

**State of Alaska
Citizens' Advisory Commission
on
federal lands
August 12-13, 2013**

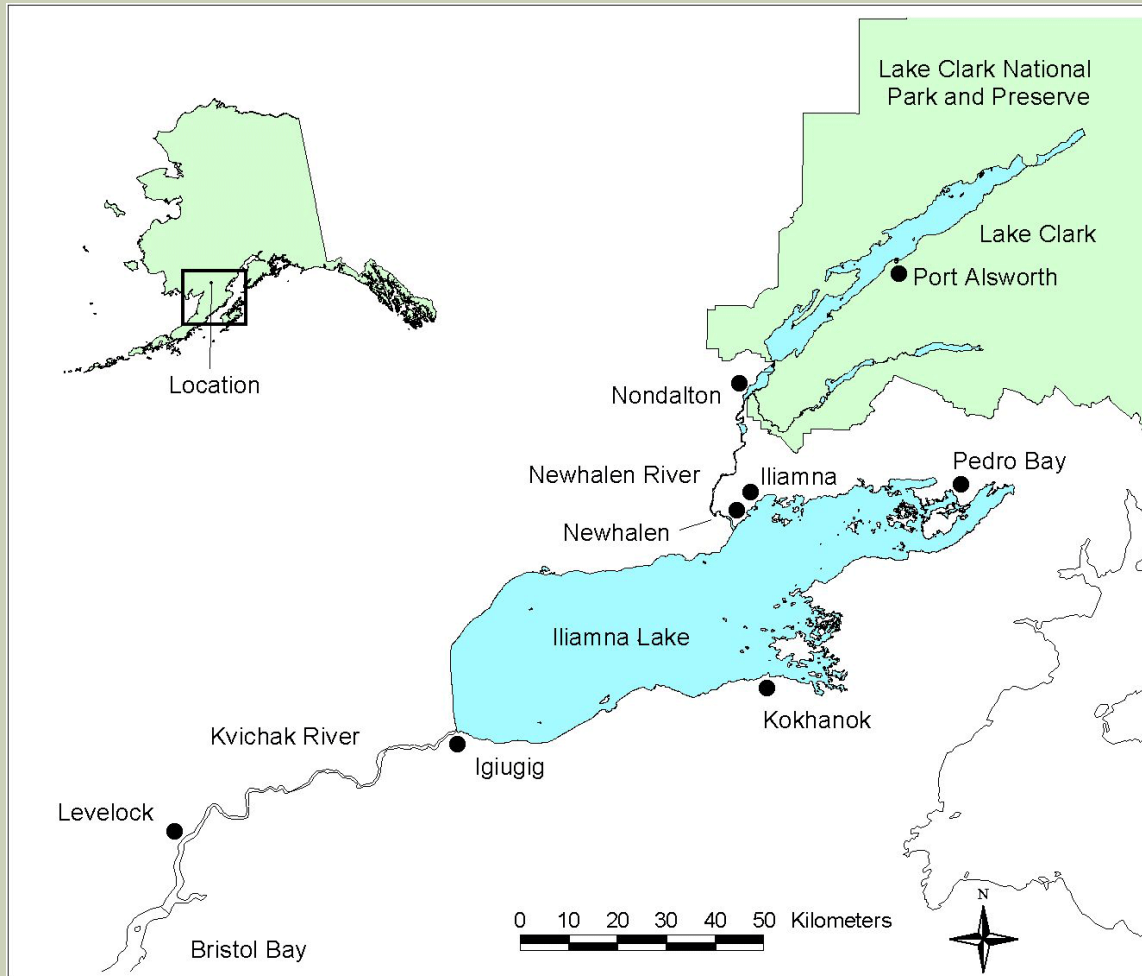
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Iliamna Development
Corporation

August 2013

WHO ARE WE ?



ILIAMNA AND ILIAMNA LAKE



Iliamna Lake is in southwest Alaska, at the north end of the Alaska Peninsula, between Kvichak Bay and Cook Inlet, about 100 miles west of Seldovia, Alaska.

ANCSA CREATED 12 REGIONAL CORPORATIONS 225 VILLAGE CORPORATIONS IN ALASKA

It is the mission of Iliamna Natives Limited and Iliamna Development Corporation to pursue business endeavors that benefit shareholders through jobs, contracts and economic benefits.

**Our goal is to emphasize quality to all that we undertake. Through our efforts, we will protect the lifestyle that shareholders deserve, while providing economic benefits to our communities-
AS ANCSA INTENDED.**

ILIAMNA DEVELOPMENT CORPORATION

VISION STATEMENT

Iliamna Development Corporation bases its work on quality, teamwork, meeting client's needs and maintaining the highest ethical and technical standards. It is our vision to carry a strong heritage through all our business lines in a fashion that makes shareholders proud.

