

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

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BREAKFAST MEETING

Thursday, April 16, 2015

1. Call to order – Ralph Samuels, President
2. Self Introductions
3. Head Table Introductions
4. Staff Report – Rick Rogers, Executive Director
5. Program and Keynote Speaker:

Transmission: Delivering Value

Daniel Kline, Director of Strategic Transmission Initiatives, Xcel Energy

Next Meeting:

Thursday, May 7: TBA

Please add my name to RDC's contact list:

Name/Title: _____

Company: _____

Address: _____

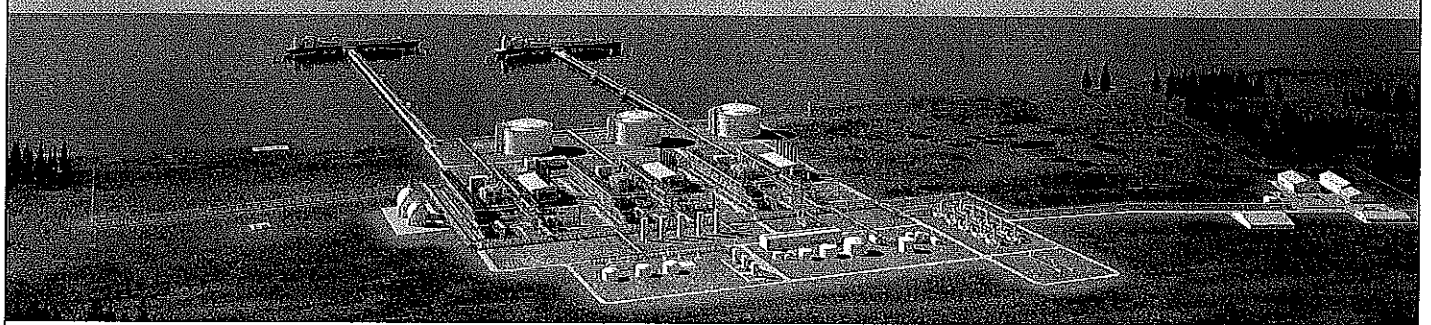
City: _____ State: _____ Zip: _____

E-mail: _____ Phone: _____

Alaska LNG

Join the conversation.

APRIL 27 - MAY 1



THE ALASKA LNG PROJECT invites you to join the first of many discussions about working with Alaska's integrated liquefied natural gas export project.

Sign up your business online by April 17 at www.ak-lng.com/register.
Space is limited.

PICK A LOCATION THAT WORKS FOR YOUR SCHEDULE.

Business Information Session 2:00 p.m. - 5:00 p.m.

BARROW

Friday, May 1, 2015
Inupiat Heritage Center, Multi-Purpose Room
5421 North Star Street, Barrow, AK 99723

FAIRBANKS

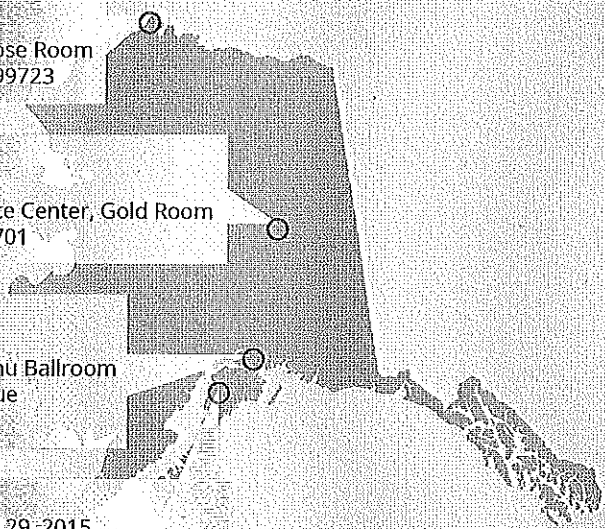
Tuesday, April 28, 2015
Westmark Hotel and Conference Center, Gold Room
813 Noble St, Fairbanks, AK 99701

