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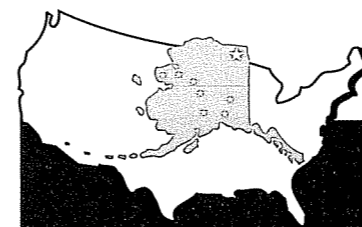
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Resource Review

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Echo Bay disputes EPA's findings on A-J Mine

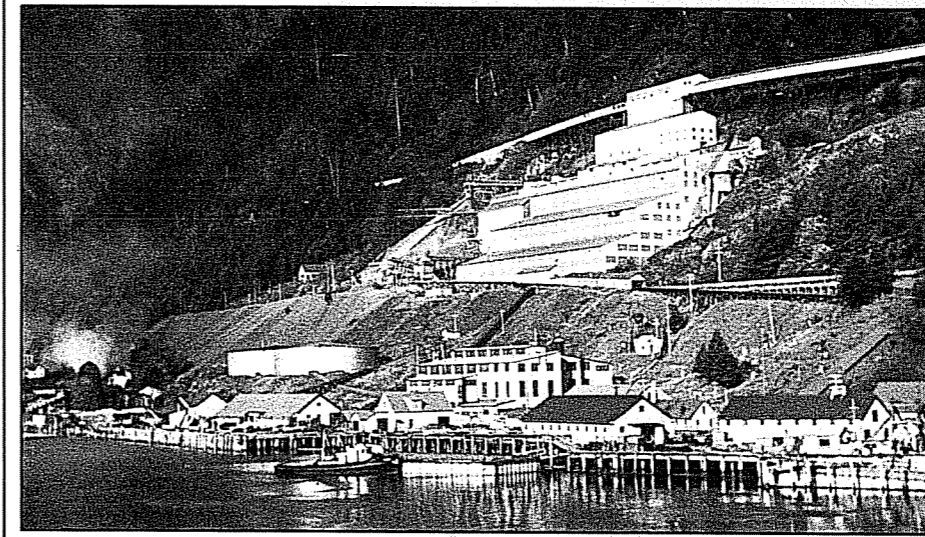
Company, EPA hope to reach common ground

The Environmental Protection Agency has been widely criticized by Juneau officials, consultants, qualified scientists and others for its recently completed two-year study of Echo Bay Alaska's plans to develop the historic Alaska-Juneau Mine on the edge of Alaska's capital city.

In a letter to the federal agency, Juneau city officials said the EPA took too long in its review and should have worked to find solutions for the project.

"Had we been in your position, our approach would have been to advise the city of the likelihood of significant EPA concern, and then confront Echo Bay much sooner and try to either reach agreement on the technical disputes or work on changes to the mine plan that would have solved the problem," said Mayor Byron Mallott and city manager Mark Palesh.

The EPA's study, called a Tech-
(Continued to page 4)



The historic Alaska-Juneau Gold Mine is captured in this 1938 photo.

Kenai Fjords National Park

Park Service considers options to accommodate increase in visitation

The Resource Development Council is calling for a wider range of alternatives for accommodating a large increase in visitors to the "frontcountry" of Kenai Fjords National Park near Seward.

Socio-economic forecasts indicate there will be substantial growth in visitation to the national park, a popular tourist destination on the eastern side of the Kenai Peninsula. Projections suggest that visitor numbers will exceed 300,000 annually by the year 2003, compared to 150,000 visitors in 1993. Studies also reveal that two-thirds of all visitors travel to Exit Glacier, 10 miles west of Seward while one-third stop at a small visitor center located in the Resurrection Bay community.

In a letter to park Superintendent Anne Castellina, RDC said that three alternatives developed by a Park Service planning team fall short of adequately addressing the projected increases in visitation at Exit Glacier. Visitor numbers at the glacier are pro-

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Message from the Executive Director
by Becky L. Gay

RDC, delegation work on new wetlands bill

On the opening day of the 104th Congress, Alaska's Congressional delegation wasted no time in launching an aggressive agenda addressing top priorities of the 49th state. At the top of the Alaska agenda is a bill jointly introduced by Senators Stevens and Murkowski, "The Alaska Wetlands Conservation Credit Procedure Act of 1995."

