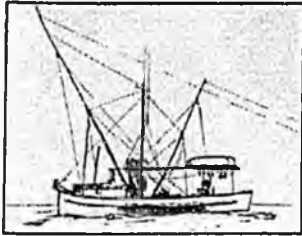


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Testimony of Aurah Landau before the House Special Committee on Fisheries on HJR 46 "Relating to the moratorium of fish farming in British Columbia" 03/18/02

- ❑ Salmon farms in British Columbia (BC) are bad for the environment and bad for Alaskan fishermen and communities.
- ❑ As the largest private industry in Alaska, commercial fishing and seafood processing sustain thousands of families and communities throughout the state. Wild salmon are a mainstay of families in Alaska's communities and the heart of the rainforest that stretches across the BC and Alaskan coastline. We need intact high-producing watersheds and wild salmon runs to sustain subsistence, sport and commercial fisheries opportunities on both sides of the border.
- ❑ The BC government lifted its moratorium on new fish farms, ignoring the scientists, government officials, and representatives from fishing, Native, conservation and citizen organizations who testified at the recent Leggatt Inquiry that fish farms cause environmental, social and economic harm.
- ❑ Alaskan and Canadian coastal economies are interconnected and reliant on one another. The effect of the current glut of farmed salmon on the market has been devastating as salmon prices plummet worldwide and small businesses struggle to keep afloat.
- ❑ There is hard evidence that farm fish carry diseases and transfer parasites to wild fish. Fish farms have concentrated amounts of waste and sewage, and waters around fish farms can be fouled by massive die-offs, with vast numbers of salmon rotting in pens. Fortunately, Alaska has a moratorium on all fish farms, and so hasn't experienced BC's direct salmon farm-related disease, parasite, or pollution problems.
- ❑ Alaskan fishermen and biologists are, however, finding escaped farm fish in marine and fresh waters as far north as the Bering Sea. Escaped Atlantic salmon are successfully reproducing in Canadian streams. This non-indigenous species may invade wild fish habitat, spread disease, take food from and prey on wild fish. B.C. also raises chinook and coho salmon. Escapes of those species may genetically weaken local Pacific salmon stocks.
- ❑ Sustainability is the real issue here. Maine recently destroyed many of their farmed fish because of widespread disease. Fish farming in Norway, Scotland and Ireland has contributed to the collapse of wild fish stocks in those countries. Norway found that fish farms expose wild fish to high concentrations of pathogens and parasites. When the BC government promotes fish farms, how long do we have until wild salmon fisheries collapse on either side of the border? It's bad economics and irresponsible to threaten our shared marine systems with even more fish farms.
- ❑ I thank the House Fisheries Committee for their wisdom and responsibility in supporting Alaska's fishing communities by strongly encouraging the BC government to reinstate the moratorium on new fish farms. BC must be a good neighbor and reinstate the moratorium to prevent damage to intact wild salmon runs and marine resources in both countries.



Alaska Trollers Association

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April 22, 2002

Senator John Torgerson, Chair
Senate Resources Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Torgerson and Committee Members:

The Alaska Trollers Association supports HJR 46, which asks the government of British Columbia to maintain its moratorium on new finfish farm sites until they can assure Alaska that *all possible steps have been taken to preclude further escapes of farmed fish*. This seems like a reasonable request for our state to make, given the potential risk to Alaska's fisheries resource from farmed fish. It is important that Alaska's voice be heard soon, as the moratorium is slated to be lifted April 30th.

Canada is currently raising in ocean net cages Pacific salmon, trout, halibut and Blackcod, as well as non-indigenous Atlantic salmon. I will attach for your review an overview of the BC fish farm industry and a copy of testimony in opposition to the moratorium lift, which I presented last fall at the Leggatt Inquiry in Vancouver. The state of Alaska also testified at the hearing in opposition.

The Leggatt Inquiry was established when the Canadian government refused to involve the public in its decision-making on farmed fish policy. The Canadian government and most of the mariculture industry refused to participate in the inquiry, even though time was set aside for them each day. Hearings were conducted in eight communities - four full days in Vancouver alone. The most significant conclusion reached by the Honorable Judge Stuart Leggatt in his independent review, was that net-pens should be removed from the ocean by January 2005, due to high-level risk and deleterious impacts on wild fish stocks and the environment. The other recommendations can be found at: <http://www.leggattinquiry.com>.

Two separate entities within the Canadian government have called for such things as better methodology to address negative impacts caused by fish farming; improved accountability; and, a process for public involvement. Despite the fact that specific recommendations have been made but have yet to be implemented, the BC government still intends to lift the moratorium. This seems unconscionable, particularly when you consider that wild populations of Atlantic salmon have been found in BC streams, large scale disease outbreaks have erupted in most BC fish farm areas, and the neighboring country and states are finding Atlantic salmon in their streams and in fisheries as far west as the Bering Sea.

To date, no public process has been established to assess impacts or the willingness of US and Canadian citizens to harbor large scale fish farm operations in public waters. This is no 'Ma and Pa' locally based industry. The key players are multi-national corporations, predominantly from Norway and Holland. Only five firms own 85% of the farmed fish being produced in British Columbia - of those, only one is a Canadian company with subsidiaries in Canada, the United States and Chile.

As you are voting on this resolution today, I am working to galvanize the efforts of a coalition of over 50 commercial, sport, environmental and native organizations and communities, from California to Alaska - US and Canadian – who are deeply concerned about this issue. It is the hope of ATA, and many other interests, that the Alaska Legislature and Governor move HJR 46 quickly through the process and send the clear statement that, once again, the State of Alaska cares to show its commitment to the health of its fisheries resources and fishing dependent communities.

Thanks in advance for your consideration of ATA's point of view.

Respectfully,

Dale Kelley
Executive Director

Overview of Current British Columbia Salmon Farm Issues

Industry Snapshot (Source: MAFF)

- First salmon farm in 1971
- BC is the 4th largest producer of farmed salmon
- 65% of Canadian farmed product comes from British Columbia
- Atlantic and chinook are primary farmed species
- North Vancouver Island, Clayoquot Sound and Campbell River primary areas
- 100 tons produced in 1980
- 49,400 tons in 2000 worth \$282 million to the farms and \$320 million wholesale
- 121 salmon farms owned by 12 companies in 2000 (35 farms / 50 companies in 1989)
- Farms appear to be 74% foreign owned and 26% Canadian
- Farm owners: 72 Norwegian, 17 Dutch, 15 Canadian corporate, up to 17 Canadian private
- Top 5 companies (over 70% foreign) produce nearly 83% of the salmon
- 77% of product exported in 1999 – 90% of that to the US
- Farmed salmon, shellfish and trout were 29% (\$166mil) of the value of BC seafood in 1996
- Farmed salmon output has tripled since 1995 moratorium went into effect (per Suzuki staff)

Ownership (Source: MAFF+)

Farm Tenures / Owner

24	Pan Fish (Omega Salmon Group) - Norway
27	Stolt Sea Farms – Norway, parent company Stolt-Nielsen
18	Cermaq – Norway (possibly state-owned; was Statkorn; merged again March '02)
17	Marine Harvest -linked with Moore-Clark, Canada - parent co. Nutreco (Netherlands)
15	Heritage Aquaculture/Salmon – George Weston, Canada
8	Target Marine Products - Canada
6	Creative Salmon - seems to be Canadian owned
3	Greig Seafood – Norway
1	Totem Oysters – Canada (one of the last family operations – also some blackcod)
1	Saltstream Engineering - ?
1	Yellow Island Aquaculture - ?

Managing Agencies

Federal Department of Fisheries and Oceans (DFO)

DFO Commissioner for Aquaculture Development (2001 Comm. Yves Bastien / Jack Taylor, ED)

Provincial Minister of Agriculture, Food and Fisheries (MAFF)

Provincial Minister of Environment, Land and Parks

Moratorium and Related Chronology

1995 Provincial and Federal governments place moratorium on fish farm expansion and said lifting the moratorium would rely on development of a regulatory framework for managing the industry; review of industry compliance and technology; and, consultation with coastal communities.

1997 Environmental Assessment Office, through its Salmon Aquaculture Review Report, makes 49 recommendations to reduce risk of aquaculture – government and industry accept all

1997 Newly elected Liberal government announces support for expanding finfish mariculture

1999 Government announces new salmon aquaculture policy framework

2000 June interim report issued by Parliament's Standing Senate Committee on Fisheries urges cautious approach to fish farming and expansion – final report has not yet been published.

2000 report by Canada's Auditor General found that DFO had inadequate research, monitoring and risk management framework to adequately protect wild salmon and habitat under the Fisheries Act.

2002 January 31 BC announces moratorium will be lifted April 30 and new standards implemented

Escapes

Escaped farmed Atlantic salmon have been found:

- In ocean fisheries as far west as the Bering Sea
- In 4 Alaska streams: Ward Creek, Doame, Situk and Martin Rivers
- In 78 Canadian streams – and some are successfully reproducing

There is no information regarding the number of farmed chinook and coho present in Alaska waters. Escapes are likely under-reported and under-estimated.

Disease

In mid-February it was announced that Heritage Salmon was transporting for disposal 1.6 million salmon infected with the IHN virus. These fish were on their way to Bella Coola Fisheries a processing plant on the Fraser River, where inadequate means exist to safeguard in-river populations of salmon. The Musqueam Band and the David Suzuki Foundation obtained a restraining order blocking delivery. The fish were then taken to French Creek for disposal, but another restraining order kept them from being offloaded, because the licensed composting facility was full to capacity. Ultimately, the fish were accepted at a composting facility at Courtenay.

