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• Wetland regulations in the real world <i>Page 6- 7</i>	proposal during Se The a new weth The	gency initiative va s to address the s enate debate on t administration ma ands initiative pro stakeholders con s discussed at ro

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# ska Wetlands ative draws rp criticism

ort outlining how the Clinton administration proth Alaska in its federal wetlands policy has drawn from across the 49th state.

released March 28, was the product of a fiveto assess whether Alaska should be provided y in federal wetlands regulations. The process a diverse group of Alaska stakeholders, includh participated in a series of meetings aimed at ommendations for making the federal wetlands responsive to Alaska's unique circumstances. cluded representatives from local government, mercial and sport fishing, tourism, oil, Native d the development and environmental communi-

aska stakeholders were disappointed with the ving if the administration was seeking to avoid a e on the issue, the effort was a failure.

appreciate the opportunity to express our views mmendations that would provide a meaningful latory relief, we have to wonder at this point if the vaste of time and resources," said RDC Executive Gay.

usanowski of the State of Alaska called the draft p backwards from an earlier paper and subseons at stakeholder meetings.

Senator Stevens judged the Environmental Proinitiative vastly insufficient, noting that legislative ldress the state's problems are likely to come up debate on the Clean Water Act reauthorization. stration maintains that both current law and the nitiative provide adequate flexibility for Alaska. nolders complained that many key issues and ussed at roundtable meetings in November and

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(Continued to page 4)



"The report continues to focus on problems, but does not really take a bold initiative to improve the situation. Regardless of the fact that a vast majority of all wetlands in the state are not under any significant threat of development, that less than 200,000 acres (0.1%) have been developed and that the federal government controls 115 million acres (65%) of Alaska's total 175 million acres of wetlands. there continues to be no substantive efforts to ease regulatory burden on private land (190,000 acres), and no administrative exemption for 19.5 million acres of Native-owned wetlands."

- Dr. Paul Rusanowski, Director, Division of Governmental Coordination State of Alaska



### Message from the Executive Director

#### by Becky L. Gay

## Double standard for National Wildlife Federation

The Alaska Wetlands Initiative roundtable effort is finally over. As I reported before, the process was very rigorous and time-consuming, involving hours of work, attending day-long meetings, responding to drafts and generally working with the regulators to tailor wetlands policy to Alaska, as directed by President Clinton in his national wetlands policy. The final product will be written by others in the Administration, supposedly incorporating the results of the Alaska process.

In retrospect, the process had a big flaw. Instead of signing a formal document agreeing to the outcome, or at least the process, the stakeholders were

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given rules of conduct to abide by and the group began its good faith effort to work toward solving the wetlands dilemma in Alaska.

The National Wildlife Federation (NWF) was the only Outside group given a position at the table. It took full advantage of the stakeholders' seat, then basically attempted to blow up the whole effort with a hysterical national mailing to generate comments from non-Alaskans against President Clinton's so-called giveaway of wetlands.

As if that wasn't enough, NWF ran to Washington and quickly managed to get a "leaked" unofficial copy of the draft report. NWF then kept the report secret, not even giving it to other environmental stakeholders. NWF sent comments directly to EPA on the unofficial document, basically putting EPA in position to violate the Administrative Procedures Act if the comments were considered. Why? We don't know.

Most of the other stakeholders signed a formal protest letter, asking for a full investigation. And EPA, to its credit, sent NWF a stern letter of reprimand for having an unofficial draft (much less trying to comment on it) and refused to consider the NWF comments. In order to salvage the work and to level the playing field, EPA subsequently released a different draft to all stakeholders and gave two weeks for comment, ending April 11. Now we wait to see what happens.

I tried to get the press interested in the fact that the NWF had obtained a leaked document in order to abort, or at least disturb, the process which the White House gave to only one state ---Alaska. Other than Tim Parker of the Fairbanks Daily News Miner and Dennis Fradley of the Anchorage Times, the Alaska press refused to even mention the fact that it happened.

The truth is, if the tables were turned and RDC had received a contraband copy of a policy document, the press

would be investigating not only RDC, but which agency leaked the document!

I remember two instances in the recent past where the "shoe was on the other foot." In both cases, the Anchorage Daily News (ADN) had front-page stories on the subjects. Remember when newly-appointed Deputy Commissioner Mead Treadwell of the Department of Environmental Conservation released advance copies of oil spill regulations to some oil companies? That was big news, even though they were being released publicly within days!