Senate Bill 49, previously the legislative number assigned to proposed wilderness bills, is slated to reform Section 404 of the wetlands permitting program under the Clean Water Act by introducing balance, common sense and

reason into wetlands regulation in Alaska. The new measure includes changes addressing Alaska's unique circumstances, as well as national wetlands policy. The bill specifies that a "no net loss" of wetlands policy is not applicable in Alaska, was not designed for Alaska circumstances, and should not be applied here, a long-standing policy omission sought by RDC.

Provisions specific to Alaska include changes to the sequencing methodology, the elimination of compensatory mitigation requirements of current permit processing, and the expansion and applicability of general permitting standards.

Federal law will be amended to ensure national policy will "achieve a balance between wetlands conservation and adverse economic impacts on local, regional, and private economic interests" and "eliminate the regulatory taking of private property by the regulatory program authorized under section 404."

RDC highly endorses a number of important segments, including the exemption of log transfer sites and ice pads from mitigation sequencing requirements. RDC also highlighted the need to make airport safety a priority over the conservation of wetlands in a commercial air zone.

The bill further recognizes that

Alaska should get credit for those wetlands already in protected status. This change to federal law ensures "conserved wetlands" will include those wetlands located in federal, state and locally designated conservations systems. This change is important when designing mitigation banking systems in Alaska.

Also noted in other provisions of this legislation, lands owned by Alaska Native entities and the State of Alaska shall be considered economic base lands, highlighting the importance of the social and economic needs of Alaska Natives and the citizens of Alaska and recognizing prior agreements under other federal laws.

Congressman Young will form a wetlands task force this session addressing wetlands policy and its application to Alaska and the nation. The task force will include members from the House Resource, Transportation and Infrastructure, and Agriculture committees. Congressman Young will reportedly introduce a wetlands bill in the House of Representatives later this session.

Much thanks goes out to the Alaska delegation and staff for the introduction of a bill recognizing a wetlands regulatory fix for the uniquely qualified state of Alaska. For a copy of this bill, call RDC. Remember, Alaska is not just a state of mind.



RDC Executive Director Becky Gay, member of the OCS Regional Stakeholders Task Force, participates in a recent hearing in Anchorage at the U.S. Minerals Management Service. The Task Force will develop recommendations to MMS on the upcoming 5-year leasing program. Pictured at left is Kenai Peninsula Borough Mayor Don Gilman.



Reflections and visions from a Past President
by Mano Frey

Editor's Note: Mano Frey served as President of the Resource Development Council from 1982 to 1983. He has been a member of RDC's Executive Committee for over 15 years. Outside RDC, Mr. Frey serves as Business Manager/Secretary Treasurer of Laborers Local #341 and Executive President of Alaska AFL-CIO.

Tremendous opportunity

It is truly amazing that the Resource Development Council is on the verge of celebrating 20 years of service to Alaskans. Amazing, for those of us fortunate enough to have been in Alaska during this time, to have seen a single-issue group evolve into a multi-faceted, pro-development force. This has resulted in respect from throughout the world for the battles waged and fights won, and sometimes lost. RDC has not only survived, but thrived, and now we come to 1995 and beyond.

What a tremendous opportunity for

all of us, regardless of "political affliction," to move forward and reach closure on many important issues facing RDC. We can take advantage of the seniority and majority status of our Congressional delegation. To have Congressman Don Young and Senators Stevens and Murkowski chairing committees and sub-committees critical to resource extraction and so many RDC long-standing priorities, it presents an opportunity for Alaska that is envied by every other state.

After 20 years of many times trying to stay afloat, we get to work from a position of offense, instead of defense. California Representative George Miller does not get to claim to be "our" representative any more.

He has been doing his best to lock up Alaska and, in turn, drive our resource industries out of business. As Secretary of Interior Bruce Babbitt explained to reporters upon visiting Chairman Young's office, "I come on bended knee." That's the right attitude, and it is what will allow us to push and expand a pro-development agenda on the national level.

The other dynamic that is so exiting for those of us that are pro-development and Democrat is the prospect of working with our Congressional delegation and simultaneously demonstrating to President Clinton and his administration that it is poor public policy to have overly restrictive laws with respect to wetlands, timber, mining, oil and natural gas line development.

I believe many of the same facts apply to the Alaska Legislature and Governor Knowles. I have espoused for a long time that Tony Knowles is not anti-development. Remember that the Tony Knowles Coastal Trail was a development project. You can see this attitude reflected by the choices for commissioners of the various state departments; quality people, many having strong ties to developing Alaska.