Since the first news of IHN outbreak at Heritage Aquaculture, seven other farms, owned by three companies (Heritage Aquaculture, Omega and Marine Harvest), have been confirmed by the Canadian government to have IHN outbreaks in progress. 90,000 fish are believed to have been killed at one site, but little is known about where they were taken or what is happening at the other farms. Canadian citizens and organizations have been told by a government veterinarian that this information is confidential.

Sea Lice

This is a significant issue in other fish farming countries, where regulations are set regarding the number of lice allowed per farmed animal in the pen during migration and outmigration of local salmon populations. The use of pesticides is regulated elsewhere, and recently a number of farms in the UK were heavily penalized for using a substance banned in Europe by treaty.

While sea lice has been raised as a significant issue by independent scientists surveying fish farm areas, who claim increased levels of sea lice are negatively impacting juvenile wild salmon, it is unclear to us what Canada's policy is on sea lice or what method is being utilized by the farmers to eradicate them in the net pens.

Genetic Modification

Aqua Bounty Farms has applied to the US Food and Drug Administration (FDA) for permission to import its engineered salmon into the US. The fish contain foreign genes that stimulate the fish to grow to market size in about half the time it takes normal salmon. Researchers accomplished this by inserting two genes into the fertilized eggs of the fish. The first gene, which produces growth hormones, is taken from a chinook salmon. The second gene, from the ocean pout, is a "promoter" that activates the first gene. The pout promoter gene was used because this fish produces growth hormones year round, unlike salmon, which produce growth hormones only during the warmer, summer months.

Scientists at Purdue University warn that under certain circumstances genetically engineered fish could wipe out wild salmon populations. Other scientists believe the genetically altered fish pose little risk of reproducing or otherwise impacting wild fish, since they are thought to have inferior survival capabilities. Aqua Bounty Farms thinks the FDA will demand it raise only sterile females.

The Center for Food Safety, among others, is running a write-in campaign in opposition.

Other Concerns

Wholesomeness of farmed product due to antibiotics, pesticides and other substances

Fish food – what's in it and how many forage fish are harvested to produce it?

Siting of fish farms

Water quality / ocean habitat

Predator control at farms

NEW! ADFG Webpage: http://www.state.ak.us/adfg/aeninfo/special/AS/AS_home.htm

What can YOU do?

Write AK, US and Canadian officials about your concerns on fish farming and related issues

Sign, circulate and mail petitions against the lift on Canada's moratorium on fish farm expansion

Assist with postcard campaign against genetically modified salmon

Get information and share with others

Join and work with your local gear group or association – coalesce with other groups

**Testimony of
Dale Kelley On Behalf of
United Fishermen of Alaska and Alaska Trollers Association
Leggatt Inquiry
Vancouver, British Columbia
October 11, 2001**

Good morning. My name is Dale Kelley and my testimony will reflect the positions of both United Fishermen of Alaska and the Alaska Trollers Association. Both UFA and ATA are located in Juneau, Alaska.

I appreciate the opportunity to comment for UFA and ATA on the proposed lifting of the current moratorium on new salmon farm sites in British Columbia, a move that both organizations oppose.

My primary job is executive director of the Alaska Trollers Association, but I am also recent past president of United Fishermen of Alaska, where I serve on the executive board and chair the National Issues committee. Over the years I have represented the commercial fishing industry in a wide variety of forums and am currently a Commissioner on the Pacific States Marine Fisheries Commission and president of Fish Habitat Alaska, Salmon for Alaska's Future, and the Alaska Salmon Coalition. In past years, I have served on such bodies as the US Northern Panel of the Pacific Salmon Commission, which is the implementing body of the Pacific Salmon Treaty, and chaired the Alaska's Citizen's Advisory Committee on Federal Reauthorizations and Allied Fishermen of Southeast Alaska, as well as participated in several Gubernatorial and Congressional advisory panels. Part of my academic training focused on fisheries science, the rest in pharmacy and paramedicine. I've worked as a fish culturist in Prince William Sound and Southeast Alaska, and as a deckhand in troll and seine fisheries. In short, fish, fishermen, the seafood industry and the issues surrounding them are all familiar territory to me.

United Fishermen of Alaska is a statewide organization representing commercial fishermen on issues of common concern. Presently, 26 fishing groups and a large number of individual fishermen, processors and businesses make up UFA's membership. Alaska's commercial fishing fleet is 100% US owned and about 80% Alaska resident. The seafood industry is the largest private sector employer and second only to oil in terms of the revenue it generates for the state and its residents. Salmon makes up the lions share of the state's commercial fisheries production.

Alaska Trollers Association represents hook and line salmon fishermen who operate exclusively in Southeast Alaska. The Southeast troll fishery is one of the largest salmon fleets in the state and is 86% resident, with over 40% of the permit holders living in rural communities. Roughly one of every 30 people living in our region works on a troll boat – and this figure does not include the processing and support sector that rely on our fleet. When you add in the rest of

the commercial salmon fleets, the guided sportfishing industry, resident anglers, and subsistence users, the pursuit of wild salmon is clearly one of the most important contributors to our local economy and social well-being.

So... why am I here? Why would a fishing representative from Alaska come to Vancouver to testify on this issue? Why do I think the people of Canada should care what me, or others in Alaska, think about economic decisions made by your country? Why should Canadian's listen to us, and perhaps even deny additional growth in the farmed industry as we suggest, as opposed to applying a boot to my uppity behind and pointing me towards the border?

I am here because we Alaskan's are watching – we are concerned – and we are affected by the decisions you make about your salmon resource. Most importantly to you, Canada will be deeply affected by the decisions you make, and Canada will be affected if Alaska is harmed.

There is a simple truth about the commercial fishing industry – our US and Canadian coastal economies, particularly in North Central BC and Alaska, are inter-connected and reliant on one another. I have Canadian fishermen in my organization. Alaskans buy gear from Canadians. Canadian processors own packers and processing plants in Alaska. Some of the fish we harvest in Alaska is processed by plants here in B.C. Would it surprise you to know that there have been years when over 80% of the sockeye processed in Canada were harvested mostly by Alaska's Bristol Bay fishermen?

Canada and Alaska share a salmon resource – these fish have no idea if they are wrapped in Maple Leaves or Old Glory. We have a combined obligation under the Pacific Salmon Treaty to protect BOTH fish and fishermen. In Alaska, we believe we do our part – sometimes at great expense to fleets like mine. We make decisions with regard to resource development that are sometimes counter-intuitive to corporate CEOs, but make absolute sense to a fishing economy. We safeguard our natural resources and those who rely on them. We honor management agreements made with others for conservation and allocation.

Given the acrimony we experienced live and in the press just a few years ago, and the hits we took in the Treaty, it has been nothing short of amazing to we Alaskans to watch the Canadian government continue to tear up its habitat and dismantle its coastal fishing industry, only to replace it with operations that appear far less durable over time. Fish farming is a prime example – it's not sustainable now and might never truly be. Note that everywhere this industry exists in the marine environment, something else seems to suffer – typically local fish populations, the environment, artesianal fishermen and their communities.

Canada looks to be trading off homegrown coastal economies primarily for multi-national corporations based in distant lands. Family businesses and viable townships – in your country and mine -- are being put out of business as deep pocket firms flood the market with cheap fish... and wait. Widgets...semi-

conductors...fish, it's all the same. Capture the market share and topple the competition – out last them. Do these corporations care about you? Us? The long-term future of our region? Looks to me like they're just filling the voids which they create as they shove existing industries aside.

Do the benefits of these large-scale, often subsidized, 'aqua-business' ventures really pencil out for a region like ours? It's not difficult to see that fish farms often mean the trade-off of higher paying seafood jobs and independent businesses for a smaller set of unskilled low wage jobs.

Fish farmers don't appear to internalize their costs like fishermen do – we have to pay for ourselves, and we ALL seem to pay for the farms one way or another. Take for instance a recent year disease problem on the east coast, which was likely caused by farming, directly or indirectly. The problem was made worse by some fish farmers' refusal to kill fish suspected of harboring the disease. When the disease spread over a wide area, the farmers finally admitted that to stop the disease they'd have to eliminate the fish in their pens. Of course they insisted the federal government come to their aide to the tune of \$10 million. In contrast, when a problem erupts in commercial fisheries, we sit on the beach and draw down our savings accounts. Pure and simple. Whether it's to protect the resource, or move fish to other users, fishermen usually absorb the costs of doing business.

On the other hand, fish farmers have been allowed to externalize their costs. Who pays to clean up the toxic sludge under those net pens? Not the farmers, by what I can tell. Apparently dilution is seen as their solution to pollution - they aren't being held accountable for the impacts of their trade. But pity the person with the allergy who pays the price by bringing up the animal, that eats the waste under the net pen, that's full of the antibiotics, which makes them suddenly feel ill, yet they don't know why. Or the resource that pays via the many crustaceans killed inadvertently when doused by the drugs used to kill their cousins the sea lice; or, the sea lions killed after being chummed in by the fish hung in front of their noses? And what about the oyster farmer who relies on a pristine water source to rear his product to market size? The pollution near those net pens takes it's pound of flesh out of that person as well. Yep, someone or something pays, yet often it's not the ones who do the damage.