Also, when I was ANWR Coordinator for the State of Alaska, I tried to get the media interested in the national print ad campaign. I was told it was a "non-story." Imagine my surprise a few days later when a ADN reporter called to tell me it was a story now, because Greenpeace was so upset with the campaign, they called the largest newspaper and the press acted immediately!

So why isn't turnabout fair play? Isn't that pandering to the opposition? Why are the national opposition groups given the benefit of the doubt when they exhibit bad or borderline illegal behavior, yet the rest of us operate under a magnifying glass where any misstep, much less shadow policy-making like what the NWF did, is of interest to the press? And if the press chooses to look the other way and not report when it happens, does the public even know it occurred? The national environmental industry is a powerful political machine, but I can't believe the press is that scared of them!

It is disappointing to have this experience with NWF and to encounter shrugged shoulders from the press.

Maybe the end justifies the means for the NWF, but how about the rest of us? Let's hope the press has a "slow news day" next time such a breach of behavior occurs. Perhaps then they will let the public know it happened.

the submission of a permit application. However, the process for the applicant typically begins well before that. The applicant must obtain a delineation of the wetlands on site and prepare the permit application and supporting materials, which can be extensive. There are often "pre-application meetings" with the Corps. All of this represents real time (and money) devoted to obtaining a permit. However, this time period was impossible for us to quantify based on available data. The 373-day average therefore does not include this "preapplication" time period. Nonetheless. such pre-application activities can consume several months or even years.

The second lesson we learned is that it is misleading to minimize problems with the permitting program by saving that only five percent of permits are denied when well over half of all individual permit applications are withdrawn. The effective denial rate is obviously much higher than the formal denial rate, which demonstrates the truth of what every regulator and every applicant knows instinctively: delay is the moral equivalent of denial.

The third lesson concerns the assertions about 290,000 acres of annual wetlands loss. The figures presented in Appendix A demonstrate that this number is seriously outdated and no longer reliable; simply put, it is much too high. Moreover, the Section 404 program accounts for only a small portion of wetlands impacts and appears to require more by way of compensation than it authorizes as impacts.

Aside from these permitting and acreage trends, the study revealed some interesting individual cases. The largest permit in our 1992 sample went to the U.S. Fish and Wildlife Service to clear over 800 acres of pocosin wetland forest. Fish and Wildlife's permit -- which was, for 600 acres, an after-the-fact permit (meaning Fish and Wildlife had done the work before it applied for the permit) -- sailed through, requiring only 160 days from public notice to decision, and the Corps did not require any mitigation. In contrast, the second largest permit we reviewed was for the flooding of 319 acres of wetlands for a county water supply project. The county waited over a year after the public notice for its

permit and the Corps required 764 acres of mitigation (177 acres of restoration, 515 acres of preservation and 72 acres of enhancement) and a \$175,000 contribution for a nature center and boardwalk. The smallest application involved 26 square feet of wetland impacts (about half the size of a ping pong table) for residential construction; the application was withdrawn after 450 days. A town in Rhode Island waited almost two years for a permit to disturb 0.009 acres of wetlands for a mosquito control project. To be fair, it is important to note that these figures are not representative of the Corps' overall regulatory program. Under its various permitting authorities. (primarily Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act), the Corps authorizes approximately 80,000 activities a year through its nationwide and regional general permit programs, apparently without much difficulty. In addition, individual applications for piers and docks and other water-dependent activities appear to be handled in due course. Overall, the Corps processes about 90 percent of all requests for regulatory authorization (85 percent of which are authorized under general permits) within 60 days of determining that the request

for authorization is complete.

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The troubles appear when an individual permit is required and the Corps has to apply a statute and implementing regulations that are designed for coastal waters, rivers, and lakes and their watery fringes to road projects and housing construction on routine development sites that happen to contain small areas that qualify as "wetlands" or "waters" under today's definitions of those terms. Further trouble looms when policies such as "mitigation sequencing" that are designed for nationally important aquatic areas are applied to such "wetlands." For example, the regulations require all applicants, regardless of the size or importance of the wetland, to establish that they have no "practicable alternatives" to locating their projects in waters of the United States. Under the "mitigation sequencing" policy, the applicant cannot offer full compensatory mitigation until the Corps is satisfied that the applicant has no "practicable alternatives." This makes

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sense when it is used to encourage houses, restaurants and the like to move away from fragile shoreline sites and up the slope to upland sites. But it does not make sense or produce meaningful environmental benefits when applied to a 50-acre upland site that has scattered depressional areas and drainage swales totaling an acre of "waters of the United States."