With a Republican led Legislature and a Democratic Governor, all of us have a tremendous opportunity, and obligation, to provide support, and more importantly, educate the new administration and the Legislature on our collective issues.

Lastly, but certainly not least, we have been blessed at RDC by a succession of extremely distinguished executive directors, beginning with Bev Isenson and continuing with Paula Easley and Becky Gay. We have a dedicated staff that is unparalleled in their field. I know that all of the former presidents appreciate the staff's devotion to the RDC mission. Without their knowledge and support of the issues, RDC would be just a memory, not the strong protagonist that it is still today.

Onward and upward!

Echo Bay confident A-J mine won't cause harm

(Continued from page 5)

flow of water out of the tailings pond at any time.

The company believes it has effectively addressed the major issues raised by the EPA, including the cyanide leach process, the quality of water released into Gastineau Channel, the efficiency of the tailings pond, the length of time available for holding water, the size of the tailings dam and reclamation. These issues were all addressed in the project's Final Environmental Impact Statement which recommended that an NPDES permit be issued.

Although it disputes many of the conclusions reached by EPA in the TAR, Echo Bay is now engaged in discussions with the agency on how best to reach common ground and resolve key issues. Spokesman David Stone said the company is considering new modifi-

cations to the project that would meet EPA concerns. He said his company does not want to engage in a public battle with EPA; it only wishes to work with the agency to move forward in a positive, constructive manner.

Stone said the company is willing to go the extra mile to ensure environmental impacts from the mine are mitigated.

"The area can be mined and reclaimed after mining operations in a way that won't harm Juneau residents or the surrounding environment," Stone said.

Since changes contemplated by Echo Bay could result in a re-design of its proposal to reopen the mine, EPA said it now prefers to delay a workshop on the project until it's known if the TAR remains relevant.

The Resource Development Council (RDC) is Alaska's largest privately funded nonprofit economic development organization working to develop Alaska's natural resources in an orderly manner and to create a broad-based, diversified economy while protecting and enhancing the environment.

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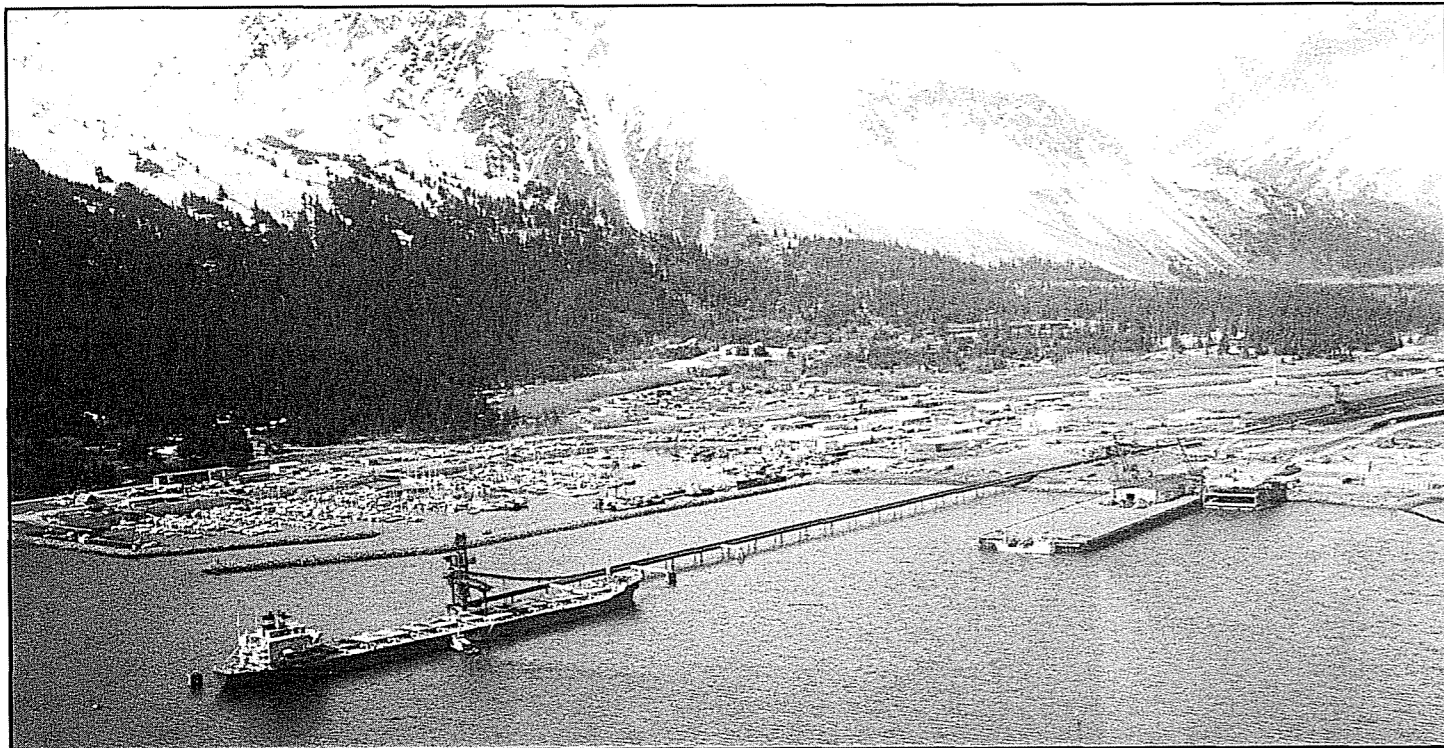
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Writer & Editor
Carl Portman





