



The Domino Effect

Fall 2010



The Western Arctic. Photo by Tim Leach.

The Rush to Alaska's Coal

Coal is the dirty enabler for 40% of the world's electricity. In recent years, coal-generated electricity has been on the rise around the world – and is expected to reach 60% by 2030. Developing countries such as China, India, Southeast Asia and Korea are responsible for the largest share of this growth. As oil supplies dwindle and energy prices increase, multinational developers see Alaska's coal – nearly 1/8 of the world's coal reserves – as the next viable global energy resource. The rush is on.

Alaska's Department of Natural Resources (DNR) and local governments are considering permits for coal mining exploration and infrastructure around the state. If approved, new precedents could be set that will galvanize a "coal rush" to Alaska.

Local Residents Get a New Neighbor

In July, DNR granted a permit for Usibelli Coal Mine (UCM) to begin coal exploration at Wishbone Hill – a residential area located 42 miles northeast of Anchorage. Previously the local Assembly had agreed to lease 60 acres of borough land to the company in order for them to build a 2.7 mile access



Baby Gyrfalcons. Photo by Brook Kintz.

- Continued on page 6 -

Coal Mining in Alaska: What's at Stake...

- **Your Atmosphere -**
The amount of CO₂ that could be generated from Alaska's untapped coal deposits is estimated to be **8 trillion tons.*** **Keeping Alaska coal in the ground is not just a matter of protecting Alaska, but of preventing catastrophic global climate change.**
- **Your Health -**
Burning coal releases mercury and other heavy metals into the atmosphere, exposing us to serious health risks including asthma, lung disease, cancer, respiratory illness and developmental disorders.
- **Your Food & Water -**
Mercury pollution travels via air and ocean currents contaminating water and soil. In 2008 Alaska issued fish consumption warnings (the first time ever) due to mercury contamination showing up in fish such as halibut, cod and tuna.
- **Intact Ecosystems -**
Over 30,000 square miles in the Arctic could potentially be strip-mined in a region that is home to the largest U.S. caribou herd and one of the most productive breeding grounds for raptors, geese and other migratory birds.

*Center for Science in Public Participation. CO₂ estimate based on Flores et al, 2005 coal study in Alaska.

Your \$ at Work

Thank You

With support from individuals & foundations, ACF has awarded a record-breaking \$4.2 million in grants to over 60 Alaska conservation organizations in the year ending June 2010.

For a complete list of grants visit the ACF website.

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Letter from our Executive Director

Dear Friend of Alaska,

In this issue of the *Dispatch* we examine the domino effect – the cumulative effect that results when one event precipitates a series of like events – that results from many forms of development in Alaska.

Multinational corporations are vying to develop Alaska's natural resources throughout the state. Global market demand for cheap energy has the potential to create a "coal rush" in our state. But Alaska's massive coal deposits lie in pristine wildernesses, areas such as the Western Arctic and the salmon-rich Chuitna River. Each time Alaska's Department of Natural Resources issues a permit for coal exploration, the door opens further for coal development to feed global demand, and infrastructure that will spur more unsustainable growth.



Nick Hardigg catches silvers in King Salmon, Alaska.

The same is true in Bristol Bay, where Pebble Mine could sow the seeds for sulfide mining across the entire region. Our Environmental Protection Agency will soon make a decision on protecting clean water at the Pebble site that could alter the direction of the region forever.

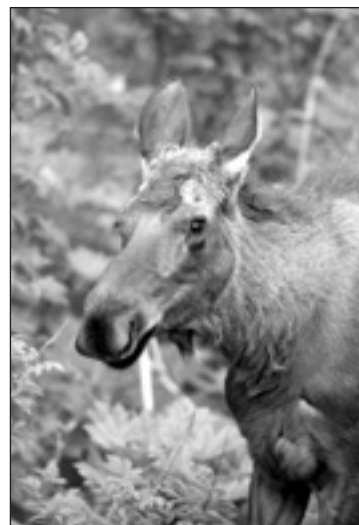
With your help, we'll promote sustainable economies that will hold the dominos upright, and keep one of the world's last intact wilderness areas protected, forever.

