

Testimony of
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Of the United States Senate
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Honorable Chair and Committee members thank you for this opportunity to testify on Alaska resource development. My name is Bill Jeffress; I am the Second Vice President of the Alaska Miners Association, a member of the Alaska Minerals Commission, a Principal Consultant for SRK Consulting, Inc. here in Alaska, and I have been involved in resource development for over 40 years.

Through our memberships and associations with other industry groups, specifically in the western portion of the U.S., we are very aware of the problems and situations in other states that have large land areas under federal ownership. However, the majority of other states while continuing to struggle and face their own challenges with federal land management agencies are in many instances at the opposite end of the spectrum from Alaska. Where other states are striving to protect, preserve, restore, or enhance remaining areas of undeveloped land, Alaska has yet to even develop 1% of our more than 44,500 miles of shoreline and 175,000,000 acres of wetlands that comprise approximately 48% of the surface area of the State. In addition to having over twice the length of shoreline of all the other coastal states combined, Alaska is the largest ocean state in the country and the nation's only Arctic State. Alaska occupies 20% of the nation's land base, contains half the nation's wetlands and 40% of the nation's surface water.

Alaska's proven and unexplored natural resources are greater than any other state; Alaska oceans and coastal watershed are believed to contain more than 30% of the nation's known recoverable offshore resources, over 50% of the nation's seafood, and over 50% of the nation's land based minerals.

Because of the vast differences between Alaska and other states, Federal programs often do not adapt to Alaska even though some of those programs may very well meet the needs of other states.

U.S. Department of Interior agencies such as the Bureau of Land Management, U.S. Fish and Wildlife, and National Park Service control over 201,469,140 acres of the total 365,481,600 acres in Alaska. Over 75% of the federal land in Alaska is closed to mining. The BLM administers over 72 million acres of which only 18 million acres or approximately 25% are open to mineral entry, that translate into fewer opportunities for Alaskan jobs.

Federal flexibility and state collaboration to balance national policies with local conditions is needed for successful resource management. The State of Alaska and Alaska resource development industries have a long history of successful collaboration with federal and local jurisdictions. Unfortunately, federal land management agencies, under this administration, are developing guidelines and policies without input from the State of Alaska or resource industries.

The most alarming of these issues is that recently BLM's Resource Management Plans for Eastern Alaska, Bering Sea-Western Interior, Central Yukon Planning areas include massive Areas of Critical Environmental Concern (ACECs), and additional Natural Research Study Areas (NRSA) There are no timelines for completion of studies of these area prior to the lands being available for any type of resource development (if ever). BLM has implemented a DRAFT mitigation policy for a project on the North Slope and BLM's Solicitor Office has rolled out a new interpretation of 43 CFR §3809 regulatory requirements. BLM Alaska last Tuesday proposed new reclamation standards for placer miners. BLM has not afforded any opportunities for industry or affected State agencies to participate in the development of these new requirements or policies. Alaska placer miners, whether they are large or just the mom and pop operations, are now required to prepare extensive supplemental plans and baseline documents. Specifically, the supplements provide the information necessary to meet the BLM new requirements for:

- Performance Standards (Supplement A)
- Reclamation Plan (Supplement B)
- Water Management Plan (Supplement C)
- Interim Management Plan (Supplement D)
- Monitoring Plan (Supplement E)
- Spill Contingency Plan (Supplement F)
- Preliminary or Conceptual Designs and Plans (Supplement G)
- Reclamation and Closure Cost Estimate

The new reclamation standards for Alaska placer miner were developed in the BLM bubble without any consultation with the State of Alaska resource agencies that have decades of reclamation experience and habitat enhancement. Collaboration with resource industries and State of Alaska resource agencies on "lessons learned" is non-existent. The end result and some would say the designed result is the elimination of all placer mining on BLM administered land – so much for the "multiple use" concept that was the mantra when I was in college.

To further add to the frustration during this downturn in the economy, on November 3, 2015 President Obama's Memorandum on Mitigation has initiated another round of government bureaucratic uncertainty for the natural resource development industry and a job killer. This memorandum directs Department of Interior, along with other government entities, to develop mitigation plans based on "avoid, minimize, and mitigate;" a concept that has been administered by the U.S. Army Corps of Engineers for decades.

If you will indulge me, I would like to step back in time to the early 1990s. As previously mentioned, over 48% of Alaska surface area is wetlands which is regulated by the U.S. Army Corps of Engineers. Under President Bill Clinton's directive and some political persuasion from then Senator Ted Stevens in the form of the "Alaska 1%" rule, the Corps of Engineers, EPA, USFWS, and NMFS, initiated a two year process that resulted in the 1994 Alaska Wetlands Initiative. This document signed by all the parties on May 13, 1994 recognized the unique

aspects of Alaska, the limited opportunities for mitigation, and the need for additional flexibility in the Clean Water Act 404 permitting process.

Even prior to President Obama's Memorandum on Mitigation, the Corps of Engineers through agency consultation during the review and permitting process considered mitigation options offered by USFWS, EPA, NMFS, and BLM. As the lead federal agency on most federal permitting activities in Alaska, the Corps of Engineers makes the final determination if provisions of the CWA are satisfied by "avoidance and minimization" or if mitigation would be required and what form of mitigation it will take such as, permittee responsible mitigation, in lieu fees, or compensatory mitigation. The Corps of Engineers review and permitting process, using the 1994 Alaska Wetlands Initiative as one of the tools to incorporate flexibility where appropriate, although not perfect and without its own hiccups, has provided industry with some certainty. The President's mitigation memorandum removes that certainty and potentially leaves all developers and especially the extractive resource industries faced with multiple mitigation requirements.

If Alaska is to develop its natural resources for the good of its citizen and the Nation, this governing by "command and control" must cease. We need to reinitiate collaboration and cooperation for the good of the State and health of the Nation.

Thank you again for this opportunity to testify before this Committee and I am available to answer questions.