The current Kenai Fjords National Park Visitors Center is located in Seward in front of the small boat harbor, pictured to the left. Since the facility is often overcrowded by cruise ship visitors and others, the Park Service is considering a new, larger facility at a site in Seward.

Park Service developing new "frontcountry" plan

(Continued from page 5)

including construction of a rustic, modest size visitor complex, extension of the area's trail network, improvements to parking and utilities and the construction of a winter warming hut and public use cabins. The alternative allows existing uses to continue, including ski access, snowmobiling and commercial dog-mushing.

Some people are opposed to any development at Exit Glacier and the winter uses outlined in Alternative C, ignoring the fact that Exit Glacier is a frontcountry attraction. It is not a wilderness, although nearly all of the Park is already managed for the preservation of backcountry qualities for those who demand solitude and untracked wilderness experiences.

RDC proposed a fourth option to provide a more meaningful and wider range of options in the current planning process and to provide a true balance to Alternative A. The fourth option could feature a larger scale of visitor development, complete with a tramway to the Harding Ice Field. The tram would



Kenai Fjords Superintendent Anne Castellina addresses RDC at a January breakfast meeting in Anchorage.

provide handicap visitors, the elderly and the less hardy access to the rugged high alpine and nearby ice fields.

The Park Service has held a number of public scoping meetings on the park plan. Park Superintendent Castellina recently addressed a packed RDC Thursday breakfast meeting in Anchorage where she noted the Park Service has a responsibility to not only accommodate visitors, but to protect the park's resources from significant impacts, which she said are likely to occur unless measures are adopted to control crowds.

Castellina is highly respected in Seward for her personal involvement in the community and her open-door policy to business and industry. Her RDC presentation was well-received by the pro-access crowd.

Although a preferred alternative is not expected until next fall, Castellina said her agency is unlikely to choose Alternative A, the primitive alternative.

In scoping meetings held last year, public comment ran in favor of improved access to the park, but on the other hand most people attending the meetings did not wish to see large-scale development near the glacier. Castellina pointed out that the public tends to support a modest-size facility at Exit, on the scale of the Eagle River visitors center at Chugach State Park. As a result, planners are leaning more toward siting a larger visitor center, perhaps a shared facility with other agencies, in Seward.

The Park Service is continuing to seek public comments on its Kenai Fjords Draft Development Concept Plan. RDC encourages its members to submit comments to: Anne Castellina, Superintendent, Kenai Fjords National Park, Box 1727, Seward, AK 99664-9985.



Thoughts from the President by David J. Parish

The recent power shift in Washington will bring new, substantive opportunities to advance a broad range of public land issues important to Alaska. Sparing no time in taking swift action on issues critical to development, each of Alaska's two senators and its lone congressman — in the opening days of the 104th Congress — introduced important legislation addressing long-standing Alaska priorities.

Congressman Don Young, the new chairman of the revamped House Resources Committee, introduced legislation re-authorizing and amending the Magnuson Fishery Conservation and Management Act. A major objective of the bill is to end the wasteful dumping at sea of tons of bycatch by some fishing fleets.