Sincerely,



Nick Hardigg

Alaska Conservation Foundation builds strategic leadership and support for Alaskan efforts to take care of wildlands, waters and wildlife, which sustain diverse cultures, healthy communities and prosperous economies.



Moose. Photo by Fredrik Norrsell.

Logging

ACF Grantees Fight Land Grab in the Tongass National Forest

Congress is being asked to let a private corporation claim lucrative old-growth timber and valuable recreation sites in Southeast Alaska's Tongass National Forest.

The corporation seeking the land is Sealaska, a for-profit Alaska Native-owned corporation created by the 1971 Alaska Native Claims Settlement Act. As part of that landmark legislation, Sealaska received rights to select more than 350,000 acres of public land from the Tongass.

To fulfill its entitlement from 40 years ago, Sealaska retains the rights to select approximately 70,000 additional acres of Tongass land from sites determined under ANILCA. But the corporation sees little viable timber remaining in those regions, and seeks instead to choose old-growth forest and high value young-growth forest outside of the areas defined by current law. In past selections, the company's priority was mostly large stands of old-growth forest, which have been primarily clearcut and exported. The corporation has stated that it is running out of profitable timber to cut.

Sealaska's lands bill (S. 881 – sponsored by Senator Murkowski) would likely not pass as stand-alone legislation. However, reports from Washington D.C. indicate it may be included as part of a larger public lands bills protecting areas in the Lower 48.

Sealaska deserves to get the last of the land it is due from the 1971 settlement – but its current proposal fails to consider the impacts it will have on fish & wildlife habitat, existing sawmills that depend on Forest Service timber supplies, and communities near the proposed land selection. ACF grantees are working in support of a broader solution that would make Sealaska's land base whole while addressing the concerns of key stakeholders in the region.

-Contributed by Matt Zencey.

Arctic National Wildlife Refuge Turns 50



Porcupine Caribou Herd. Photo by Brook Kintz.

Alaska celebrated its 50th anniversary of statehood last year, and this year, we celebrate the 50th anniversary of the Arctic National Wildlife Refuge. The Refuge was established on December 6, 1960 to preserve wildlife, wilderness and recreational values – and is the largest national wildlife refuge in the U.S. Today, 19 million acres embody 18 major rivers, boreal forest, tundra and the Brooks Range. A wide variety of wildlife inhabits this diverse land, from the largest U.S. caribou herd to all three species of North American bear – black, brown and polar.

ACF co-founders Celia Hunter and Denny Wilcher worked for decades alongside other founding conservationists in Alaska to protect the Arctic Range. They formed the Alaska Conservation Society (ACS) in 1960, Alaska's first conservation organization, to use as a vehicle through which Alaskans could be heard in Congress. One of their largest achievements occurred in 1980, when President Carter signed the Alaska National Interest Lands Conservation Act (ANILCA) protecting Alaska's intact wilderness ecosystems in their entirety.

As the Arctic celebrates its 50th, it has weathered many changes and threats. For more than a decade, debate over drilling for oil on the Coastal Plain of the Refuge has continued unabated. The potential threat of resource development continues both on and near-shore along with new threats from tourism, hunting and over-flights. The Arctic National Wildlife Refuge defines what a wildlife refuge can be. It is essential that we continue to defend the integrity of one of the world's last, great remaining wild places.

In celebration of the 50th, ACF grantee the Northern Alaska Environmental Center held a "Run for the Refuge," with nearly 200 runners taking part. In addition, Ginny Wood received a national award for her role in Alaska conservation. Ginny worked alongside Celia and others in the fight to protect the Refuge. More celebrations are being held by U.S. Fish & Wildlife Service, information is available at: <http://arctic.fws.gov/50th.htm>.

The Pebble Mine

Battling It Out In Bristol Bay

Alaskans have engaged the US Environmental Protection Agency (EPA) in an important new battle to protect the nation's most productive salmon watershed – Bristol Bay – from one of the world's largest proposed gold and copper mines.