ANCHORAGE

Monday, April 27, 2015
Dena'ina Center, Tikahitnu Ballroom
600 West Seventh Avenue
Anchorage, AK 99501

KENAI

Wednesday, April 29, 2015
The Cannery Lodge
2101 Bowpicker Lane, Unit 13
Kenai, AK 99611



ACTION ALERT

Draft Arctic Specific Regulations: Comment Deadline April 27, 2015

Overview

The Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) have released draft Arctic-specific regulations pertaining to oil and gas exploration and development in the Alaska Outer Continental Shelf (OCS). The Alaska OCS has the potential to be an essential and integral part of the nation's "all of the above" domestic energy strategy. The proposed Arctic-specific regulations focus solely on the OCS within the Beaufort and Chukchi seas.

In a report http://www.npcarcticpotentialreport.org/pdf/AR_Exec_Summary.pdf requested by the Secretary of Energy of its long-standing advisory council, the National Petroleum Council recently concluded that offshore exploration in Alaska must begin now to help offset a projected sharp decline in domestic oil production in the next decade and beyond. It further found that an efficient regulatory framework is a key factor in economically viable Arctic development. Left unchanged, the proposed regulations may inhibit the ability to develop critical Arctic resources and even increase risks to safety and the environment.

Action Requested

This comment period, and upcoming BOEM decisions on Shell's plans to explore its Chukchi leases this year, will play a crucial role in the feasibility and fate of Arctic exploration, and your voice is needed in support of reasonable regulations and decisions. RDC members are encouraged to submit comments on the proposed regulations by April 27, 2015. Comments may be submitted online: Go to <http://www.regulations.gov>. In the search tab on the main page, enter BSEE-2013-0011. After clicking search, locate the document, then click "Submit a Comment."

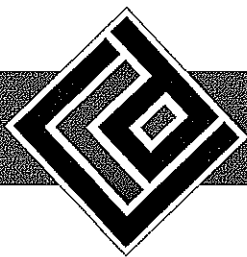
By Mail: Attention: Regulations and Standards Branch, 381 Elden Street, HE3314, Herndon, VA, 20170-4817. Reference "Oil and Gas and Sulphur Operations on the Outer Continental Shelf-Requirements for Exploratory Drilling on the Arctic Outer Continental Shelf (1082-AA00)."

Points to consider for your comments:

- The draft regulations should be revised, taking into account the National Petroleum Council's Arctic report. While some provisions in the draft regulations are aligned with the NPC study, others would benefit from the research and recommendations in the study.
- It is important that the new Arctic-specific regulations are clear, well-reasoned and based on science and study. Unfortunately, the draft regulations fall short and many of the requirements are disconnected from knowledge and research.
- The Draft Arctic Regulations are not justifiable from a cost-benefit perspective. BOEM and BSEE have applied assumptions that understate the cost of certain requirements and have overstated the benefits of the proposed regulatory package. The benefits of the proposed regulation are calculated based on the assumption that a catastrophic oil spill will occur in the U.S. Arctic OCS in the next ten years. However, this assumption is at odds with the

broadly acknowledged fact—a fact even acknowledged in the draft regulations—that the probability of such an event is extremely low.

