

Testimony of Brian Kraft
Before the House Transportation and Infrastructure Committee
Subcommittee on Water Resources and Environment

October 23, 2019

Chairwoman Napolitano and Ranking Member Westerman, thank you for the opportunity to testify today before the House Transportation and Infrastructure Committee for its hearing on the Pebble Mine Project: Process and Potential Impacts. My name is Brian Kraft, and my wife and I are long-time Alaska residents where we are raising our family. We currently own and operate two sportfishing lodges in the southwest part of the state known as the Bristol Bay region. Someday, in the not too distant future, I hope that one or several of our daughters will take over our lodge business as they have a passion for the fishery and have a strong connection to the region and its environment.

Today I'd like to share with the Committee why the Bristol Bay region is unlike any other place in the world, specifically from the perspective of a person that grew up in the suburbs of Chicago and now spends half of each year in a remote, roadless, pristine, intact, functioning ecosystem. I will also share with you the significance this habitat and fishery plays in a thriving sportfishing industry that creates a strong economic engine for the state of Alaska. This could all be compromised with the massive industrialization of the area through large-scale open-pit mining.

We are relying on effective and science-based implementation of the Clean Water Act to protect our livelihoods from this potentially destructive mine proposal. I am here to tell you that the Army Corps of Engineers (Corps) is failing at implementing the Clean Water Act as it reviews the Pebble Mine proposal. We commend you for making it a priority of your Committee to review the Corps' implementation of the Clean Water Act on what we believe is one of the most critical permit proposals in history.

I also want to thank Committee leadership for supporting Representative Huffman's amendment to the FY 2020 Interior and Environment appropriations bill which would have cut funding to the Corps until it fixed its flawed review of the Pebble mine permit. I urge the Committee to continue working with the appropriators, including Senator Murkowski who recently added strong report language to the Senate version of the bill, to compel the Corps to fix its review using the best available science.

Bristol Bay is a state and national treasure.

People spend significant amounts of money, time and effort to travel from all over the world to experience and fish in this unique, pristine and incredibly productive corner of Alaska. There are very few places left in the world where you can see and fish for thriving runs of salmon and massive rainbow trout, and fly for miles without seeing a road, buildings or other signs of human development. There is a strong desire and willingness to pay for the experience of being

outdoors in such a pristine setting. Clients who come to my lodge are blown away by the magnitude of this place, and the special, uniquely Alaskan experience that comes with it.

Salmon have fueled everything that lives in this region for thousands of years. Here, salmon runs are measured in the millions. For the past two years, record breaking salmon runs have returned to the rivers and lakes of the Bristol Bay region. It's one of the only places left in the world where there are still thriving runs of wild salmon and where 30-inch rainbow trout are not mythical creatures. It's one of the few places in the world where you can watch a brown bear, yards away, devour salmon as if you were not there. It's one of the last places left on the planet where you can stand on a river, perhaps with your niece or grandfather, and be hundreds of miles from a highway. The bottom line is that Bristol Bay is special even by Alaska's already high standards.

But perhaps fish, wildlife and scenic landscapes aren't your thing. Let me speak to the importance of Bristol Bay from a business perspective. **Bristol Bay is an economic powerhouse, fueled by salmon. Wildlife viewing, hiking, hunting and sportfishing play an important part of the regional economy.**

There are approximately 150 sportfishing or hunting related businesses that operate in the Bristol Bay drainage with about 30,000 sportfishing trips taken to the region each year. Some anglers stay at lodges like mine, some are local fishermen, and some are anglers who experience Bristol Bay through "do it yourself" trips. It is estimated that each year Bristol Bay anglers spend approximately \$58 million, with a vast majority of this spending (approximately \$47 million annually) coming from nonresident anglers.¹ An additional \$12.4 million in economic activity is attributable to people traveling to the area to hunt bear, moose, ducks and other wildlife. A growing part of the tourism economy in Bristol Bay is bear viewing. A study produced this spring found in 2017, bear viewing-related service providers (air/boat taxis, guides, lodging) reported \$34.5 million in sales.² McNeil River and Brooks Camp are two of the most important and well-known bear viewing areas in the world.³ Together, recreational fishing and hunting activities support more than 1,000 jobs in the area, and bear viewing supports another 490 sustainable jobs in the region.⁴