Given the spate of new information coming to light, along with criticism being leveled from high within your government's ranks, what will happen when Canada decides to truly regulate these firms and make them liable? And, what about when the price gets too steep to protect the resource AND maintain their margins? Can salmon farmers really compete without subsidies and liberal regulations? Or will they drag up and head to a developing country with more lax rules and restrictions? History suggests that could happen. And what with Japan and Russia recently cutting a deal on fish farming, China searching out new mariculture opportunity and the Chilean's stated intent to leave their doors wide open to expansion, well, it just makes you wonder.

Alaskans are committed to sustainable resource development and cared enough to build that philosophy right into our Constitution. In fact, if not for the quest to save our salmon from extinction from the brazen, short sighted activities of a few, I wonder whether we'd even be a state today. By law, every decision we make about fish and wildlife mandates that the health of the resource comes first. Have we made mistakes? Certainly, but the state and user groups strive to correct problems as they surface. The process involves the public, is dynamic and the results have been rewarding – in Alaska we have both salmon and working salmon fishermen.

Our state has thus far denied fish farming in its waters. I was one of many people around the state who fought for these provisions. The effort to ban fish farming was led by Senator Dick Eliason, who's testimony I will add to the record today. When we argued against fish farming there was a large number of suppositions and fears, but very little real evidence of the associated problems. Of the verifiable problems, advocates told us most could be controlled. They were wrong. How do we know? Because, the problems have only gotten worse. We don't even allow fish farming, yet your Atlantic salmon are now found in our rivers, and we catch them in our fisheries. Farmed salmon are spawning in Canada, and most likely in Alaska, too.

The dam has burst on the silence surrounding the dangers of fish farming. All the things Alaskans feared, and more, have come true somewhere. Nearly every day there are articles from points across the world regarding the troubles and conflicts stemming from salmon farming. From ecology and water quality, to public policy regarding land and water use, to transmission of disease, to development of feral populations, to human health matters and labor relations. It's all out there. If I can ask your patience, I'd like to share just a small sampling of information I've gathered from a number of different countries and sources.

This one was a little predictive and actually includes quotes from one of your own, Brian Riddell of DFO, "Salmon Farm Problems Mount in both Norway and B.C." It talks about disease and parasite issues in 1990.

Here's one from 1999, "Disease Found in Fife Sound Fish Escapees". Nothing to worry about there.

"Stellar Sea Lions Beleaguered by Salmon Farmers." This one's in B.C., but it's happening all over Chile and anywhere else they have critters in the water. We're managed under the Marine Mammal Protection Act. We are stringently regulated all over the State of Alaska, and some fisheries right now are suffering deep restrictions to preserve marine mammals. These are integrated, interrelated coastal populations. There's hundreds of these mammals being killed each year. I believe without an enforcement and reporting process you don't even know how many.

Here is "Salmon Virus Found in Three Maine Fish Farms." So we have troubles in the U.S., too.

Then we have Tasmania totally up in arms and alarmed about importing Canadian fish into their country because of disease issues. They have fish farms in Tasmania. They don't want to transmit those diseases down to their farms.

Scotland, very concerned...lots of stuff out of Scotland these days, "Fish Farms Spawn Trouble for Salmon Anglers," has to do with integration of their wild and farm stocks and reduced production in their streams. They've got sea lice problems everywhere, and disease; it's a mess.

Here's the Scottish Environmental Protection Agency, "Pollution from Fish Farms Seen as Bad Sewage." The Scottish shellfish farmers are ticked off and they don't want the Shetland Islands to remove the moratorium on salmon farming. Why? Because all that salmon farming is affecting their water purity, it's transmitting chemicals into the water that's harming their resource. So they're bummed out, and they're actually farmers.

We've got "Officers Threatened." Now, I'm Irish so I can joke about this one. Violence was threatened in Northern Ireland over fish farm releases there. They've got fish farmers that are --

JUDGE LEGGATT: As if they didn't have enough trouble in Ireland.

KELLEY: Yeah. Yeah, in County Antrim no less. Right before a trip of mine a couple of weeks ago to talk about fish farming in DC, they had a huge escape of farmed fish. The anglers don't want those fish in the rivers. Can you imagine? So they're snagging them. Of course, they're selling them and that's a little tacky, but their main point seemed to be that they didn't want them in the rivers, so they're pretty riled up.

Here's NASCO. You know them, they're charged with looking after fish. They're pretty concerned about interactions between wild and Atlantic salmon stocks. Canada does have a farm industry on the opposite coast, as do we, and we have Atlantic salmon listed under the Endangered Species Act. So, how much sense does that make? They're killing those fish in pens because of disease. The fish are escaping due to storms. It's ridiculous.

Here's Chile accused of dumping farmed fish. That's affecting your fishermen here in this state as much as yours. Our price is in the toilet. They're kicking our ass. Can I say that in Canada?

JUDGE LEGGATT: Yeah, that's okay.

KELLEY: I write to a salmon farmer in Chile actually, and you know, the fish farm issues break down into the big boys and the little guys, too. And this guy is very concerned. He writes me all the time about his concerns. Labour concerns are a big issue, and others, but here's one really charming, "large amounts of open mortality pits on private and fiscal land that when discovered are sealed off by a thin layer of sand and soil that after a few days sinks into the rotting mess that stinks for miles and attracts rodents, flies, et cetera." You know, I've cultured fish. Fish die in pens. You've got to do something with them. And, especially if they're diseased, you don't want them in the water. So, just what are the fish farmers doing with their mortalities?

And finally there's a lot of discussion about what goes into these fish - we always hear that those chemicals are perfectly harmless. Well, here's the European Commission. Their Scientific Committee for Food has written an opinion that they're very concerned about the colouring agents fed to these fish. We've all been told that that's the most natural thing going into farmed fish. Well, apparently it's causing crystallization on people's retinas and other charming things...liver toxicity and other matters. So what is going into these fish and what's the risk of what's on these dinner plates?

Fish farming is proving a poor substitute for Mother Nature. For thousands of years we've relied on nature to raise the fish we catch and eat. With careful

management programs, salmon return wild and pure and healthy, they eat what salmon are supposed to eat - it's an efficient system that's produced lovely colored, firm fleshed, disease free fish to feed people and our economies. Contrast that with the self-appointed new age salmon producers who use copious amounts of space and precious natural resources to grow out fish. We're talking about the ones who use about 1300 litres of diesel fuel per metric ton of feed delivered to the Campbell River area and feed grotesque amounts of perfectly good food fish to salmon in pens - like, 100,000 metric tons of those other food fish to make only 40,000 metric tons of farmed Atlantic salmon. Apparently, it takes even more resources to produce farmed chinook salmon.

Farmed salmon are laced with growth hormones, anti-virals, antibiotics, coloring agents, and chemicals to rid the critters of parasites. The poor things are bathed in this cosmic-stew until they're the appropriate size and shape to be pushed to a consumer, who often has no idea how many resources and chemicals went into the manufacture of his or her 'middle of the plate protein'. Will the consumer even be informed when that fish on the plate has been genetically modified? I'm not talking about line-breeding to highlight the natural strengths of a particular stock - I'm talking about crossing salmon species...or worse. How about mixing a fish and a cow for faster growth rates? Does this sound like a bad sci-fi flick? Am I a total paranoid? Well, just look at what's happened to corn and soybeans.

According to a New York Times report last June, nearly all the available seed - worldwide - is genetically modified. One morning we woke up and they spilled the soybeans, as it were, AFTER there was virtually nothing to be done about it. By the way, flounders (the fish) can provide a pretty good gene for cold weather tolerance in those plants. And, how about the pesticides that they've built right in - no muss, no fuss, no harm, no foul...we hope. Did anyone ask YOU if they could experiment in this way with your food? Well, they didn't ask me, and I doubt the fish farming industry intends to ask if you'll accept a genetically modified salmon, yet they've already asked the US Food and Drug Administration to allow them to be exported into our country.

Whether or not genetically modified salmon is a health risk for humans isn't so much my point in this context as the fact that an influx of genetically modified fish into our rivers could definitely harm the salmon we all depend on. However, this type of food safety question is worthy of public debate before such altered products wind up on someone's dinner plate. But most of the regions fish farmers didn't even give the people at this inquiry the respect to show up and hear their concerns, much less discuss those concerns and share their industry perspective about expanding its turf. You think they're going to waste time with us on something like food safety or safeguarding the genetic integrity of wild salmon? What happens to Canadian and Alaskan markets when the consumer gets confused about which salmon is "safe" to buy, so turns away from salmon altogether? Even worse, what happens when those genetically modified fish pair up with wild salmon or trout in the streams? Just think about what it could mean to salmon stocks that have already been listed under the Endangered Species Act. We're told that's just not gonna happen, but farmed fish weren't going to

escape in any large number, and those that did weren't expected to survive, much less spawn. So, forgive us if we remain skeptical.

Fishermen and communities in Alaska do not support salmon farming. The short-term benefit for a few does not appear to outweigh the long term risks to our natural resources or our shared coastal economy. Today, Senator Eliason still says no to fish farming and believes he made the right decision on behalf of the people of Alaska. He is supported in that belief by the Southeast Conference, which represents the communities of Southeast Alaska, and by many others throughout the state. I am certain that had this hearing not occurred in the final days of our fishing season, you would have seen even more Alaskan comments in support of not only sustaining Canada's current moratorium, but also for reducing the size and scale of the existing industry and requests that your government deny expansion into other species, in order to help ensure both the integrity of the coastwide fishery resource and the vitality of our communities.

Alaska fishermen recognize this as an issue of mutual concern between our regions and stand willing to assist in the efforts to preserve the existing moratorium on new salmon farm permits.