- The Draft Arctic Regulations do not define a workable process pursuant to which an operator can apply to use equivalent technology to a Same Season Relief Rig (SSRR). The lack of a defined process for the approval of equivalent technology will prevent operators from being able to adapt their programs as new technologies become available. This stifles innovation in a field that is uniquely equipped to engineer improved solutions to the technical challenges associated with Arctic exploration.
- The Draft Arctic regulations will significantly complicate the permitting environment for the U.S. Arctic OCS by imposing redundant and potentially conflicting regulatory requirements on operators. For example, the Draft Arctic Regulations include the potential for discharge restrictions, which intrude on the jurisdiction of EPA and increase regulatory uncertainty for operators without providing additional benefits to the environment.
- The Integrated Operations Plan (IOP) requirement set forth in the Draft Arctic Regulations is redundant with existing requirements for Exploration Plans (EP). Additionally, the requirement that an IOP be submitted 90 days in advance of EP submission appears to be a regulatory end-run around the OCSLA requirements relating to the time-frame for EP approval.
- The Draft Arctic Regulations include a requirement for a Blow-Out Preventer (BOP) pressure test every seven days, which is not justifiable from a risk-based perspective as it unnecessarily increases the wear-and-tear on assets. Current BSEE regulations require a BOP test every 14 days.
- The Draft Arctic Regulations establish an early end of season date for drilling activities well in advance of the average onset of ice pack – cutting an already short operating season in the Arctic even shorter. Despite this move to limit season length in the Arctic OCS, the Draft Arctic Regulations do not provide any corresponding relief on the issue of lease terms.
- In its recent report, the National Petroleum Council said the U.S. should immediately begin oil and gas exploration and development in the U.S. Arctic or risk a renewed heavy reliance on imported oil in the future. In order for the U.S. to keep domestic production high and imports low, oil companies should start probing the Arctic now because it takes 10 to 30 years of preparation and drilling to bring oil to market. The Department of Energy has warned that oil production from shale deposits in the Lower 48 will sharply decline in the next decade.
- The development of the U.S. Arctic OCS has the potential to be a significant contributor to our nation's energy security, as well as a significant source of long-term jobs for Americans. It is estimated that economic activity from the development of Arctic energy resources would create an annual average of 54,700 jobs nationwide with a cumulative payroll of \$154 billion over the next 50 years.
- The federal government estimates there are 23.6 billion barrels of recoverable oil and 104.4 trillion cubic feet of natural gas in the Chukchi and Beaufort seas planning areas. America's offshore Arctic oil and gas deposits could be among the largest in the world.



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April 10, 2015

Senator Cathy Giessel, Chair
Senate Resources Committee
Alaska State Legislature
Juneau, AK 99801

Re: CSSB 57 Version S, Federal Clean Air Act Plan Implementation

Dear Senator Giessel:

The Resource Development Council (RDC) is writing to support CSSB 57 Version S, which would require the Alaska Department of Environmental Conservation (ADEC) to evaluate and report on the economic impacts of the implementation of a state plan as required under the 111(d) rule of the federal clean air act.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The EPA intends to finalize its 111(d) rule this summer. The rule would have devastating economic impacts on Alaska by increasing the cost of power. In an effort to transition Alaska to a lower carbon footprint for its power generation, the 111(d) rule leaves Alaska with no practical options to meet this federal mandate. Our understanding of the most immediate result would be the shutting down of coal-fired generation impacting the reliability and cost of power, particularly in the north end of the rail belt. The legislature and the administration have been working hard to find solutions to the high cost of energy in the Interior, and the 111(d) rule would be a major set back in those efforts.

The administration needs to have all available options to respond to this evolving rule, and we support an amended version of the bill (version S) that allows the State to submit a 111(d) rule plan in spite of its negative impacts. State submission of a plan may be preferable to a federally mandated plan, or one-size fits all plan. We understand there is an ongoing legal challenge supported by the State as well as efforts to seek an exemption. All of these solutions need to be on the table as the

April 10, 2015

Senator Giessel

re: CSSB57

administration navigates this evolving issue. Version S as drafted keeps options on the table while requiring analysis and reporting on the consequences of the rule to Alaska energy consumers and our economy.

Thank you for your efforts to help mitigate the negative impacts of this pending federal rule on Alaska ratepayers.

Sincerely, .

A handwritten signature in black ink, appearing to read "Rick Rogers", with a long horizontal flourish extending to the right.

Rick Rogers,
Executive Director

United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, DC 20510-8175

March 30, 2015

Rick Rogers
Executive Director
Resource Development Council for Alaska
121 W. Fireweed Ln, #250
Anchorage, AK 99503

Dear Mr. Rogers:

We cordially invite you to testify at a field hearing before the Senate Committee on Environment and Public Works Subcommittee on Fisheries, Water, and Wildlife titled "Impacts of the Proposed Waters of the United States Rule on State and Local Governments and Stakeholders." The purpose of this hearing is to examine the impacts on state and local governments as well as stakeholders of the proposed rulemaking by the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to redefine the regulatory term "waters of the United States" under the Clean Water Act. The hearing will take place on Monday, April 6, 2015 at 10:00 a.m. in the Loussac Library Assembly Chambers, 3600 Denali Street Anchorage, AK 99503.