ILIAMNA DEVELOPMENT CORPORATION

Iliamna Development Corporation (IDC) is a for profit certified 8(a) corporation in the state of Alaska. IDC offers a broad range of services to federal and non-government entities, including:

- **bulk fuel supply and delivery**
- **freight and marine transport**
- **facilities support services**
- **road construction and land management**
- **environmental remediation**
- **food and housekeeping services**
- **and much more**



From employee leasing to managing projects from start to completion, IDC brings specialized and comprehensive services to our many clients. We manage small projects or multi-million dollar contracts with the same commitment to success.

NATURAL RESOURCE DEVELOPMENT

Bristol Bay is blessed with abundant natural resources. From one of the largest lakes in North America and world-class salmon fisheries to extraordinary deposits of copper, gold and other important minerals – our lands are truly unique.

With the discovery of the region's mineral resource potential, we need to know if, and how, these natural resources can coexist and how our people and communities may be affected.

NATURAL RESOURCE DEVELOPMENT MATTERS

ANCSA Section 7i and 7j sharing value

- “... 70% of all revenues received by each Regional Corporation from the timber resources and subsurface estate patented to it pursuant to this Act shall be divided annually by the Regional Corporation among all twelve Regional Corporations” 43 U.S.C. § 1606(i).
- Each Regional Corporation distributes 50% of 7(i) distributions to its Village Corporations and to its at-large shareholders, pursuant to ANCSA § 7(j)

NATURAL RESOURCE DEVELOPMENT MATTERS

- Since inception of ANCSA over \$1 billion dollars has been shared from ANCSA 7i resource development of oil, gas, timber and mineral projects to 12 regional and 225 village corporations.

NATURAL RESOURCE DEVELOPMENT MATTERS

ANCSA 7I AND 7J BENEFITS

- Dividends
- Cultural and Language Preservation Programs
- Social Programs
- Subsistence Lifestyle Support and Advocacy
- Job Opportunities
- Scholarships
- Internships and Youth Programs
- Burial Assistance
- Land Leasing and Gifting
- Employment Assistance and Training
- Community Infrastructure
- Support of Non-Profits
- Elder Benefits
- Fuel purchases by village corporation used for community needs like subsistence hunting and fishing