While the owners of Pebble Mine prepare for next year's permitting process, a diverse group of Alaskans have united. Six local tribes, commercial fishing groups and the Bristol Bay Native Corporation, a

powerful force in the region with 8,600 shareholders, have asked EPA to invoke a rarely-used power that could block the Pebble Mine in the foreseeable future.

Under section 404(c) of the Clean Water Act, EPA can close certain areas to permitting for projects that entail dredging up or filling in fragile and ecologically-rich wetlands and waterways. In Pebble's case, this could prohibit the US Army Corps of Engineers from issuing permits for mine development in the Kvichak and Nushagak Rivers – effectively putting an end to the Pebble project.

EPA administrator Lisa Jackson recently made a visit to Bristol Bay to meet with regional communities. Tribal leaders pointed out the potential environmental damage that could occur if Pebble is developed.

Environmental Damage Ahead

In 2006, Pebble's owners filed plans showing an open pit mine covering 2 square miles. To manage the sulfide-laden mine waste, those plans included building five dams,

one of which was 740 feet high – taller than Hoover Dam. Billions of tons of mining waste would have to be kept secure, forever, under lakes covering 10 square miles, in a seismically active area. Small amounts of copper – even those that fall within state water quality standards – are known



Bristol Bay fisherman oppose Pebble Mine. Photo by Lindsey Bloom.

to harm salmon. Any leakage would flow directly into the headwaters of the Kvichak and Nushagak Rivers, two major salmon drainages.

The Kvichak River produces the world's largest wild runs of sockeye salmon. The Nushagak boasts Bristol Bay's largest runs of silver, king, pink, and chum salmon. Mining in those

drainages would jeopardize a \$440 million a year commercial fishing industry and threaten the salmon and wild game that have sustained the region's people and economies for years.

"Killing off the salmon is [the equivalent of] killing off the Native people of the region because we rely so heavily on salmon," says Kim Williams, executive director of ACF grantee Nunamta Aulukestai, Caretakers of the Land.

"The questions of where, how and whether the vast volume of waste can be safely and permanently handled are major unresolved issues," attorney Geoff Parker said in the request to EPA. Parker noted that the law gives EPA the authority to begin studying whether to veto a project right now, before Pebble's owners formally apply for the necessary permit.

The industry's record elsewhere gives plenty of cause for concern. A peer-reviewed survey of 25 major mines in the U.S. found that three-quarters of them violated their permits and polluted nearby waters. Another study documented 147 cases where tailings dams at mines around the world have failed. The U.S. topped the list for spewing deadly waste downstream with Britain in second for the most documented dam failures.



Bears fish the waters of Bristol Bay. Photo by Nick Hall.

Creating a Vision for Bristol Bay

As the battle over Bristol Bay's resources heats up, one of ACF's largest grants ever in its 30-year history is helping to empower the region's people to determine the fate of the place they call home.

For over a century outside interests from fishing, tourism and resource extraction have largely dictated the future of this region. Now, with an \$800,000 grant from ACF, the Bristol Bay Native Association (BBNA) and its partner institutions have initiated an innovative project – the Bristol Bay Regional Vision Project – that will give voice to the shared values of the region's communities. BBNA is taking the lead on the project

for the Bristol Bay Partners, which also includes Bristol Bay Native Corporation, Bristol Bay Economic Development Corporation, Bristol Bay Area Health Corporation and Bristol Bay Housing Authority.

The Partners have established a commission of respected leaders who will host meetings in all of the region's villages. Discussions at the meetings will focus on education, health, housing, energy, economic development and more. From the findings, the commission will develop a preliminary report identifying shared values and issues. The group plans to have a final vision statement completed by Spring 2011.

The vision will serve

as a guide for future policy choices of the Bristol Bay Partners and other institutions in the region. Just as important, it will stand as a clear statement of the values and priorities of the people of the region and can be used as a measure to evaluate threats, such as Pebble Mine, from outside interests that may engage in the region in the future.



Iliamna Lake. Photo by Alaska Trekking.

The Politics Heat Up

Days after EPA administrator Lisa Jackson heard local concerns about the Pebble Mine, Alaska Congressman Don Young filed a bill seeking to strip EPA of its 404(c) power.