Thank you again for the opportunity to comment on this important topic.

Oh, just one last thing...

I'd like to respond publicly to a recent editorial in a Canadian paper that referred to this hearing as a gathering of so the called 'eco-elite', and went so far as to compare this inquiry to a Taliban undertaking. Shame on them!

Maybe it's because I happened to be at the US Capitol Building on September 11th. Perhaps it's because I was simultaneously evacuated from two different buildings within an hour, felt the moment of impact when the Pentagon was hit and saw the twin towers crumble LIVE on the TV screen. It might be because I experienced first hand WA DC's short loss of contact with the outside and witnessed its transition to a police state - with its associated military presence - F16's and helicopters over head day and night, streets cordoned off, ID's checked at every turn and people's nervous musings about what and who was next, all blended with the incessant blaring of sirens. Or, it could be the fact that I was stuck there for nearly an extra week, then had to drive to Chicago to fly home from the busiest airport in the nation, which had all the ambience of some eerie ghost town. That said, I also witnessed the best of what America, and people in general, have to offer - an out pouring of love, good will and a rousing, hopeful spirit that can't help but provide comfort in the midst of chaos.

Whatever the reason, I consider the editor's comments an insult of the highest level and in very poor taste. I deeply resent such a comparison of myself, or others involved in this inquiry, to such evil - even in jest. This is no joking matter for me - is it for any of us?

On behalf of Alaska fishermen, I wish to remember the 9-11 victims on this one month anniversary, and to extend to the families of this tragedy, both in our nation and throughout the world, our heartfelt sympathy. My hope for us all is for a lasting resolution to the horrors we currently face.

Here's to peace in our time.

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HJR

47



Alaska State Legislature

HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Representative Carl Morgan
Co-Chairman
Committee Aide, Bill Lawrence
(907) 465-3882

Representative Kevin Meyer
Co-Chairman
Committee Aide, Lorali Carter
(907) 465-6588

House Joint Resolution 47 Sponsor Statement

The Environmental Protection Agency (EPA) recently established a rule, effective in 2006, to reduce air pollution and related health and air quality impacts from large trucks and buses. In 2006, diesel trucks and buses must use diesel fuel containing 15 parts per million (or less) sulfur. Model year 2007 diesel trucks will require new emissions control equipment specifically designed to use only this type of fuel. This means most road diesel fuel used in Alaska in the future will, by rule, be ultra low sulfur diesel.

The financial and logistical consequence to rural Alaskans is significant with this change of diesel fuel types. An increase of 20 to 45 cents per gallon is expected. A greater fuel requirement is necessary with a decrease in fuel efficiency or fewer BTU's generated.

The effects extend to the Alaska trucking industry, whereby freight transport costs will rise.

Electrical companies testified that varying grades of diesel fuel would become increasingly difficult to obtain for existing systems.

Fuel transportation, delivery and storage systems in rural Alaska are generally capable of handling no more than one discrete diesel fuel type. Barges will need retrofitting and tanks in fuel farms cleaned.

One Alaska refiner expected a retrofit to cost \$100 million to produce the new fuel. The cost associated with this retrofit is not financially feasible when only 5% of the diesel refined in Alaska is used on the road. Thus, production of ultra low sulfur diesel fuel is not likely in Alaska. Any ultra low sulfur diesel fuel used in Alaska will, by necessity, be imported from lower 48 refineries.

While the federal rule is designed to address environmental health and air quality issues in urban and populated areas, it has severe economic implications in rural Alaska. Most of those testifying acknowledged ultra low sulfur diesel fuel will eventually be used throughout Alaska, but believe implementing the rule in 2006 is onerous.

The House Community and Regional Affairs Committee introduced HJR 47 to address Alaska's concerns with the effective date of this new federal rule. It asks EPA and the Department of Environmental Conservation to give Alaska maximum flexibility in implementing the new rule.

[|DEC home](#) | [air](#) | [water](#) | [land](#) | [food](#) | [oil, chemicals](#) | [public facilities, businesses](#) | [pollution prevention](#) |



Alaska Department of Environmental Conservation

Press release

April 1, 2002

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DEC announces it will follow "national plan" for transition to ultra-low sulfur diesel fuel for heavy-duty trucks and buses in urban Alaska.

[Ultra low sulfur diesel
fuel](#)

Alaska Department of Environmental Conservation Commissioner Michele Brown today announced that Alaska will follow the national plan proposed by the U.S. Environmental Protection Agency for the transition to ultra-low sulfur diesel fuel for heavy-duty trucks and buses in urban Alaska. DEC will request an extension to June 13, 2003, to submit recommendations to EPA on how best to transition to the fuel in rural Alaska in order to hear from more people in rural Alaskan communities. Alaska has not and will not ask for an exemption from the 15 parts per million (ppm) sulfur standard for road use diesel fuel.

In December 2000, EPA finalized a rule reducing sulfur emissions of diesel to no more than 15 ppm for heavy-duty trucks and buses. DEC's decision for urban Alaska means that between 2006 and 2010, at least 80% of the diesel Alaska refineries or importers produce or import for road use must be ultra-low sulfur (15 ppm) and the remaining 20% must be 500 ppm or less. By 2010, 100% of the diesel for road use must be ultra-low sulfur fuel.

Alaska had the option of developing its own plan to meet the 15 ppm standard, including extending the date, but chose the national plan for communities on the Alaska road system connected to the contiguous states and the larger communities on the marine highway system in order to improve air quality.

Use of lower sulfur diesel fuel will have important health benefits by significantly reducing emissions of fine particulate matter and other pollutants. The emission controls in new vehicles will reduce particulate matter and nitrogen oxide gas emissions by up to 90%.

New medical research shows convincing links between health and pollution exposure from diesel vehicles. Diesel engines are a significant source of nitrogen oxides (NO_x). Exposure from diesel exhaust can cause human respiratory problems, haze, and nitrate deposits that upset the fragile nutrient balance in lakes and rivers. Particulate matter, particularly from fuel combustion, is linked with many significant health problems, from aggravation of asthma to premature death. Recent studies also indicate diesel particulate as a potential cancer risk.

"Although we have fewer large trucks and buses in urban Alaska than in other areas in the U.S., these trucks still rumble down our roads, and children still ride on school buses," said Commissioner Brown. "Using ultra-low sulfur diesel will reduce air pollution from large diesel trucks and buses, and consequently reduce the risk of cancer, asthma, and respiratory illnesses."

The federal rule requires new emission control equipment in model year 2007 heavy-duty diesel trucks and buses with a gross vehicle weight rating greater than 8500 pounds. Ultra-low sulfur diesel is necessary for the operation of the new emission controls. Engine manufacturers have decided to configure all diesel vehicles, regardless of size, to run on ultra-low sulfur diesel. Using fuel with a higher sulfur content could cause engine damage, loss of warranty, and federal penalties. Following the national plan in urban Alaska will ensure the fuel these vehicles need is available. Older diesel vehicles should not be adversely effected by using the new fuel, although vehicles made before 1990 may need fuel additives to run efficiently.

Rural communities, tribal leaders, and others in rural Alaska have asked for more time to develop an implementation strategy that addresses emissions for non-road sources and protects rural communities from higher home heating costs. Many Alaskan villages are dependent on diesel for power generation and home heating, which are not addressed in the national rule. The additional time will allow rural communities and Tribes to evaluate village infrastructure to accommodate the new fuel, subsidies and incentives, power generation facility upgrades, and health risks from exposure to diesel power generation. DEC is committed to providing maximum flexibility for Tribes and rural communities to comply with the new fuel rule or to work toward converting to 15 ppm earlier than the rest of the nation, if they choose.

More information is available on our website at
<http://www.state.ak.us/dec/dawq/aqi/ultralowsulfur.htm>

You can also contact Clint Farr, at 907-465-5127.

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**We welcome your comments: Tell us how DEC is doing
AND tell us about this website (website@envircon.state.ak.us)**

STATE OF ALASKA

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DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER

April 1, 2002

Jeffrey R. Holmstead, Assistant Administrator
Office of Air & Radiation
U.S. Environmental Protection Agency
Ariel Rios North Bldg. MC 6101A
1200 Pennsylvania Ave., NW
Washington, DC 20460

Dear Mr. Holmstead:

On behalf of Alaska Governor Tony Knowles, I enclose Alaska's Transition Plan for Ultra Low Sulfur Diesel Fuel developed pursuant to 40 CFR Part 69.51.

Alaska is a unique state. Our fuel distribution system and small number of on-highway sources make transition to ultra low sulfur diesel fuel more complicated than in other parts of the United States. We appreciate EPA recognizing this and offering the opportunity to develop a plan that works for all Alaskans.

Development of this plan included a number of meetings with road system, rural, and Tribal stakeholders. We believe we were able to interact with a good cross section of people and interests. However, we also believe that more time is needed to hear from Tribes and rural Alaskans.

We are proposing adherence to EPA's "National Plan" for areas of the state on the contiguous road system connected to Canada, and those communities on the Alaska Marine Highway System that have regular drive on and off service. Health based considerations tip the scale in favor of adopting this plan.