All told, commercial, sport and subsistence fishing accounts for more than \$1.5 billion to the regional economy and are an important part of Alaska's broader fishing-based economy.⁵

¹ <https://www.epa.gov/brisolbay/brisol-bay-assessment-final-report-2014>

² University of Alaska Fairbanks, The Economic Contribution of Bear Viewing to Southcentral Alaska, (2019) https://static1.squarespace.com/static/5c4025a7b40b9dc76548186e/t/5cdb69154e17b630b2880c51/1557883183_050/BearEconomicsStudy-Full.pdf

³ The Value of Watchable Wildlife: A Case Study of McNeil River by C. Clayton and R. Mendelsohn 1993 <https://www.sciencedirect.com/science/article/pii/S0301479783710571?via%3Dihub>

⁴ https://www.fs.fed.us/rm/pubs/rmrsp049/rmrsp049_035_044.pdf

⁵ https://iseralaska.org/static/legacy_publication_links/2013_04-TheEconomicImportanceOfTheBristolBaySalmonIndustry.pdf

The University of Alaska Center for Economic Development estimates consumers in Alaska spent \$501 million on equipment for sport fishing in 2017.⁶ That is one of several reasons that companies such as Orvis, and other fishing gear manufacturers, care so much about keeping Bristol Bay the way it is.

My clients, and anglers of all types who visit the region, consistently emphasize the importance of Bristol Bay's remote, and wild setting in their decision to fish the area. Additionally, a significant proportion of anglers, when responding to surveys, specifically traveled to the Bristol Bay region to fish the world-class rainbow trout fisheries. Yet, when assessing the potential impacts of the proposed Pebble mine, the Corps gave little consideration to the importance of rainbow trout and other non-salmon species and dismissed the impact industrial activities will have on the remote setting on which my business depends. This is not just hearsay; survey responses confirm that anglers consistently emphasize the importance of Bristol Bay's remote and wild setting in their decisions to fish the area.⁷

The Bristol Bay's world-famous fisheries, its unparalleled water, and the local economies and cultures they support can continue to thrive if we simply have the common sense to leave this place as it is.

For reference, on the Columbia River, once a wild salmon-filled river, about \$500 million a year is spent on salmon mitigation, restoration and management. Yet, salmon populations continue their precipitous decline and, in many cases, are barely hanging along. By comparison, only about \$5 million a year is spent on fisheries research and management in the Bristol Bay region, while many millions more than that return through related industries.⁸ If we properly protect existing habitat and carefully manage for sustainable yield, nature will continue to provide a renewable resource that continues to produce indefinitely. It just doesn't make economic sense to compromise this resource, which supports thousands of small, American family-run businesses like mine.

I first heard about Pebble 15 years ago. At first, I thought, "Great--jobs." I had worked on the North Slope as a roughneck on the oil rigs and then worked as an intern for Arco in the Drilling Engineering Department. I thought mining would be similar to oil extraction on the North Slope of Alaska. However, I really knew nothing about open-pit mining on the scale of Pebble. I went on an educational journey. I actually had the CEO of Northern Dynasty, the sole owner of the Pebble Project, at my lodge to present his case to the people of Igiugig. It was at this presentation in 2005 that we learned of their plans— and the core concepts of their plans remain basically the same to this day.

⁶ <https://www.alaskatia.org/Research/OutdoorRecreationImpactsandOpportunities%202019.pdf>

⁷ https://www.fs.fed.us/rm/pubs/rmrs_p049/rmrs_p049_035_044.pdf

⁸ Presentation by Dr. Daniel Schindler, University of Washington at American Fisheries Society Meeting, Anchorage 2018

Upon learning the proposed Pebble mine would consume massive amounts of the headwater lakes, streams and wetlands that support our wild fisheries, I knew the project would create long-term problems for our fisheries. I started the Bristol Bay Alliance to educate the people of the Bristol Bay region about large-scale open-pit mining and what it would mean for the region and recreational fishing.