Please hand-deliver 100 double-sided copies of your testimony by 6:00 p.m. on Friday, April 3, 2015 to the Office of U.S. Senator Dan Sullivan, 510 L Street, Suite 750, Anchorage, AK 99501, (907) 271-5915. In addition, please send an electronic version of your testimony to both Erik Elam at erik_elam@sullivan.senate.gov and Laura Atcheson at laura_atcheson@epw.senate.gov. Also, please be advised that oral statements to the Committee will be limited to five minutes.

In compliance with the Americans with Disabilities Act, if you need to have any reasonable accommodations for a disability to facilitate your appearance, please contact Steve Chapman at (202) 224-3211 at least two days prior to the hearing. If you or your staff have any questions or need additional information, please contact Erik Elam with Senator Sullivan's Office at (202) 224-3004, Laura Atcheson with the Senate Committee on Environment and Public Works Majority Office at (202) 224-6176, or Jason Albritton with the Senate Committee on Environment and Public Works Minority Office at (202) 224-8832.

Sincerely,



Dan Sullivan
Chairman
Subcommittee on Fisheries, Water,
and Wildlife



Sheldon Whitehouse
Ranking Member
Subcommittee on Fisheries, Water,
and Wildlife

**Rick Rogers
Executive Director
Resource Development Council for Alaska**

**Testimony on the Impacts of the Proposed Waters of the United States Rule on State
and Local Governments and Stakeholders
Before Senate Committee on Environment and Public Works Subcommittee on
Fisheries, Water and Wildlife
April 6, 2015**

Good morning members of the committee. My name is Rick Rogers, Executive Director of the Resource Development Council for Alaska (RDC). RDC is a statewide membership-funded non-profit trade association representing the common interest of the Forestry, Fishing, Tourism, Mining and Oil and Gas industries in Alaska. Our membership is truly a broad cross section of Alaska businesses including the aforementioned industries as well as communities, all twelve Alaska Native Regional Corporations, organized labor, utilities and support business that recognize the important role resource development plays in our economy. I have submitted a copy of our most recent annual report for the record.

The Environmental Protection Agency's (EPA) proposed Waters of the U.S. rule (WOTUS) will have a disproportionate impact on Alaska's resource dependent industries and our economy as a whole. It is appropriate the committee chose to hold a field hearing here in Alaska. According to the U.S. Fish and Wildlife Service (USFWS), the State of Alaska includes approximately 63 percent of the nation's wetland ecosystems. Estimates place the total acreage at approximately 130 million acres or about one-third of the State.

The Rule has a Disproportionate Impact on Alaska

Before commenting on specific problems we see in the proposed rule, it is important to underscore how a classification of a wetland as a jurisdictional "Water of the U.S." impacts community and resource development projects in Alaska. The federal government already enjoys a disproportionate jurisdiction over land use and economic development in our state. Approximately 222 million acres, approximately 61 percent of Alaska is under direct federal jurisdiction, much of which is in conservation system units that are off limits to any type of development. Section 404 of the Clean Water Act expands that federal reach to private, Alaska Native Corporation, State, and municipal lands where wetlands are determined to be jurisdictional and therefore section 404 permits are required. The cumulative impact of vast federal lands, ubiquitous wetlands, and an ever-expanding definition of which Alaska's wetlands fall under federal regulatory jurisdiction means few projects in Alaska are outside the reach of federal oversight.

The Rule Fails to Achieve the EPA's Stated Objectives

We are in agreement with the EPA's stated intent for the rule to remove uncertainty and confusion in determining what lands and activities require Section 404 permits. However, rather than reducing confusion, the proposed rule as written takes the most aggressive and broad interpretation of federal jurisdiction, rendering adjacent waters, floodplains, ephemeral streams, tributaries, and ditches with limited exceptions as jurisdictional.