The effects of this regulatory disconnect are compounded by statutory and regulatory policies requiring the Corps -- for each individual permit it evaluates -- to "consult" with the U.S. Environmental Protection Agency, the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, state wildlife agencies and water quality authorities, and, in many cases, with state and federal historic preservation and coastal management officials. The operative principle seems to be "why settle for one agency when you can get a dozen." The result is a lot of process with tremendous transaction costs for the government, as well as the applicants. The question for policy-makers is whether their costs, ultimately borne by all of us, are justified by the environmental results.

### **Guest Opinion** by Virginia S. Albrecht and Bernard N. Goode, P.E.

"It is misleading to minimize problems with the permitting program by saying that only five percent of permits are denied when well over half of all individual permit applications are withdrawn. The effective denial rate is obviously much higher than the formal denial rate, which demonstrates the truth of what every regulator and every applicant knows instinctively: delay is the moral equivalent of denial."

Editor's Note: The following is the Executive Summary of the report. "Wetland requlation in the real world," by Virginia S. Albrecht and Bernard Goode. This portion of the report was reprinted with permission from the authors.

Wetlands policy discussions in recent years have resounded with frequent incantations of two important "statistics" -- first, that the nation is losing 290,000 acres of wetlands annually, and second, that only five percent of federal wetlands permit applications are ultimately denied. The wetlands loss figure has been invoked to justify the need for stringent wetlands regulation, while the five percent denial rate has been used to counter criticism by property owners that the permit process is slow and cumbersome. Because these "statistics" have been widely accepted, the consensus that seemed to emerge in the 1980s was that whatever incon-

## Wetland regulation in the real world

venience was suffered by permit applicants was more than justified by the environmental gains that resulted from rigorous federal wetlands regulation.

We initially undertook this study because, based on our years of laboring in the wetlands vineyards, working on wetlands matters all over the country, these numbers did not make sense. What we found was that property owners who require individual permits (as opposed to nationwide permits) under Section 404 of the Clean Water Act for projects on typical construction sites that contain areas deemed to be wetlands, the federal regulatory program is not working. In reviewing Corps of Engineers records for 410 individual permit applications on which the Corps completed action in 1992, as well as five years of statistics compiled by Corps headquarters, we found, among other things, that:

 It took the average applicant 373 days to get through the individual permit process;

· 93 percent of the individual permit applications exceeded the 60-day standard for "evaluation time" specified in Corps regulations:

 63 percent of the individual applications decided in 1992 and 56 percent of applications decided between 1988 and 1993 ended up being withdrawn by either the applicant or the Corps;

 One-fourth of the 410 individual applications we reviewed from 1992 involved impacts to less than one-fourth acres of wetlands; just under half of the 1992 applications involved impacts of less than one acre; and

 During fiscal year 1993, the total acreage of wetlands impacts authorized through the Corps permitting program (including nationwide and regional general permits, as well as individual permits) was 11,600 acres for which the Corps required 15,200 acres of mitigation.

We came away having learned three important lessons. First, those who criticize the 404 program for excessive delays in the permitting process are not just crying wolf; it take the average applicant with a wetlands project a long time to get a permit decision. This fact tends to get minimized in the Corps' permitting statistics, which lump together a variety of different types of permits. Furthermore, the Corps' statistics focus on its own period of primary involvement in the permitting process, i.e., the Corps' "evaluation time," which runs from the date an application is considered "complete" (and permit processing theoretically begins) until the date of the permit decision or withdrawal of the application.

This study, on the other hand, examines processing times from the perspective of the applicant, for whom the formal process begins when the application is submitted and ends when the permit is denied, the application is withdrawn, or the applicant has in hand a signed permit and can move forward with the project. Thus, our study includes additional stretches of the permitting landscape that an applicant must traverse to obtain a permit -- in particular, the periods at the beginning of the process (trying to make the application "complete") and at the end (waiting for the signed permit and possibly negotiating over permit conditions.)