Meanwhile, Senator Ted Stevens has introduced a bill taking aim at overly burdensome federal wetland regulations in Alaska. Stevens' bill would mandate that wetlands conservation be balanced with economic impacts on local and private landowners. The bill would exempt some wetlands mitigation requirements for Native and state-owned lands and for specific activities such as public sewer facilities, airports and log transfer sites.

Senator Frank Murkowski took aim at the 22-year ban on the export of Alaska's North Slope oil by introducing a measure repealing the ban, citing the positive impacts a repeal would have on jobs and state revenues.

Absent from the delegation's early initiatives was legislation to open the Coastal Plain of ANWR to oil and gas exploration and development. According to the delegation,

Alaska delegation assumes leadership role

ANWR will come later after the Alaskans carefully assess the mood in Washington and build a broader base of support in Congress and among members of the Clinton administration.

The recent changes in Congress will bring new opportunity for Alaska to advance other major priorities, including long-standing transportation and access issues. Our delegation has stated a desire to examine a broad range of public land issues, ranging from cracking down on government actions devaluing private property to management of federal forests and logging restrictions. They'll also have a major role in the re-authorization of the Endangered Species Act and revisions to the Mining Law of 1872 — all important issues to Alaska.

But make no mistake, there's much homework to be done; by no means can Alaskans afford to sit back and expect immediate, easy resolution of these issues. As Alaskans, we must continue to work hard on these issues and support positive changes for Alaska.

RDC'S 20TH ANNIVERSARY CELEBRATION

Friday, March 3, 1995
Sheraton Anchorage Hotel
Cocktails 6:30 p.m. Dinner 7:30 p.m.

The Program

GOVERNOR TONY KNOWLES (invited)
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EPA taken to task for A-J report

Echo Bay says it has addressed major issues raised by the EPA

(Continued from page 1)

nical Assistance Report (TAR), was prepared to assist the U.S. Army Corps of Engineers in deciding whether to issue a federal Clean Water Act permit to Echo Bay for construction of a tailings pond at Sheep Creek Valley.

Chuck Clarke, EPA's Northwest regional administrator in Seattle, said that as long as the A-J mine relies solely on the Sheep Creek impoundment for tailings disposal, state water quality standards for cyanide, arsenic and copper would likely be violated in Gastineau Channel during operation of the mine. The EPA review offered no solution for how the company might achieve a green light for its project.

The TAR is considered the most important regulatory review for the mine. The city's mine permit issued in 1993 is dependent on a favorable review by EPA. The report took more than two years to complete. The agency had promised to issue the TAR several times over the past 18 months, but did not meet its deadlines.

Mine developers plan to store waste rock from the mine behind a dam at Sheep Creek where water would be recycled within the complex, but because of the high rainfall in Southeast, excess water would build up in the tailings impoundment that is part of the mine design. Because the excess rainfall would be released, a Clean Water Act 402 permit is required from the EPA.

Echo Bay has proposed eliminating cyanide from its gold extraction process and ship out unprocessed ore for treatment elsewhere. Eliminating cyanide from the process not only



Echo Bay crew poses on an eight-yard Wagner scoop at A-J mine portal in early winter. (Photo courtesy of Echo Bay Mines)

eliminates concern for the chemical, but for the other metals as well.

Despite the two years the EPA took to finish its report, Echo Bay scientists and independent experts knowledgeable about this project are convinced the EPA failed in its task to scientifically analyze relevant data.

The company hotly disputes EPA's conclusion that there is no way to avoid

harm to water quality or to offset the loss of wildlife from the reopening of the A-J. While the EPA said it could not "suggest any feasible, effective option that would give the Alaska-Juneau mine a green light," Echo Bay charged that the agency knew among other options the company has provided, the elimination of cyanide from the mining process — a key concern — is a feasible,

effective option.