Perhaps the EPA's version of "clarity" simply means defaulting on the side of federal jurisdiction and broadening definitions of existing regulatory categories (tributaries) and regulating new areas that are not jurisdictional under current regulations (adjacent non wetlands, riparian areas, floodplains and other waters).

The EPA's Assurances Fall Flat Upon Plain Reading of the Rule

The EPA has launched a public relations campaign in an attempt to refute the concerns of RDC and other concerned members of the public who have concluded through a plain reading of the rule that it materially expands the scope and reach of the Clean Water Act. The EPA's assurances don't match the plain language of the rule.

Tributaries are a new and defined term and automatically jurisdictional under the rule. Adjacent Waters are considered jurisdictional, the legal test of significant nexus having been assumed. Many "other waters" will likely be deemed jurisdictional under the rule. As drafted, even ditches "inside the fence" or within the confines of developed projects could be deemed jurisdictional.

The EPA Grossly Underestimates the Costs of the Rule

The EPA estimates an increase of three percent in jurisdictional wetlands under the rule. This is a gross understatement. The Waters Advocacy Coalition¹ refutes the EPA's methodology as grossly understating this effect, both because of flawed methodology and because EPA failed to consider the impacts of new jurisdictional terminology such as neighboring, adjacent, tributary, riparian areas, and floodplain. Even assuming the EPA's conservative estimate is correct, the rule increases jurisdictional wetlands in Alaska by 3.6 million acres (three percent of 130 million acres of wetlands), about five times the size of Senator Whitehouse's home state of Rhode Island.

RDC applauds your congressional oversight on this issue. As currently drafted the rule will have significant negative impact on Alaskans. Thank you for the opportunity to comment on this far-reaching initiative. I have included additional references, and prior RDC comments to EPA on this rule and background for the record.

¹. *Review of 2013 EPA Economic Analysis of Proposed Revised Definition of Waters of the United States*, Sunding, David, Ph.D., February, 2014

Additional Background to Augment RDC verbal testimony.

Natural Resources are vital to the economic survival of Alaska and its residents. In part, Alaska was granted statehood due to our vast natural resources; the federal government expected Alaska to utilize its bounty of natural resources to build and sustain its economy. Alaska's constitution includes a unique provision, title 8, the preamble of which states "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." To fulfill the vision of Alaska's constitution, we must have access to our resources, and avoid uncertainty and unnecessary regulations that offer no added benefit to the environment.

Our members know that Alaska's economy is based on responsible resource development conducted in accordance with existing local, state, and federal environmental protections and laws. Alaskans must continue to have access to our valuable and traditional resources. The responsible development of these resources creates jobs in communities throughout Alaska, many of which have few other jobs available. Many of these communities will disappear if overly burdensome and unnecessary regulations are added to existing and new projects.

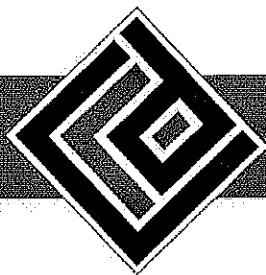
Attachments submitted for the record include:

RDC written comments regarding the WOTUS proposed rule and related connectivity report dated 7/29/11, 11/6/13, 7/7/14, and 11/14/14.

Growing Alaska through responsible resource development, 2014 Annual Report of the Resource Development Council for Alaska. Available online at <http://akrdc.org/membership/annualreport/annualreport2014.pdf>

Who Owns Alaska, A Special Issue of Resource Review, A periodic publication of the Resource Development Council for Alaska. Available online at <http://akrdc.org/newsletters/2009/whoownsalaska.pdf>

Review of 2013 EPA Economic Analysis of Proposed Revised Definition of Waters of the United States, Sunding, David, Ph.D., February, 2014
<http://www.nssga.org/wp-content/uploads/2014/05/WOTUS-Economic-Report-FINAL.pdf>



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Phil Steyer

John Sturgeon

Casey Sullivan

Jan Trigg

Doug Ward

Sinclair Wilt

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Senator Dan Sullivan

Congressman Don Young

Governor Bill Walker

April 9, 2015

Department of Natural Resources

Attn.: Kimberly Sager

550 West 7th Avenue, Suite 1070

Anchorage, AK 99501

Via email to kimberly.sager@alaska.gov

Re: In-stream Flow Reservation applications for Middle Creek

Dear Ms. Sager:

The Resource Development Council for Alaska, Inc. (RDC) is writing to oppose approval of the In-stream Flow Reservation (IFR) applications filed by the Chuitna Citizens Coalition (CCC) currently before the Department of Natural Resources (DNR).