For Tribes and rural Alaska communities outside the road and marine highway system, preliminary indications suggest support for a market driven approach. We have undertaken an extensive outreach effort to rural communities, but it is a lengthy process due to seasonal and cultural considerations and logistical challenges. Despite our efforts, we have not yet completed our consultation. Tribal and community representatives have stressed the need for more time to review the rule and its potential impacts. Further, some Tribes believe there was not sufficient consultation with the EPA during the rulemaking process. Consequently, our proposed plan includes additional time to consult and address the factors unique to rural

Alaska Ultra-Low Sulfur Diesel Fuel Transition Plan

1. Rule Development and Health Based Justification

- In December 2000, EPA finalized a rule reducing emissions of particulate matter (PM) and nitrogen oxides (NOx) from 2007 and newer large trucks and buses.
- To achieve these reductions, manufacturers must install after treatment devices that require use of ultra low sulfur diesel fuel (15 parts per million (ppm) or less sulfur).
- Operators of heavy-duty diesel trucks and buses will have to use ultra-low sulfur diesel or risk engine damage, loss of warranty, and federal penalties.
- Why this rule? There will be improved air quality with use of the new fuel - the new vehicles will have up to a 90% reduction in PM and NOx emissions.
- Particulate matter may exacerbate asthma, cause lung cancer, or increased mortality.
- Nitrogen oxides are an ozone precursor. Ozone is implicated in respiratory illness.
- Particulate matter and nitrogen oxides contribute to haze formation.

2. Economic/Distribution Impacts

- Fuel will cost more.
- EPA estimates ultra-low sulfur fuel to cost \$0.05 more in the lower-48. Costs to Alaskans –especially rural Alaskans - will likely be higher due to distribution logistics. **Note:** Fuel may have to be imported due to high costs of in-state production. May be difficult to find 15 ppm sulfur diesel meeting arctic grade fuel specifications.
- Tankage systems to separate 15 ppm sulfur diesel from other fuels may be expensive.
- 15 ppm sulfur will have approximately 3% less energy (BTU's) per gallon, leading to a loss of efficiency (this is especially important if used in power generation).
- If this fuel is used universally, costs also will increase for such things as home heating or power generation.
- Use of 15 ppm sulfur diesel in 2006 and older vehicles should not cause impact. However, some indications that 1990 and earlier vehicles may need additives to avoid leaking pumps and lubricity problems.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services
Department of Education & Early Development
State of Alaska

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

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Mr. Holmstead, U.S. EPA
re: Alaska's transition plan for ultra low
sulfur diesel fuel

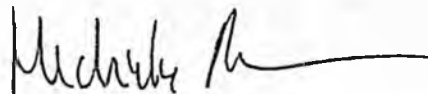
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April 1, 2002

Alaska. In consideration of these concerns from Tribes and other rural residents and our unique fuel distribution system in rural Alaska, we request EPA work with the state in consultation with Tribes over the next year or so to finalize the details in Alaska's transition plan for rural Alaska.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Michele Brown
Commissioner

Enclosures: State of Alaska Transition Plan to Ultra Low Sulfur Diesel

cc: Richard Babst, U.S. EPA
Paul Machiele, U.S. EPA

Alaska Ultra-Low Sulfur Diesel Fuel Transition Plan

1. Rule Development and Health Based Justification

- In December 2000, EPA finalized a rule reducing emissions of particulate matter (PM) and nitrogen oxides (NOx) from 2007 and newer large trucks and buses.
- To achieve these reductions, manufacturers must install after treatment devices that require use of ultra low sulfur diesel fuel (15 parts per million (ppm) or less sulfur).
- Operators of heavy-duty diesel trucks and buses will have to use ultra-low sulfur diesel or risk engine damage, loss of warranty, and federal penalties.
- Why this rule? There will be improved air quality with use of the new fuel - the new vehicles will have up to a 90% reduction in PM and NOx emissions.
- Particulate matter may exacerbate asthma, cause lung cancer, or increased mortality.
- Nitrogen oxides are an ozone precursor. Ozone is implicated in respiratory illness.
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- Tankage systems to separate 15 ppm sulfur diesel from other fuels may be expensive.
- 15 ppm sulfur will have approximately 3% less energy (BTU's) per gallon, leading to a loss of efficiency (this is especially important if used in power generation).
- If this fuel is used universally, costs also will increase for such things as home heating or power generation.
- Use of 15 ppm sulfur diesel in 2006 and older vehicles should not cause impact. However, some indications that 1990 and earlier vehicles may need additives to avoid leaking pumps and lubricity problems.

3. Options to Transition to Ultra Low Sulfur Diesel Fuel

- Only 5% of diesel fuel used in Alaska is destined for on-highway vehicles compared to approximately 40% in lower-48.
- Due to unique environmental, geographical and economic costs documented in exemption to previous fuel regulations, EPA approved flexibility for Alaska to develop a transition plan specific to Alaska for the new 15 ppm fuel.

➤ National Plan

- At least 80% of on-highway diesel as 15 PPM sulfur and no more than 20% on-highway diesel as higher sulfur.
- 100% 15 PPM sulfur diesel by 2010.

➤ Market Based Phase-in Plan

- Fuel provided based on market demand – lower percentage of the fuel in the early years (2007, 2008).
- In state refiners may not be able to provide the fuel.
- The percent 15 PPM diesel increases each year.
- Timeline for 100% 15 PPM sulfur diesel may extend past 2010.
- There would be a goal of 2010 to transition diesel vehicle fuel supply to ultra low sulfur diesel.

➤ Buy the Truck – Buy the Fuel Market Based Approach – Rural only (off the contiguous road system)

- Allow community to use uncontrolled (>500 PPM) diesel until:
 - A 2007 or later diesel vehicle is imported, and 15 PPM diesel fuel must be imported for that vehicle.
- Community and community members can decide if:
 - They will buy a 2007 model year diesel vehicle.
 - They will switch all diesel vehicles to the new fuel regardless of model year.
 - The entire community will switch to the new fuel, including power generation.
- There would be a goal of 2010 to transition diesel vehicle fuel supply to ultra low sulfur diesel.

➤ Mandate for All Fuels

- Require all diesel fuel not destined for aircraft to switch to 15 PPM sulfur diesel.
- This is a regulatory process and may also require legislative action.
- Retailers/Distributors/Refiners responsible for providing fuel.
- Cost impacts - incentives and assistance in changeover costs may have to be considered and may also require legislative action.

4. Status

- We have held 3 workshops in Anchorage between April and July to discuss options.
 - Most participants were from urban Alaska.
 - Consensus was not reached.
 - A little over half chose the national plan or something more stringent.
 - Refineries indicated that they would not refine the ultra low sulfur fuel initially.
- We are currently visiting rural hub communities (e.g., Nome, Kotzebue, Barrow, Kodiak, Dillingham, Bethel, Unalaska/Dutch Harbor)
 - No consensus at this time.

5. Actions Taken or To Be Taken

- On April 1, 2002, we submitted plan to EPA that splits Urban and Rural areas.
 - Urban Alaska - We are recommending areas connected to the contiguous 48 states and major hubs on the ferry system to be subject to the National Plan.
 - Rural Alaska - We are recommending an extra year to further explore the impacts of the new fuel on areas not considered "urban". We express a goal of having rural Alaska transitioned to ultra low sulfur diesel by 2010.
- Working with the Alaska Native Health Board (ANHB) and the Institute of Circumpolar Health at UAA to develop a low dose exposure study to particulate matter and subsequent health impacts from diesel fuel use in rural Alaska.

6. Future Impacts

- Sulfur must be reduced in gasoline by 2007.
- EPA is developing sulfur fuel requirements for non-road engines (e.g., road construction equipment, farm tractors, etc.).
- Vehicle and engine manufacturers indicate that light duty diesel cars and trucks will also need the ultra low sulfur fuel by 2006/2007.

Alaska's Transition Plan to Ultra Low Sulfur Diesel

Summary

Under Federal Regulation (40 CFR Part 80), Alaska may develop and submit for EPA approval an alternative transition plan for implementing the ultra-low sulfur standard. The deadline for submitting an alternative plan is April 1, 2002. The State of Alaska, Department of Environmental Conservation, asks for the incorporation into the federal register of the following components of a transition plan to 15 ppm sulfur diesel for Alaska.

Alaska is a large and expansive state. For this particular issue, Alaskans would be best served by categorizing Alaskan communities into two groups: 1) Communities on the road contiguous with Canada and the Lower 48, and communities regularly serviced by the Alaska Marine Highway System ferry system; and 2) Communities not on the contiguous road or receive limited ferry service.:

- The portions of Alaska serviced by the contiguous road system connected to Canada and the Lower 48 states, and portions of the Alaska Marine Highway System with regular drive-on, drive-off vehicle service on ferries (i.e. Kodiak, Ketchikan, Juneau, Sitka, Haines, Skagway, Petersburg, Wrangell, and Cordova) will be subject to the National Plan.
- For areas not covered by the above description, preliminary indications favor a market-based approach. We are still in the process of gathering input from rural and Tribal communities. We request an extension to June 13, 2003 to consider Tribal and rural recommendations and develop all the components of a rural plan.
- We recommend EPA allow PetroStar refinery fall under the general flexibilities listed in 40 CFR 80.552. We recommend modifications of 40 CFR 80.550 to qualify PetroStar as a small refiner.

- Additionally, we request EPA provide an additional 75 days for Alaska, refiners, and others, to explore flexibilities offered in 40 CFR 80.540.

Urban Program – National Plan:

At this time, Alaska is submitting a plan for the communities of Alaska serviced directly by the road system connected to Canada (and the rest of the US), and the Alaska Marine Highway (i.e. Kodiak, Ketchikan, Juneau, Sitka, Haines, Skagway, Petersburg, Wrangell, and Cordova). The State of Alaska recommends those communities on the connected road system or served by the Alaska State ferry system as identified above will follow the nationwide requirements as laid out in 66 FR 5002.