ACF grantee Nunamta Aulukestai's Kim Williams says "I don't know who Don Young is listening to, because he's sure not listening to the people of Bristol Bay. He's turning his back on the people."

Pebble's Domino Effect

EPA is expected to make a decision later this year. If EPA exercises its authority, a public review and comment period on the proposed mine would be held, during which the battle could heat up significantly.

As Kim Williams said in a recent news story: "We believe that our life is just so worth protecting. We are not going to go away; we're going to keep fighting."

However, if Don Young is successful the Pebble permitting process will begin as scheduled early next year. For now, Pebble's owners

have put the 2006 plans on hold while they re-consider exactly how to exploit the enormous copper, gold and molybdenum deposits. There is speculation that a new plan emphasizing underground mining may be in the works, but underground mines create substantial risks of acid mine drainage.

Regardless, the domino's will fall if the Pebble Mine is permitted. It will create an infrastructure that would be leveraged by other mining efforts. Several companies are vigorously pursuing other mineral deposits near Pebble, raising the specter of even wider damage to the region and the huge, healthy runs of wild salmon that make Bristol Bay world-renowned.

Former state Senate president Rick Halford, a Republican from Anchorage, told the *Los Angeles Times*, "The location could not possibly be worse on the face of the earth. This is a place of incredible value." With your support and champions like the many ACF grantees working on this issue, Bristol Bay can (and will) be protected.

Thank You Alaska Aveda Salons!

ACF is grateful for the support of Aveda and Alaska's Aveda salons who through their 2010 Earth Month Campaign raised close to \$11,000 to support clean water related projects around the state.

ACF wishes to recognize the following salons for their efforts to protect Alaska's water:

- Elements Salon, Fairbanks
- Chez Ritz, Anchorage
- Darae's Salon & Spa, Anchorage
- Halo Salon, Anchorage
- Meg Allen Salon & Spa, Anchorage

If your business is interested in raising support for Alaska conservation please contact ACF.

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Coal

The Rush to Alaska's Coal

- Continued from page 1 -

road to the mine site. Usibelli plans to tap into an estimated 10 million tons of coal as soon as 2012, by building an open-pit mine that will employ an estimated 75 to 125 workers. "We would not pick a coal mine near a residential area if we had our choice, but the coal is where it is and we have no choice but to mine it there or not at all," said Steve Denton, UCM's vice president of business development. The company has already found a potential buyer for the coal in Japan.

Local residents opposing the mine are concerned about loss of property values and quality of life. Dale Zirkle, a long-time resident, expresses concerns shared by the community about contamination in nearby creeks and prevailing winds that will carry the coal dust. "It's going to be in the air. There's no way you can stop it; loading the trucks, digging, blasting. It has to go in the air." Steve Denton has assured local residents the coal company will be a good neighbor – even suggesting the company will replace windows broken by blasts from the mine site.

The permitting decisions at Wishbone Hill have spurred ACF grantees Chickaloon Village Traditional Council (CVTC) and the Castle Mountain Coalition into action. These groups along with a group of local residents have filed an appeal challenging DNR's exploration of the mine's impact on local resources and communities.

Trading Resources

One of Alaska's greatest resources is salmon. The Chuitna River, only 45 miles west of Anchorage, offers a pristine fishing experience. PacRim Coal, a multinational developer, plans to extract 300 million tons of coal from this region, creating Alaska's largest coal strip mine and the fifth largest coal mine in U.S. history.

The environmental concerns are enormous. Extracting the coal from this area will destroy over 30 square



Alaska coal. Photo by Tim Leach.

directly through 11 miles of active salmon spawning habitat – setting a dangerous precedent as this has never before been permitted in Alaska. It will also create a mining infrastructure that could be leveraged to develop adjacent leases in the Cook Inlet region.

In the case of Chuitna, Alaska will be trading one resource for another. Together the state's seafood and tourism industries support over 78,000 jobs (versus mining at 12,000). These are jobs that are sustained by Alaska's renewable resources – such as salmon – and its pristine environment. Coal mining's contribution to Alaska's economy is as non-renewable as the resource itself.