Open-pit mining consumes earth. That's how it works. There are no other ways to get the minerals out without removing the earth that holds the minerals. This is the crux of the issue and why certain locations are better suited for mining than others. The more we all learned about the industry, the more we understood that this was the wrong mine in the wrong place.

The goal of the Clean Water Act is to restore and maintain the health of the Nation's waters. Surely the tremendous resources I have described above would warrant one of the most critical, science-based reviews for a permit in the history of the law. The Corps has done just the opposite.

As we and many critical comments from federal and state resource agencies have called out, the Corps has rushed its Draft Environmental Impact Statement (DEIS) and missed many key points that are important to understanding why the proposed Pebble mine should not receive its necessary permits. Beyond the many technical, ecological, and scientific shortcomings of the DEIS, the Corps has also failed to adequately assess the logistical components of the project. The Corps has two alternative routes for the road corridor, both of which must cross privately held Alaska Native Village Corporation lands. These landowners refuse to grant permission to use their lands for the project and, thus, the Corps cannot consider these options as viable. This is one small example of the many missteps the Corps has made with regards to evaluating the permit application.

The pending permit application also calls for only mining just 1/8th of the deposit, while putting potentially acid generating toxic tailings back into the open pit after extracting the minerals. Of course, since the Pebble Partnership is simultaneously selling the huge size of the deposit (nearly 11 billion tonnes⁹) and its potential for expansion to potential investors, we know the project will expand and that tailings will need to be stored somewhere else while the remaining portions of the deposit are mined. Because the toxic mine waste will require perpetual care, we know we will still be dealing with the tailings and acid-generating waste long after the Pebble Partnership, or any successive owner of the mine, closes its doors.

⁹ Ghaffari, H., R. S. Morrison, M. A., deRuijeter, A. Živković, T. Hantelmann, D. Ramsey, and S. Cowie. 2011. Preliminary Assessment of the Pebble Project, Southwest Alaska. Document 1056140100- REP-R0001-00. February 15. Prepared for NDML by WARDROP (a Tetra Tech Company), Vancouver, BC.

Furthermore, neither the DEIS nor any of its accompanying materials include a mine construction plan, mine operations plan, or water management plan. While the Corps acknowledges that these details will not be available until successive state-permitting phases, it plans to issue a final decision before any of the missing information will be available and without a full accounting and evaluation of likely impacts associated with hazardous contaminants, fish migration, proposed culverts, changes to water quality and quantity, critical habitat loss, and other indirect ecological effects. The DEIS fails to consider foreseeable impacts to the habitat.

I am not a scientist, but I can tell you that the entire Bristol Bay system is connected and that water flows downhill. The water is the lifeblood of this region. These flowing, moving waters allow life to exist in this region. These salmon runs feed the world. The entire system relies on each part remaining intact. The proposed mine site is critical to salmon and other freshwater species and will be destroyed if this project is built. It can be hard for many of us to understand the importance of the water and habitat to remain in its natural state, functioning perfectly without human interference or destruction. We turn on the water facet and clean water comes out. We can drink it, wash with it, and never even give it a second thought. However, as an elder Alaskan told me as I was building my lodge on the banks of the Kvichak River: "Take care of the water. It is who I am, it is in my soul, it is my survival."

I am here to urge you to look at this issue closely, it is of national importance. The review being conducted by the Army Corps of Engineers is unacceptable. It is a mockery not worthy of the lofty goals of the Act that this Committee oversees and stewards. The stakes are too high to cut corners and a foreign mining company has had far too much influence on a system that is supposed to protect the best interests of Americans. We should be doing everything we can to protect American jobs and existing thriving businesses, not squander them.

Thank you for your time and willingness to give attention to this issue that is extremely important to my family, hundreds of other businesses that depend on Bristol Bay, and sportsmen and women in Alaska and around the world that love this special corner of America. We continue to urge you to do all in your power to use the legislative tools available to you and the Congress to make sure the Bristol Bay watershed is protected.

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