Rural Program – Unique challenges:

The communities not on the contiguous road system or with periodic and minimal ferry service not identified above may be subject to an alternative plan. This is still under discussion with rural communities.

This past summer the State of Alaska held three public workgroup meetings in Anchorage to discuss transitioning to 15 ppm sulfur diesel. Involvement from Tribes and rural Alaska was low. Our entreaties to join the workshops were not successful. Tribe members and rural Alaskans live a true subsistence lifestyle. The summer is dedicated to harvesting traditional foods, which make up the bulk of Tribal diets. These activities are necessary for survival in terms of nourishment and culture.

To increase involvement of tribal members and rural Alaskans, the State embarked on a series of fall and winter meetings to inform and solicit recommendations about the 15 ppm sulfur diesel requirements and its potential impacts on rural Alaska. The first step occurred at the Bureau of Indian Affairs Providers conference in Anchorage, in October 2001, and at the Forum for the Environment, also in Anchorage, during the week of February 4, 2002. Through these meetings, we established necessary contacts to make travel to the Tribes and rural Alaska a reality.

At this time, we have held meetings with community members in six hub communities in rural Alaska, including Kotzebue, Unalakleet, Nome, Barrow, Kodiak, and Dutch Harbor/Unalaska. Where possible we are trying in smaller villages by teleconference. It is anticipated that those who participate in these hub community meetings will spread the word to additional rural communities. Ideally, we would have the time and budget to establish communications and travel to smaller villages.

Rural Alaska posed unique challenges. It is impossible to address mobile sources in rural Alaska without addressing stationary sources. The two sources share a fuel distribution system that has evolved to be as cost effective and efficient as possible. For non-aviation uses, one grade of fuel is distributed to rural Alaska, once or twice a year when weather allows. Village residents use fuel from the same tank to run their power generators, to heat their homes, as well as to run their trucks. There are few diesel trucks in rural Alaska. Some villages do not even have diesel trucks. Modifying the distribution system to accommodate a small amount of 15 ppm sulfur diesel for highway purposes may impact fuel costs for all uses.

Most of the community members express concern with the cost impacts from converting to 15 ppm sulfur diesel. Fuel costs in rural Alaska are already the highest in the country and many believed costs will increase significantly due to distribution logistics. Specific concerns follow:

- Increased costs for fuel segregation - river barges, fuel planes, fuel retailers, and tank farm operators may have to dedicate a tank for 15 ppm sulfur diesel separate from those used to store fuel for home heating and electrical generation.
- A full conversion to 15 ppm sulfur diesel, to avoid fuel segregation costs, may cause operational problems, and may increase costs with home heating and power generation sources because of the price of the fuel and the fact that the ultra-low sulfur fuel produces less energy.

- There are very few diesel trucks and buses in rural Alaska. The health risks and exposures from diesel use in power generation is not known and needs to be evaluated. Without that data, it is impossible to compare the potential cost impacts with the potential health risk from diesel vehicles, which this rule addresses, or from power generation sources.

Initial comments indicate that rural communities and villages tend to favor a market-based approach, which builds upon local choices. Components of a market based approach include:

- The need to buy 15 ppm sulfur diesel fuel for a vehicle would only occur when a 2007 or later model year diesel truck or bus is introduced to the community.
- The goal for the deadline to convert all diesel powered vehicles to 15 ppm sulfur diesel in rural Alaska is 2010.
- At some point, enough sources will need 15 ppm sulfur diesel that a demand will be in place allowing distributors to cost effectively bring only the new fuel into the villages.
- This option offers maximum flexibility for Tribes and rural communities to comply with the fuel rule as dictated by the communities own priorities, concerns and economics. Villages can be more or less stringent than the national plan as they deem appropriate.
- Enforcement can occur with chain of custody documents that will follow shipments of 15 ppm fuel to off-road Alaska. Fuel may be tested at all points along the distribution system.

However, the rural communities do have other options to choose from when deciding how to best switch over to the 15 ppm sulfur fuel. These include the national plan outlined in 66 FR 5002, or a switch of all sources to 15 ppm sulfur fuel at once. Additional options may be developed if given additional time.

Extended deadline for Native Alaskan Tribe and Rural Community comments - We need more time to consult with local residents and tribes:

Efforts to consult with and develop a plan for Tribes and rural Alaska communities are still taking place. Distance, inclement weather, and cultural considerations make this a lengthy process.

The villages contacted thus far have expressed an acute need to review the information and further think about the impacts and ramifications of importing 15 ppm sulfur diesel into their community. To date we have received no formal comments on this issue.

For these reasons, we would like additional time to build a solid and appropriate rural transition plan. Under our proposal, the recommendation by the villages will not be requested until May 15, 2003. Therefore, we are requesting an extension to June 13, 2003 to develop and submit to EPA a Rural Plan.

The following subjects should be addressed over the extended submission deadline:

- Explore use of alternative power generation to avoid diesel impacts on power generation in terms of cost and operational characteristics.
- Availability of subsidies to assist in updating village infrastructure to accommodate the new fuel. This may include new tanks, cleaning of existing tanks, barge modifications, engine overhauls, and others.
- Availability of funding to develop projects running 15 ppm sulfur diesel through power generators and other potentially impacted sources in winter weather to determine operating characteristics.
- Possibility of incentives for production of Arctic grade ultra-low sulfur fuel to encourage production and price stability.
- Health studies are necessary to determine if a health threat is present before investing in the new fuel. Rural Alaska residents stated they do realize there are potential health effects from diesel combustion and would like to someday reap the benefits from 15 ppm sulfur diesel, but believe they need more information to evaluate this issue.

- Explore options for a time-certain conversion to 15 ppm sulfur diesel for all diesel vehicles.

Provisions for Small Refiner Flexibility:

The ADEC supports PetroStar's application to be considered a small refiner, as defined in 40 CFR 80.550. We believe PetroStar should be subject to the provisions given qualified small refiners in the national rule. PetroStar operates small refineries in North Pole and Valdez. Its size puts it at a cost disadvantage to larger refiners in modifying their facilities with current desulfurization technologies. However, under 40 CFR 80.550, PetroStar may not qualify as a small refiner due to the number of employees in its parent company. The parent company is the Arctic Slope Regional Corporation which has diversified holdings, most of which are unrelated to oil refining. PetroStar has taken the initiative to explore less costly desulfurization technologies than those currently available. In consideration of its size and current efforts to advance desulfurization technologies, the ADEC believes PetroStar should receive the flexibility available under the national rule for similar operations.

The State of Alaska recommends EPA allow PetroStar the general flexibilities listed in 40 CFR 80.552. We recommend modifications of small refiner qualifications discussed in 66 FR 5074-5075 to allow PetroStar's inclusion into small refiner status:

- Extend to December 31, 2002 the deadline to apply for small refiner status.
- Modify refiner size criteria to consider the size of PetroStar's parent company, or exclude PetroStar's parent company from small refiner size qualifications.

Provision for an additional 75 days for Alaska, refiners, and others, to explore the refiner flexibility offered in 40 CFR 80.540:

The EPA established the Geographic Phase-in Area (GPA) to allow for less stringent standards for gasoline sold in parts of the Western United States and Alaska (40 CFR 80.215). Alaskan refiners fall within the GPA. There are refiner flexibilities offered in 40 CFR 80.540 that will allow qualified refiners to put off gasoline sulfur standards

from 2007 to 2009 if the refiner produces 100% 15 part per million sulfur diesel in June 1, 2006.

As Alaska's transition plan is written, Alaskan refiners indicate there will be no in-state production of diesel for on-highway use. Alaskan refiners have not been able to evaluate the flexibility for GPA qualified refiners due to the development of this Alaskan transition plan. Now that the State of Alaska's transition plan has been determined, Alaska refiners are able to and need to prepare their plans on the basis of this transition plan.

Therefore, we request EPA provide an additional 75 days from April 1, 2002 for Alaska to explore this flexibility with the Alaskan refiners and others. After these additional days, a final decision will be made whether the State of Alaska should incorporate these flexibilities into a final Alaska transition plan.

HJR

48

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HJR 48
 (H) Publish Date: 4/9/02

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title: HJR-48 Federal Land Withdrawl BRU: _____
 Sponsor: (H)RLS Component: _____
 Requester: (H)RES Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amour.'s do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Jennifer Yuhas Phone 465-3715

Representative Beverly Masek / Drew Scalzi Date 4/8/02
 Committee Chair

Alaska State Legislature

House of Representatives

RULES COMMITTEE, CHAIR
COMMITTEE ON COMMITTEES
LABOR & COMMERCE COMMITTEE
MILITARY & VETERANS AFFAIRS
LEGISLATIVE COUNCIL



INTERIM:
10928 EAGLE RIVER RD., SUITE 141
EAGLE RIVER, AK 99577

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801

Sponsor Statement for HJR 48

This House Joint Resolution encourages Congress to amend the public lands laws of the United States to provide a timely means of returning previously withdrawn public lands to fuller use.

Throughout much of the United States, especially the Western States and Alaska, the federal government has withdrawn land for various reasons. Withdrawn lands are then off limits to other selections and designations, e.g. State's right-of-way, State selection, mining claims, Native allotments, etc. Many federal withdrawals were for public purposes such as parks and refuges; others were withdrawn to give agencies the flexibility to consider proposed uses of the land; and still others have been withdrawn for seeming arbitrary political purposes. When federal land is withdrawn it is closed until the withdrawal is removed which in some instances requires an act of Congress. This creates the problem where land remains closed to entry even when the original purpose for the withdrawal has been accomplished or has lapsed.