Even so, our study still underestimates the time it takes to obtain a permit decision. Our study begins with



Thoughts from the President by James L. Cloud

We can learn a great deal from history, but sometimes it can be discouraging to find how little we have progressed. The other day, after reading about the Forest Service's unilateral cancellation of Alaska Pulp Corporation's (APC) long-term timber supply contract, I found myself immersed in one of my favorite Alaskan history references, "The Copper Spike," by Lone E. Janson.

Around the turn of the Century, the discovery of copper at Kennicott and the race to develop railroads to transport the rich ore spurred exploration for coal as fuel for the locomotives, steamships and a smelter for the copper ore.

Coal was found in abundance, but Congress did not pass the laws necessary to open the area for entry until 1904. In the next two years, over 900 claims were filed on the coal field.

But then came the beginning of large land and resource withdrawals in a state that is now home to most of the nation's national park and refuge lands.

In November 1906. President Teddy Roosevelt unilaterally withdrew all coal lands from entry by Executive Order. As if that wasn't enough confusion for struggling Alaskans, Gifford Pinchot, the first chief forester, persuaded President Roosevelt to create the Chugach National Forest -- essentially top-filing the Bering River coal fields and all the legally-filed claims. This move effectively locked up the existing claims.

Meanwhile, the Copper River and Northwestern Railroad (CR&NW) was built using coal imported from British Columbia. While Alaskan coal was tied up by Gifford Pinchot's successors in the Forest Service, the Copper Spike was driven at Kennicott on March 29. 1911. Coal for the CR&NW locomotives continued to be imported from Canada by steamship. Cordovans couldn't stand the irony with the Bering River coal fields "just down the road."

On May 3, 1911, 300 Cordova

## With cancellation of timber pact, will history repeat itself in Sitka?

pliaht.

Despite a lesson in civil disobedi-May 3, 1994 is the 83rd anniver-

ence, Gifford Pinchot got his way and the Bering River coal fields have yet to be developed. Shortly after the coal party, the CR&NW announced that its locomotives would be fired by oil and the much anticipated extension to the Yukon River would not be attempted. The cost of importing fuel was too great. sary of the "Cordova Coal Party." In all these years, not much has changed regarding Washington's heavy hand over Alaska development, its people and economy. Given the recent decision over the Tongass National Forest contract, one has to wonder if there will be a "Sitka/Wrangell Log Party."

APC closed its mill in Sitka last fall after the government rewrote the two long-term timber supply contracts in the Tongass and closed additional areas to logging, leaving two-thirds of the timber base off-limits to cutting.

APC's contract was not due to expire until 2011. The company lobbied the Clinton administration to continue the contract while it explored converting the pulp mill to a fiberboard plant. The new, more environmentally-sound facility would replace many of the jobs lost when the mill closed and would help sustain a major portion of Sitka's tax base. The conversion would also preserve some 900 jobs at the

83rd Anniversary of "Cordova Coal Party" approaching

residents shoveled the Canadian coal into Prince William Sound. The incident put Cordova on the map, but complaints of bad treatment by Washington went unnoticed by most Americans who had little sympathy for Alaska's company's Wrangell sawmill and other logging operations.

APC needed time to perform the necessary feasibility studies for the new plant. It argued that timber sales should continue during this interim period so that jobs would not be jeopardized.

The Forest Service, however, apparently bowed to political pressure and terminated the contract on what many consider flimsy legal grounds, opening the door for an eventual legal judgment that forces taxpayers to pay off the company.

The conversion project is now jeopardized, as well as the Wrangell sawmill and hundreds of jobs. What bank would finance the high cost of a state-of-theart manufacturing facility without a reliable long-term supply of raw material?

Will Sitka and Wrangell need to import logs from Canada like Cordova imported coal?

Opponents of the two long-term contracts in the forest say they want "sustainable" logging and value-added manufacturing. But by pushing to have APC's contract cancelled and to put further restrictions on a sharply curtailed logging industry, they will wipe out the region's highest-paying and best year-round industrial jobs.

Soon the big guns may turn on the Ketchikan contract and the region may have no choice but to rely on seasonal fishing and tourism. Those who want year-round jobs will have to leave or apply to the government.

One has to wonder if Gifford Pinchot may still have some descendants in Washington influencing Alaska's's future.