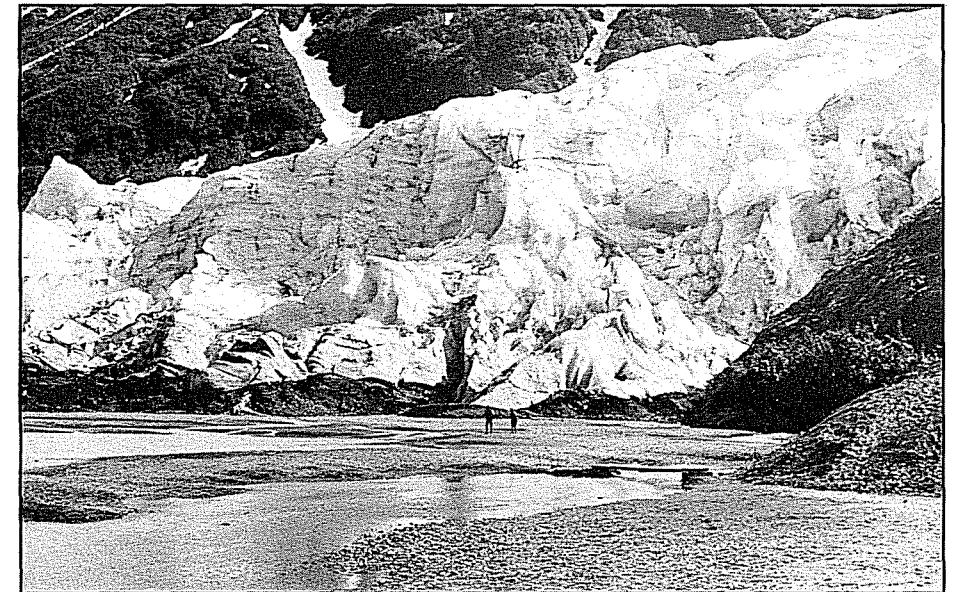
After careful analysis of data, a number of the nation's top scientists and engineers in the mining and water treatment fields believe there will not be a problem with water being released from the mine's tailings pond into Gastineau Channel because of the size of the proposed treatment facility and the length of time the pond can hold water. In addition, Echo Bay has included a number of mitigation measures in its mine design that makes its site better than other existing treatment facilities.

One of those measures, which the EPA condemned in its recent review, included pumping tailings below 20 feet of clear, overlying water. The idea for the underwater tailings facility came from early discussions between the company, local officials and the EPA in the scoping process at the outset of the mine permitting process. The underwater tailings disposal option was seen as a solution to potential dust and water quality issues. The company hired top experts in the field to design an improved underwater tailings facility that would provide added safeguards and become an integral part of the mine design. Prior to that, Echo Bay had considered a subaerial tailings plan.

Now, more than five years later and after almost \$80 million spent by the company — much of it on numerous scientific and environmental studies — the EPA has completely reversed its position in the TAR. The agency now claims a tailings pond won't work despite what the company says is overwhelming evidence to the contrary.

Echo Bay says its tailings facility design contains more safeguards than any sites already meeting all environmental water quality standards. The company says its facility design is better because it calls for pumping tailings below the surface of the water, rather than at the surface where they have to settle to the bottom of the pond. The A-J tailings facility is also bigger, so there is a longer time available for holding water if a problem should develop. The company designed the facility so it could stop the

(Continued to page 7)



Exit Glacier is accessible to the general public via a 10-mile road link from Seward.

Park Service considers several options to manage Kenai crowds

(Continued from page 1)

jected to reach up to 4,000 people on weekend days. Yet the emphasis of the planning team, RDC said, appears to be on restricting public access and capping development at or near its existing level. RDC suggested that federal planners recognize Exit Glacier for what it is, a frontcountry attraction, and respond accordingly to accommodate a larger flow of visitors.

In its comments on a federal planning document addressing the three alternatives, RDC stressed that the current range of options is inadequate, especially given the extreme nature of the plan's first alternative, known as "A." That alternative would remove existing facilities at the glacier, establish a visitor threshold and introduce a permit system to restrict visitation — measures which RDC believes are inappropriate for a frontcountry attraction in Alaska where most park lands are managed as backcountry.

Under Alternative A, the road leading to the Exit Glacier parking lot and existing facilities would be blocked at the Resurrection River bridge and visi-

tors would be required to hike from that point.

A second option, Alternative B, would provide for only minimum improvements, falling short of any meaningful steps to accommodate visitor increases. This option is basically a "no action" alternative, one which would maintain the status quo.

The Park Service initiated its current planning efforts to address increases in visitation to the frontcountry of Kenai Fjords National Park. In that light, RDC said it would be ironic if the Park Service chose the second option as its preferred alternative since it does so little to address future needs.

Although billed as the "Higher Level of Development" option, the third option, Alternative C, is not an extreme development proposal when compared to the primitive nature of Alternative A.

Of the current range of alternatives presented, RDC believes Alternative C is the logical choice, although it may fall short of meeting increased visitor demands. RDC supports the various elements comprising this third alternative,

(Continued to page 6)