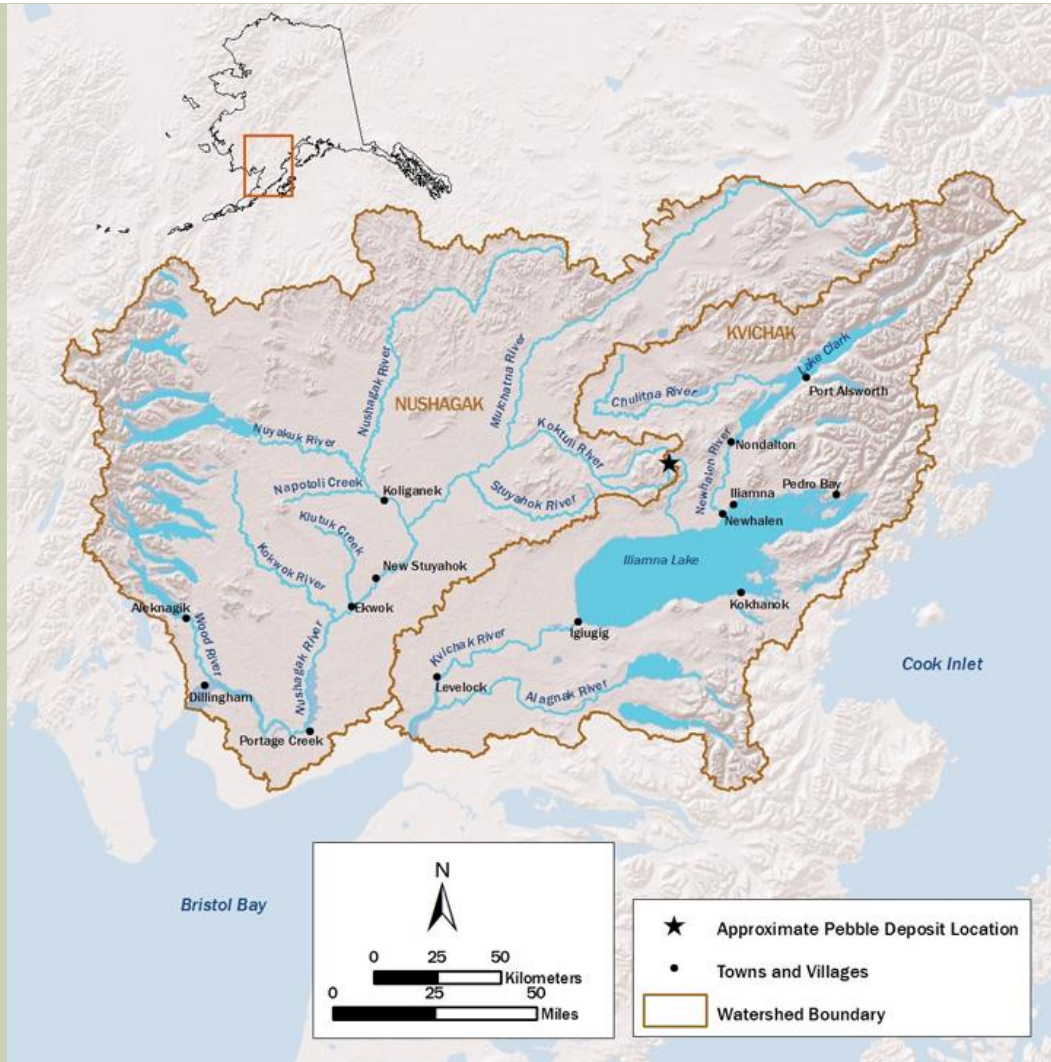
NATURAL RESOURCE DEVELOPMENT MATTERS

The U.S. Congress enacted ANCSA in order to provide a means by which Alaska Natives could derive economic benefits from the natural resources around our lands.

Native corporations are the largest private landowners in Alaska, with title to 44 million acres of selected land throughout the state.

Natural Resource development of Native lands offers Native corporations an opportunity to generate jobs and other economic benefits for their Native shareholders, and fulfill the implicit promise Congress made to Alaska Natives in exchange for extinguishment of our aboriginal claims.

ANCSA LANDS UNDER THREAT-EPA ORDERS CWA 404 C STUDY OF BRISTOL BAY WATERSHED



- 25 Alaska Native Villages will be affected by study
- May 31, 2012 Draft watershed assessment was open for comment
- Review Panel 12 will recommend water assessment of affected area
- Assessment is not regulatory in nature, but rather of potential impacts

WHO ASKED FOR EPA TO INITIATE CWA 404 C PROCESS?

- **Bristol Bay Native Corporation-ANCSA Regional**
- Nondolton Tribal Council
- Koliganik Village Council
- New Stuyahok Traditional Council
- Ekwok Village Council
- Levelock Village Council
- Bristol Bay Regional Seafood Development Association

EPA SCOPE OF ASSESSMENT

“The assessment reviews, analyzes impacts of large scale mine developments on “Bristol Bay fisheries, and subsequent effects on the wildlife, and Alaska Native Cultures of the region.”

IMPACT LANDS IN BBWA AREA

Surface Lands

- a. 14 ANCSA village corporations manage sand and gravel programs in BBWA area
- b. State of Alaska
- c. Native Allotments
- d. Private Landowners

Subsurface Lands

- a. ANCSA Regional Corporation manages all mineral/oil/gas/timber
- b. State of Alaska
- c. Federal Government

DEFINITION OF UNDERTAKING

“EPA undertook this assessment after numerous native villages and other organizations in Alaska and elsewhere raised concern about potential environmental, water quality, fisheries and associated economic and subsistence impacts from proposed large-scale mining development in the Bristol Bay watershed.”

Lisa P. Jackson, Former Administrator, EPA

DEFINITION OF UNDERTAKING

SOME BRISTOL BAY Tribes and other outside organizations still want the EPA to invoke its authority under section 404c of the Clean Water Act to veto dredge and fill permits required for any large mining project in the Bristol Bay Region.

The EPA has never used the 404c authority *prior* to the filing of permit applications.

PREEMPTIVE VETO UNDER SECTION 404C: PEBBLE EXPLORATION PROJECT

- Mingo Logan Coal company, Inc. vs. United States Environmental Protection

In a harshly worded opinion, Judge Amy Jackson accused the EPA of “magical thinking” in its interpretation of the Clean Water Act. Judge Jackson felt that the EPA’s position would create huge uncertainty among the regulated community if permits could be revoked “after the fact.”

Despite this order EPA has continued its efforts to expand its authority under the Clean Water Act.