In Alaska many of these federally withdrawn lands have been selected by the State of Alaska in accordance with the Alaska Statehood Act for transfer to become State-owned lands. Some of these lands in withdrawal status have high mineral potential. Other lands were selected for access corridors. In all cases, these State selected lands cannot be transferred, and Alaska loses opportunities.

HJR 48 requests that Congress amend our country's public lands laws so that the land withdrawals sunset in 10 years unless the agency responsible for managing the land provides Congress with a justification.

HJR 48 also requests that Congress require the federal land managing agencies to compile a comprehensive listing of the withdrawn lands under their jurisdictions to include (1) the exact geographical coordinates of the withdrawals, (2) the legal authority for the withdrawal, (3) the document establishing the withdrawal, and (4) the proposed disposition of the affected land and file a plan with Congress within one year defining how the withdrawals will be terminated. This requirement would extend to all agencies of the United States that manage public lands, as many departments and agencies are involved in land management, e.g. The Post Office, the Department of Agriculture, the Department of Defense, the Bureau of Land Management, the National Park Services, the Fish and Wildlife Service, etc.

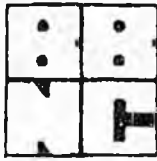
The Alaska State Legislature urges Congress to amend the current public lands laws as HJR 48 provides.



Representative Pete Kott

JUNEAU OFFICE (907) 465-3777 TOLL FREE 1-800-861-KOTT(5688) FAX (907) 465-2819
EAGLE RIVER OFFICE (907) 694-8944 FAX (907) 694-8945 E-MAIL: representative_pete_kott@legis.state.ak.us
<http://www.akpublicans.org/Kott.htm>





Bristol Bay Native Corporation

Enriching Our Native Way of Life

800 Cordova Street, Suite 200 / Anchorage, Alaska 99501-6299 / (907) 278-3602 / fax (907) 276-3924

VIA FACSIMILE: (907) 465-2819

April 8, 2002

Honorable Pete Kott
Alaska State House
Capitol Building
Juneau, Alaska 99801

Subject: Support for Joint Resolution 48, Relating to Federal Land Withdrawals

Dear Mr. Kott:

The Bristol Bay Native Corporation (BBNC) is one of the 12 regional corporations created by the Alaska Native Claims Settlement Act. BBNC is both a for-profit corporation and a quasi-social services organization. In addition to being tasked with paying increasingly larger dividends, we also are expected to create jobs for shareholders and to foster regional infrastructure development. Obsolete federal land withdrawals in our region are like a speed bump on our highway to economic prosperity.

A Canadian mining company was actively staking mining claims in the Bristol Bay region two years ago. When it came across a couple of archaic federal land withdrawals (PLO's 5179, 5180, and 5184, in particular), the company had no choice but to suspend its field activities. You are inherently aware that these withdrawals preclude any kind of economic development. We liken an obsolete withdrawal to a human appendix: it serves no purpose, but it has the potential to kill you. In our case, the PLO's mentioned above have already stifled staking activity in our region.

We believe that responsible development of our natural resources is a good thing. If we can get more staking and exploration activities in Alaska, we improve the chances of seeing another Red Dog or Fort Knox mine. Its high time that we restore many of the federally withdrawn land in Alaska back to the public domain so we can do our share to help Alaska's economy. It therefore follows that we whole-heartedly support the passage of House Joint Resolution No. 48.

Thank you for the opportunity to comment on this important legislation. If you have any questions, please call me at (907) 278-3602.

Sincerely,

Paul C. Roehl
Vice-President, Land & Resources



ALASKA MINERS ASSOCIATION, INC.

3305 Arctic #202, Anchorage, Alaska 99503 • (907) 563-9229 • FAX: (907) 563-9225 • www.alaskaminers.org

April 3, 2002

Honorable Pete Koll
Alaska State House
Capitol Building
Juneau, AK 99801

Re: House Joint Resolution 48, Relating to Federal Withdrawn Lands

Thank you for the opportunity to comment on House Joint Resolution 48 which requests that the Alaska Congressional Delegation introduce legislation that would require federal agencies to address the issue of obsolete federal land withdrawals.

All over Alaska, the western United States, and in fact, the United States as a whole, the agencies responsible for managing federal lands have at various times withdrawn parcels of varying size from entry, including entry under the general mining laws. Some of those withdrawals were to evaluate the lands for possible creation of parks or refuges. Other withdrawals were to give agencies the flexibility to consider other uses of the land. And other withdrawals may have been for political purposes.

Once in place, withdrawals are rarely removed, even if the purpose for the withdrawal no longer exists or the objective has been accomplished. On the contrary, a mishmash of withdrawal lands remain on the books. Although these withdrawals may have been "temporary", there is no provision in law for the leftover portions to be timely restored to public use.

Examples in Alaska of such temporary withdrawals include the TAPS pipeline corridor which withdrew a swath five or more miles wide across the state, pending resolution of the pipeline route. The excess withdrawal width was not terminated when construction was concluded, even though a one-mile wide corridor would be sufficient. Similarly, prior to ANILCA, a two mile wide corridor was withdrawn on each side of the Fortymile River for a wild and scenic river proposal. However, the final designation in ANILCA included only a one mile width. The remaining zone on each side of the river should have been restored to the public domain; however, the Bureau of Land Management has not done so. Hundreds of similar "temporary" withdrawals have been made across the country and little is being done to remove these encumbrances.

Many of the withdrawn lands in Alaska are covered by State selections as promised in accordance with the Alaska Statehood Act. Some of these lands have very high mineral potential and other lands are needed for access corridors. However, as long as the federal withdrawal remains in place, the land cannot be Tentatively Approved (TA'd) to the State.

We concur with HJR-48 that the first step is for the federal land managing agencies to compile a comprehensive listing of the withdrawn lands under their jurisdiction. This should include the legal

authority for the withdrawal, the document establishing the withdrawal, including the exact geographical coordinates of such withdrawal, and a map showing the parcel. There are so many withdrawals now in place that no one can readily tell where they all are or why they are there. The agencies would be required to provide this information and their plan for removal of the withdrawals that have not been removed by an Act of Congress and for which the purpose of the withdrawal no longer exists.

Also, the public lands laws of the United States should be changed so that withdrawals of public lands from entry, including entry under the mining laws of the United States, would terminate automatically if the withdrawals are not removed; unless the responsible land management agency provides Congress with a detailed justification for continuing the withdrawal and a proposed alternative date certain for its termination, such termination should occur without further legislative or administrative action on the later of either the tenth anniversary of the withdrawal or the tenth anniversary of the enactment of such a law,

Although agencies such as the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, and the U.S. Forest Service are the entities which would be most directly affected by this legislation, it is noted that vast tracts of public lands are also managed by the Department of Defense, the Department of State and the U.S. Postal Service as well as other agencies; therefore, this initiative should not be focused on one or two federal Departments, but should extend to all agencies of the United States which manage federal public lands.

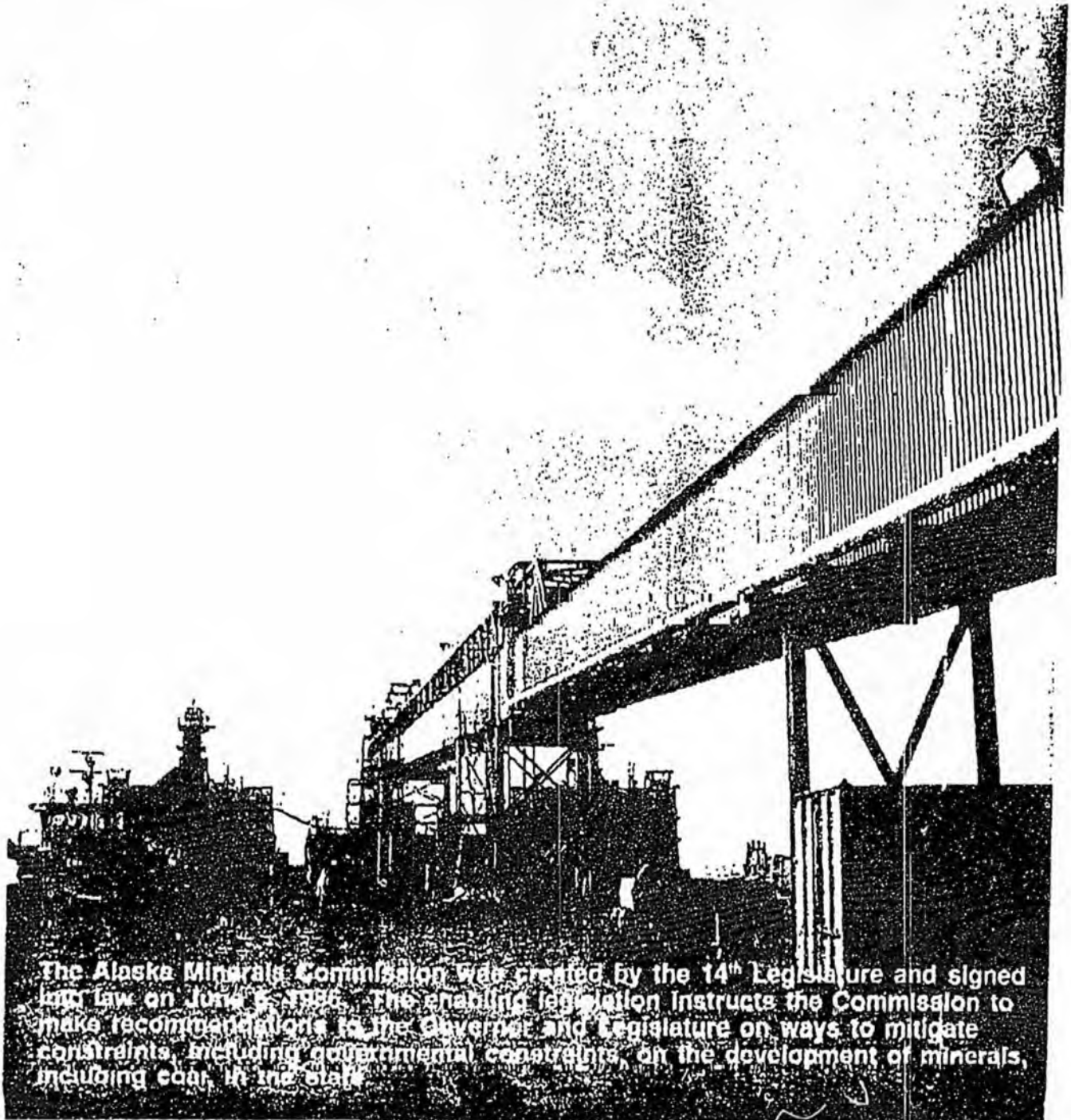
Thank you again for the opportunity to comment and we urge its passage at the earliest possible date.