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership includes Alaska Native Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

One of RDC's primary concerns is that approval of the IFRs would undermine existing regulatory processes and set a dangerous precedent for community and resource development projects across Alaska. Investment in Alaska should not be jeopardized by pre-emptive actions to stop community and responsible resource development.

RDC asks DNR to consider all uses of water in the IFR application process. Granting, or even evaluating, an IFR without considering competing water right applications is not in the public interest. Without evaluating both, DNR cannot truly weigh and balance the economic and public interest of the competing applications, nor mitigation measures.

RDC also purports the applications by CCC are flawed. CCC has requested a reservation of water that exceeds the amount of water in Middle Creek over 50% of the time as established by extensive actual flow data from gage stations in the stream. These gage stations have been installed operated by PacRim Coal, LP (CCC has not collected ANY data contained in its application), some for over 20 years.

The Middle Creek water reservation adjudications are premature. The project has not yet been finalized and updated detailed plans and environmental mitigation strategies are still being submitted to government agencies. As a result, the current IFR would pre-emptively deprive government agencies and stakeholders of the specific information, science, and rigorous reviews that would come out of the multi-year process.

Every project, no matter the size or location, should have an opportunity to go through the existing, extensive permitting processes. In the case of mining, there are more than 60 major permits and many more from local, state, and federal agencies that must be successfully obtained. The process will determine the best use of water and will address and consider mitigation, such as re-routing water away from project areas until reclamation can be done. The process will not permit one industry or resource to advance at the expense of another.

The proposed PacRim Coal LP project is on Alaska Mental Health Trust Authority lands. The Trust acquired these lands specifically for the development of the coal and the royalties it will provide to the Trust. The Trust has a mandate to maximize revenues from the one million acres of land it was granted throughout the state. Furthermore, the State of Alaska depends on the responsible development of natural resources on its lands to diversify and support its economy (Article VIII of the Alaska Constitution).

The Chuitna Coal Project, located in the Beluga Coal Field of Southcentral Alaska, consists of three major components, the proposed Chuitna Coal Mine, a coal transport system and export terminal, and a supporting infrastructure component. The cornerstone of the development is 5,000 acres of Mental Health Trust leases with measured reserves of ultra low-sulfur coal in excess of around 300 million tons. The Chuitna Coal Project is currently in the permitting process, with anticipated draft permit decisions in 2015 - 2016.

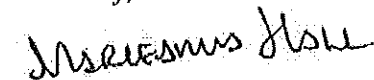
The proposed mine will provide significant economic benefits to Alaskans, including an estimated construction cost at \$750 million and employ up to 500 workers over the two year construction phase. After construction, the mine is expected to employ 350 people with an average annual payroll of \$35 million, pay an estimated \$300 million in royalties to the Alaska Mental Health Trust over the life of the mine, and pay millions in taxes to the State and the Kenai Peninsula Borough. In contrast, DNR estimates the commercial value of the fish in the stream to be between \$1,500 and \$10,600 per year. Moreover, the mine proposes to protect these fish resources so they are not lost.

The mine proponent is designing plans to construct new fish habitat, and following mining, a plan to reclaim the original habitat with a resulting overall increase in fish habitat. Approving the CCC IFR applications could ironically result in less fish habitat in the long run.

RDC urges DNR to reject the applications, which could potentially undermine the permitting process and set a dangerous precedent for future projects across Alaska's resource sectors, including oil and gas. If DNR does not reject the IFR, anti-development groups could use this action as a new tool to stop projects, or at a minimum, introduce significant uncertainty and delay, chilling Alaska's business climate.