ACF grantees Cook Inletkeeper, Chuitna Citizen's Coalition and Trustees for Alaska, along with other groups, have been successful in raising awareness of the impacts to the productive wetlands, which has slowed the permitting process for the Chuitna River coal strip mine.

But both Chuitna and Wishbone Hill could open the door to coal development in Alaska. With growing global pressure for coal resources, demand for Alaska's coal will only increase. If infrastructure is in place and the coal industry gains political power, more mining

miles of pristine wildlife and salmon habitat. Burning the coal will contribute 53 billion pounds of CO₂ into our atmosphere. Local residents fear the loss of their way of life. "We're just ordinary Alaskans who love to hunt and fish," said Judy Heilman, a resident of Beluga. "But a couple of Texas millionaires are planning to mine through our salmon streams so China can get cheap energy."

The company will mine directly through 11 miles of active salmon spawning habitat – setting a dangerous precedent as this has never before been permitted in Alaska. It will also create a mining infrastructure that could be leveraged to develop adjacent leases in the Cook Inlet region.



Wishbone Hill region. Photo by Fredrik Norrsell.

will follow. The global danger is amplified as developers explore the massive coal reserves in the Arctic.

Coal's Domino Effect on the Arctic

In a pristine wilderness north of the Brooks Range, 4 trillion tons of coal is buried under 30,000 square miles of Native, state and federal land in the Western Arctic. This coal province is home to Alaska Native villages as well as the Western Arctic Caribou Herd, the largest herd in the U.S. at nearly 300,000 animals. It is a vital breeding habitat for numerous species of raptors, ducks and other migratory birds.

As the Arctic National Wildlife Refuge, located to the east of this coal region, celebrates 50 years, the Arctic Slope Regional Corporation (ASRC) actively searches for a mining partner to tap into this wealth of coal for Asian markets.

Additionally, 3 companies are pursuing coal prospecting leases just north of the Gates of the Arctic National Park. This is the first attempt to access Arctic coal from the eastern side, which has far greater access to transportation and the oil infrastructure.

The Arctic is the most critical area on Earth to keep coal in the ground due to the massive amounts of CO₂ that would be produced from burning Arctic coal.

Creating a Future without Coal

ACF is the fiscal sponsor of a coalition charged with leading the transition from coal development to a clean energy future. The Alaskans for Energy Freedom coalition is made up of 30 conservation, tribal, sportsmen, faith and consumer advocacy organizations working across political and cultural spectra to realize a common vision for a healthy future for Alaska.

ACF grantees Renewable Energy Alaska Project, Alaska Public Interest Research Group and Alaska Conservation Alliance (ACA) are working with decision-makers to



Alaska map. Arctic, Chuitna & Wishbone Hill coal deposits are shown in black. Courtesy of Doug Tosa.

create gains in energy efficiency as well as tap into Alaska's renewable energy potential such as wind, tidal, geothermal and hydro.

In addition, ACF grantee ACA is working with Natural Capitalism Solutions on the Fairbanks First Fuel Project. The project will demonstrate how energy efficiency will create 75MW of efficiency gains while generating \$167 million in economic output and create 1,650 new jobs for Fairbanks. There is a positive path forward for Alaska, one that is not dependent on dirty coal.

Alaska's state motto is "North to the Future." Alaska's – and the world's – future may be jeopardized if developers rush north for coal. Every stage of coal development threatens clean water and air, and the health of humans and vital ecosystems. Alaska could become the world's largest coal exporter responsible for catastrophic global climate change. As Alaska learned with the oil industry, once the rush starts, there is no stopping it.



Red Fox in Mat-Su Valley. Photo by Fredrik Norrsell.

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Stay up-to-date with conservation in Alaska... sign up for Northern Highlights e-newsletter or go to Conservation Newswatch at: alaskaconservation.org

*Alaska's state motto is "North to the Future."
Alaska's – and the world's – future may be jeopardized if developers rush north to our coal. Together, we can create a healthy future for Alaska!*



Point Lay community in the Arctic. Photo by Tim Leach.