MISSING ELEMENTS OF BBWA STUDY

1. Discussion of science and sufficiency of analysis of loss of economic impact to
 - ANCSA surface/Subsurface Lands,
 - State of Alaska Lands,
 - Native Allotments,
 - Federal Lands.
2. There should be discussion of valuation factors of Closure Order for such just compensation

FLAWS IN THE EPA PEER REVIEW ASSESSMENT OF THE BBWA

The draft BBWA report suffers from lack of sufficient data and information to support conclusions reached, yet the report authors in many cases overlooked the voluminous site-specific data provided by the Pebble Partnership as part of its Environmental Baseline Document

BRISTOL BAY WATERSHED ASSESSMENT

- 1. Will impact future value of ANCSA subsurface lands**
- 2. Will affect future value of ANCSA surface lands**
- 3. Will affect future value State of Alaska lands**
- 4. Will affect Native Allotments management system**

FLAWS IN THE EPA PEER REVIEW ASSESSMENT OF BRISTOL BAY WATERSHED STUDY

- **The Draft BBWA report over-estimates both the likelihood and consequence of range of potential systems and operational failures**
- **Hypothetical mining scenario presented in the draft BBWA does not employ best mining practices or the alternative engineering approaches, environmental safeguards and other mitigation strategies commonly used at modern mines to avoid environmental effects.**

QUESTION PROCEDURAL PROCESS

March 2013 U.S. Rep. Lamar Smith of Texas questioned the Bristol Bay Watershed Assessment:

“By initiating the Bristol Bay Watershed Assessment, it appears as though EPA is selectively using its authority to conduct scientific assessments to create new regulatory burdens.”

WE AGREE WITH REP. SMITH-WE DO NOT NEED MORE REGULATORY BURDENS.
REGULATORY BURDENS ARE JOB KILLERS!

PROCEDURAL PROCESS BY EPA WILL KILL ALASKA NATIVE JOBS



■ CATERING JOBS

■ SEMI TRUCK DRIVERS



PROCEDURAL PROCESS BY EPA WILL KILL ALASKA NATIVE JOBS



BARGE OPERATORS

HEAVY EQUIPMENT OPERATORS



PROCEDURAL PROCESS BY EPA WILL KILL ALASKA NATIVE JOBS

- NATURAL RESOURCE EXPLORATION SUPPORTS ALASKA NATIVE JOBS CONTRACTED TO ILIAMNA DEVELOPMENT CORPORATION ALL WILL BE LOST IF EPA ORDERS CLOSURE UNDER THE CWA 404c STUDY

PROCEDURAL PROCESS BY EPA WILL KILL FUTURE ALASKA NATIVE JOBS

IF EPA ORDERS CLOSURE

- LOSS OF FUTURE JOBS WILL HAPPEN.
- LOSS OF POSITIVE ECONOMIC IMPACT TO ALASKA NATIVE FAMILIES.

FUTURE FACTORS/VALUES OF ANCSA 7(I)

- 1. Subsurface Exploration Agreements lead to Resource Development**
- 2. Exploration agreements affect value of surface lands by way of exploration agreements**
- 3. Federal Mandates will affect ANCSA subsurface/surface lands values**
- 4. Federal Mandates affect value of corporate stock**

BBWA ASSUMPTION

Assessment may lead huge land closures in the BBWA areas thus affecting how ANCSA companies, State of Alaska, Native Allotments manage their lands for resource development, tourism, subsistence hunting and fishing.

Closure of Bristol Bay Watershed area will result in increased tension and disharmony between the federal government and its landowners.

STAKEHOLDER INVOLVEMENT OF ILIAMNA PEOPLES

**Iliamna Natives support Natural Resource
Exploration of Native/State subsurface lands
near our community.**

**We are the most economically impacted
community of the Pebble Partnership
Exploration Project.**

CONTRIBUTION OF NATURAL RESOURCE DEVELOPMENT TO ECONOMIC DEVELOPMENT

Natural Resource development leads to economic expansion and decreasing poverty. They especially regard the following aspects as economic advantages:

Higher tax incomes for states, thanks to mining activity.
Improving services and increasing employment in local communities.

The raised demand for goods and services makes the economy of local communities thrive.

CONCLUSION

WHAT SHOULD WE DO?

- 1. Contact Congressional Officials to consider public hearings on BBWA assessment to address EPA's powers, land assessments, etc.**
- 2. Seek Legal Opinion on EPA powers of BBWA-states rights, ANCSA rights to manage its lands under law**
- 3. Subsurface/Surface Land Valuations of BBWA impacts**
- 4. Economic Analysis of BBWA order**