Thank you for the opportunity to comment on this important issue.

Sincerely,



Marleanna Hall
Projects Coordinator



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April 3, 2015

Ms. Jolie Harrison
Office of Protected Resources
National Marine Fisheries Service
1315-East-West Highway
Silver Spring, MD 20910

Re: Authorization for Incidental take of marine mammals during seismic survey in Alaska's Cook Inlet, March 1, 2015 to February 29, 2020

Dear Ms. Harrison:

The Resource Development Council for Alaska, Inc., (RDC) is writing to support the issuance of the proposed letter of authorization for the incidental take of marine mammals between March 1, 2015 to February 29, 2020 during Apache Corporation's offshore seismic survey operation in Alaska's Cook Inlet.

RDC is an Alaskan business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism, and fisheries industries. Our membership includes all of the Alaska Native Regional Corporations, local communities, organized labor, and industry support firms. RDC's purpose is to expand the state's economic base through the responsible development of our natural resources.

Given the need for new and sustainable natural gas energy supplies in Southcentral and Interior Alaska, the proposed seismic survey could ultimately lead to the development of much needed energy resources for Alaska's most populous regions. The survey is clearly in the public interest as it could give Apache the information it needs to potentially secure a stable source of energy for local communities and utilize a valuable resource for Alaskans.

More than half of the state's population depends on natural gas from the Cook Inlet region for home heating, electricity and commercial enterprise. Continued development of Alaska's natural resources is critical to local communities, the state's economy, and the quality of life of our residents.

Although oil and gas production has been occurring in Cook Inlet for more than 40 years, the potential for new significant discoveries is high. In the past five years, there has been a revival of industry activity in the region. In 2014, Cook Inlet oil production increased by 25 percent and has nearly doubled since 2010 to 16,288 barrels per day.

Development of potential energy resources in the Cook Inlet basin will provide new jobs in the region and revenues to the State of Alaska. Operation of Apache's previous seismic programs resulted in hundreds of direct, indirect, and induced jobs resulting in more than \$22.5 million a year in payroll. Because of Apache's local hire policies, 60 percent of these jobs went to Alaska residents. Moreover, recent studies have shown that each single job in the oil and gas industry creates 20 other jobs through industry spending – nine in the private sector and 11 in government.

Apache has acquired over 850,000 acres of oil and gas leases in Cook Inlet since 2010 with the primary objective to explore for and develop oil and gas resources. Except for the location and the size of the survey area, the activities proposed for the upcoming surveys in the 2015-2020 seasons are essentially the same as those conducted during Apache's previous surveys in 2012 and 2014. As shown during the 2012 and 2014 seismic surveys, the mitigation measures and operating standards imposed by the company were exceptional. Apache has consistently operated in full compliance of the previous incidental take permits. Since 2011, when Apache began conducting operations in Cook Inlet, no data indicates that the beluga whale population has been adversely affected by its activities.

Taking into account an analysis of the likely frequency of interactions between Cook Inlet marine mammals and Apache's planned operations, and also considering factors such as the proposed mitigation measures, the National Marine Fisheries Service has concluded that the seismic surveys will only disturb small numbers of animals.

Given Apache's proposed measures, as well as other actions considered by the Service, the proposed mitigation measures would result in the least practicable impact on marine mammals species or stocks and their habitat. With the proposed mitigation and related monitoring, no injuries or mortalities to marine mammals are anticipated to occur as a result of Apache's proposed seismic survey in Cook Inlet. The number of takes that are anticipated and proposed to be authorized by the Service are expected to be limited to short-term behavioral disturbance. Animals are not expected to permanently abandon any area that is surveyed, and any behavior that could potentially be interrupted during the activity are expected to resume once the activity ceases. Only a small portion of marine mammal habitat may be affected at any time, and other areas within Cook Inlet will be available for necessary biological functions.