Sincerely,



Steven C. Borell, P.E.
Executive Director

REPORT OF THE Alaska Minerals Commission



The Alaska Minerals Commission was created by the 14th Legislature and signed into law on June 5, 1986. The enabling legislation instructs the Commission to make recommendations to the Governor and Legislature on ways to mitigate constraints, including governmental constraints, on the development of minerals, including coal, in the state.

4.4) ACCESS AND INFRASTRUCTURE

The Governor and Legislature should encourage an efficient process for approval of permits for road, rail and powerline projects that would help develop Alaska's limited infrastructure. The Governor and the Legislature should ensure that after major projects work through a permitting process over an extensive period of time, there must be a rational way to bring closure to the process and issue a permit.

4.5) RESTRICTING THE USE OF MINING AIRSTRIPS

The Governor and the Legislature should direct the Division of Mining, Land & Water to amend the mining regulations so that when an airstrip is required for access to a specific mining operation, the Plan of Operations will allow the permit holder to restrict the use of the airstrip.

4.6) SCHOOL OF MINERAL ENGINEERING

The Governor and Legislature should provide adequate budgetary support to the UAF School of Mineral Engineering.

PART B: FEDERAL ISSUES OF STATE CONCERN

1) DETAILED GEOLOGIC MAPPING

The Governor and Legislature should encourage the Congressional delegation to seek funding for the U.S. Geological Survey specifically for detailed mapping, including surficial and engineering, as well as bedrock geological mapping of the State of Alaska. Such funding should include cooperative programs between the University of Alaska, the Alaska Division of Geological & Geophysical Surveys and the U. S. Geological Survey.

*** 2) RESOLUTION OF LINGERING WITHDRAWALS**

The Governor and the Legislature should urge the Congressional Delegation to request an accounting of Congressional and Administrative withdrawals that no longer have any justification, and seek expedited agency review, transmittal to Congress, and Congressional action. Withdrawals that have the most immediate impact on other activity or commerce should be given priority.

3) ESSENTIAL FISH HABITAT

The Governor and Legislature should work with the Congressional Delegation to limit the authority of the National Marine Fisheries Service to marine waters, and leave management of anadromous fish within state waters to the Alaska Department of Fish & Game.

4) ANILCA PROVISIONS

The Governor and Legislature, through the Attorney General's office, the State's Washington office, and the Congressional Delegation should insist that the federal administration:

- a) Provide access across Conservation System Units (CSU) as required by Title XI of the Alaska National Interest Lands Conservation Act (ANILCA);
- b) Prohibit the creation of additional CSU lands in Alaska as required by Sections 101d and 1326b of ANILCA; and
- c) Exchange mineralized areas from existing CSU under the authority of Sections 103b and 1302h of ANILCA.



Issues of Concern to the Alaska Mining Industry for 2002

January 2002

It is the position of the Alaska Miners Association that:

FISCAL ISSUES

1. State Fiscal Policy - The Governor and Legislature provide effective funding for the minerals and permitting functions in the Department of Natural Resources, the Department of Community & Economic Development, and the Department of Environmental Conservation. That the State adopt a long range fiscal plan and a biannual budget cycle.

2. Annual Airborne Geophysical Mapping Program - The Legislature and the Governor continue the extremely effective program of State investment in airborne geophysical mapping along with baseline water quality mapping.

3. Mineral Education - The Legislature continue to support the School of Mineral Engineering at UAF, and geoscience programs throughout UA at levels that will ensure continued accreditation, as well as the Delta Mine Training Center and the Mining and Petroleum Training Service (MAPTS).

4. AMEREF (Alaska Mineral & Energy Resources Education Fund) - The Legislature continue to support and fund the State's share of this program in the public schools.

LAND MANAGEMENT ISSUES

5. State Lands - The Governor and the Legislature support no net loss of multiple use policies and require that additions to any state parks, refuges, critical habitat areas, or other special restricted-use areas, or transfer of state land to federal ownership be made only if an equal acreage of other lands already having the same designation is released and the new area being designated is first evaluated for mineral potential.

6. Evaluation of State Land Selections - The Administration review and complete a new ranking of state-selected lands for transfer by the Bureau of Land

Management. Special emphasis must be given to high value resource lands and lands required for access rights of-way.

7. Land Transfers - Prior to any state land transfers to boroughs, land sales, or leases not required for resource development, require a detailed mineral evaluation, to include airborne geophysical survey, be completed to help ensure that mineralized lands or key access routes are not transferred.

8. New Federal Withdrawals - The Governor and Legislature oppose all new federal withdrawals, restrictions, roadless initiatives, Antiquities Act designations, etc. and fight vigorously against additional buffers or other restrictions to multiple use of federal lands in Alaska. The Alaska National Interest Lands Conservation Act (ANILCA) provides that "no more" federal land will be withdrawn for parks, preserves, monuments, wilderness designations, wild & scenic river designations, etc.

9. Lingerling Federal Withdrawals - The State pursue removal of old federal withdrawals (where purpose for withdrawal has expired) which are blocking land transfers to the State.

10. Federal Land Use - The Governor oppose all attempts to further restrict multiple use and access as promised by ANILCA, e.g. roadless initiative, land plans, etc.

11. International Heritage & Biosphere Designations - The Governor vigorously oppose establishment of international parks, biosphere reserves, and world heritage sites, such as the Seward Peninsula, the Bering Sea, NPRA, and ANWR. International designations would - 1) surrender partial sovereignty to the United Nations, and 2) forever eliminate access across the lands and waters (including existing federal conservation system units) for transportation, pipelines, powerlines, etc.

12. Federal Mining Law Issues - The Governor continue to oppose changes to federal law and regulations that would be adverse to Alaska miners.

ACCESS ISSUES

13. Roads, Railroads and Ports - The State: 1) develop new access roads and new railroads such as the Copper River Highway, 2) continue route selection for a railroad from the northwest Arctic to a deep water port on Norton Sound, and 3) support development of ports at Red Dog, Nome and elsewhere.

14. RS-2477 Rights-of-Way - The Governor and Legislature continue to systematically and aggressively pursue the rights of the State of Alaska regarding RS 2477 rights-of-way, both administratively and in the courts, and that the Legislature provide funding to ensure this is done. Without RS-2477s much of Alaska public lands will never have overland access.

15. Navigability - The Governor and Legislature continue to aggressively pursue the ownership of all navigable waters granted under the Statehood Act, including: quiet title to the North Fork and Mosquito Fork of the Fortymile River and the Black river; petitions for quiet title on all state waters where the federal government asserts reserved water rights or any management authority over navigable waters.

OTHER ISSUES

16. Non-Profit Foundation Money - Legislation be enacted to require reporting whenever funds from out of state 501(c)(3) foundations are given to Alaska non-profits, to include name of the non-profit, amounts and purpose for which the moneys are given.

17. Water Quality - The State continue to review and revise water quality standards to ensure: 1) they are scientifically and technically supportable, 2) they are developed using Alaska-specific criteria, and 3) they are sufficient to protect water quality and support

State implementation. That the State utilize third party contractors where possible while maintaining a core staff of State employees to manage the effort.

18. Air Quality - The State clarify and simplify the air quality regulations. That the State utilize third party contractors where possible while maintaining a core staff of State employees to manage the effort.

19. Flexible Work Schedules - Legislation be enacted to allow employees in all resource industries, not just the current 17 exemptions, the opportunity to work shifts longer than eight hours without the overtime requirement until 40 hours is worked in a single week.

20. Regulations - The State and local governments base regulations on sound science. That regulations be promulgated in a timely fashion.

21. Jones Act - Because Jones Act vessels for bulk mineral shipments are not available, the Governor and Legislature should petition Congress to amend the Jones Act to allow in state and interstate shipment of bulk mineral resources on non-Jones Act vessels.

22. Permitting - The Administration and Legislature continue to work toward reducing the cost and time for state agency decisions on proposed projects.

23. Airfield Liability - Legislation be enacted to limit the liability of persons who, in good faith, maintain or upgrade an airfield.

For further information on the above issues or for information regarding exploration and mining in Alaska please contact:

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