Mitigation measures such as controlled vessel speed, dedicated marine mammal observers, non-pursuit, and shutdowns or power downs when marine mammals are seen within defined ranges will further reduce short-term reactions and minimize any effects. In all cases, the effects of the seismic survey are expected to be short term, with no lasting biological consequence.

The proposed five-year letter of authorization provides vital consistency and durability to Apache's exploration program. Previously, a company conducting offshore surveys had to acquire an annual authorization for the unintended minor disturbance of marine mammals.

Apache obtained this type of authorization for its Cook Inlet surveys, filing an application each year, with the process involving a public review. In comparison, the newly proposed letter of authorization covers a five-year period, requires a longer application period, and is more complex than that for an incidental harassment authorization as it involves two public comment periods. However, once the authorization has been granted, no further applications and public reviews are required. As a result, the five-year authorization is more efficient over the long term for both the company and the regulatory agency.

RDC strongly supports Apache's efforts to explore for potential oil and gas resources in the Cook Inlet basin. The company has worked closely with scientists, stakeholders, and tribes, as well as local, state, and federal agencies on its Cook Inlet program. It's clear that Alaskans and our state's economy would benefit from increased oil and gas development and production in Cook Inlet. In fact, the very concept of Alaska's statehood is predicated on the development of our natural resources. Alaska was allowed to join the union because of the expectation that the development of natural resources would sustain our economy.

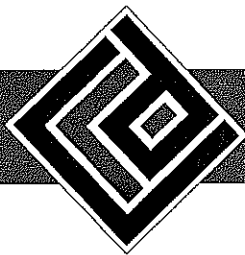
RDC is confident Apache will work diligently to insure a successful, environmentally-sound project. In 2013, the company received the Chairman's Stewardship Award from the Interstate Oil and Gas Compact Commission for its efforts to minimize environmental impact in Cook Inlet.

Given extensive mitigation measures and monitoring requirements, the survey is not likely to adversely affect Cook Inlet species or stock. RDC encourages the Service to issue the proposed letter of authorization covering the next five years.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carl Portman', written in a cursive style.

Carl Portman
Deputy Director



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April 3, 2015

Louise Stutes, Chair
House Fisheries Committee,
State Capitol Room 416
Juneau, AK 99801

RE: HB 119 An Act relating to the Bristol Bay Fisheries Reserve; and providing for an effective date

Dear Representative Stutes,

The Resource Development Council for Alaska (RDC) welcomes the opportunity to comment on HB119, a bill requiring legislative approval of any sulfide mine within the Bristol Bay region.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, prosperous economy for Alaskans.

RDC is strongly opposed to this bill. HB 119 simply compounds the serious problems with ballot measure 4. Ballot measure 4 undermines constitutional separations of powers and requires the Alaska Legislature to second-guess the teams of permitting specialists and scientists hired by the executive branch to implement rigorous permit standards established by statute by the legislature.

HB 119 makes ballot measure 4 worse by clarifying that the legislature will be micromanaging virtually every decision related to a large sulfide mine in Bristol Bay watershed including essentially all decisions, renewals, extensions, etc. This process is duplicative of the permitting process and we note adds considerable expense to the state with fiscal notes on record totaling over a half million dollars.

In these times of fiscal and economic uncertainty we encourage the Alaska Legislature to improve efficiencies and seek means of diversifying Alaska's economy. HB 119 creates uncertainty for companies that are both investing and contemplating investment

in Alaska. This bill sends a message that the Alaska Legislature does not trust the rigorous, science-based permitting process that is in place. Alaska has a proud record of balancing the important protections needed for our renewable fisheries resources while creating jobs and economic benefits from our below ground resources. Unfortunately even hearing a bill such as this could discourage needed investment to grow our private sector economy.

We urge all members of this committee to send a message that Alaska has a serious rigorous permitting process, and that we are open for business to those that can meet or exceed our rigorous standards – standards that will be fairly and consistently applied to all projects. Please convey this message by not passing this bill out of committee.

Thank you for your consideration of our comments.

Respectfully,

A handwritten signature in black ink, appearing to read "Rick Rogers", with a long horizontal flourish extending to the right.

Rick Rogers
Executive Director

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