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#### Alaska Wetlands Status

Original wetlands base: Total reduction since settlement: Percentage used (all development:) Wetlands remaining intact:

170.2 million acres 200.000 acres 0.1 percent 170 million acres (99.9 percent)

Original wetlands base: Total reduction since settlement: Percentage used Wetlands remaining intact: Source: U.S. Fish and Wildlife Service

Contiguous 48 States Wetlands Status

221 million acres 117 million acres 53 percent 104 million acres (47 percent)

The current annual wetland reduction of 275,000 acres in the contiguous 48 states is more than the total estimated acreage of all wetlands used in Alaska, since its purchase from Russia in 1867.



## Alaska stakeholders critical of draft federal wetlands proposal

#### (Continued from cover)

January and advocated by a clear majority, were not reflected in the final draft. Some of the recommendations were recognized in earlier "issue papers" by the Federal Wetlands Interagency Task Force, but were withdrawn from the latest report, which also contained proposals not discussed at the meetinas.

"It was the Alaska stakeholders' understanding that they and the agencies were to craft a workable solution to the Alaska wetlands situation," said Paula Easley, Government Affairs Director for the Municipality of Anchorage. "Yet the Wetlands Initiative repeatedly conceded points to other 'commentors,' most of whom lived far from Alaska and were simply parroting the 'save all the wetlands' battle cry. with no constructive suggestions for solving permitting problems in a state inundated with wet land. Judging by the majority opinions that were eliminated. modified or inserted following the last round of meetings, it appears these 'commentors' were far more influential than were residents who must deal with the permit problems."

In comments filed on the draft initia-

tive, Karen Cowart, Executive Director of the Alaska Visitors Association (AVA), stressed that "as a young state, if Alaska is to achieve its governing right to population and economic growth in the pursuit of its own destiny, the needs of Alaskan residents must be considered in the Administration's equation for wetlands policy. This includes the viable and realistic opportunity for resource development in oil and gas, timber, mining, fishing and tourism."

Cowart said "AVA recognizes that in order to have a healthy visitor industry, natural resources must be well managed and maintained, but first they must be accessible. Additional road access, port expansion, fuel storage and various other construction concerns that may need to involve wetlands usage will be an important future consideration for tourism development."

Alaskans have long urged that the state's abundance of wetlands should be taken into consideration in administering the federal wetlands program. The Bush administration proposed an EPA rule that would have allowed Alaskans to develop one percent of the state's wetlands before having to con-

sider "sequencing" guidelines that call first for avoidance of wetland losses, secondly, for minimization of wetlands, and finally for compensatory mitigation of unavoidable wetlands losses. Clinton, however, scrapped the proposal and initiated the current process.

"The most reasonable means for addressing wetlands permitting -- requiring minimization rather than compensatory mitigation for up to 1% of wetlands filled in the state -- was arbitrarily taken off the table," said Easley. "The 'Alaska solution' the administration now proposes to replace it solves nothing."

At first glance, the draft initiative leaves the casual reader with the impression that current guidelines and the administration's new proposals will provide adequate flexibility in federal regulations to address Alaska's concerns. The document states that compensatory mitigation should be required "only when appropriate and practicable."

But Easley, a public official who is well-studied on the issue, warned that the draft proposal provides "no relief from mitigation sequencing or the endless debates over agencies' subjective

"As a young state, if Alaska is to achieve its governing right to population and economic growth in the pursuit of its own destiny, the needs of Alaskans must be considered in the Administration's equation for wetlands policy. This includes the viable and realistic opportunity for resource development in oil and gas, timber, mining, fishing and tourism."

> - Karen Cowart Alaska Visitors Association

determinations of 'practicable' mitigation."

The predictability the Alaska stakeholders sought and that the administration promised, is not apparent in the draft initiative. The significant support expressed for simplifying the process vanished between the second round of stakeholder meetings and the current draft initiative.

Alaska stakeholders complained the draft document did not clearly reflect a major point of consensus -- that a "no net loss" policy for managing Alaska's wetlands is inappropriate and should not be applied in Alaska. The stakeholders understood that the federal government's final policy would clearly reflect this consensus, but the draft did not.

RDC's Becky Gay warned that the rigid sequencing steps of avoidance, minimization and compensatory mitigation would be onerous treatment in Alaska.

"If mitigation sequencing must be policy, it should be relaxed in Alaska,

recognizing that avoidance is almost impossible in a state where nearly all the remaining land for community or resource development is defined as jurisdictional wetlands," said Gay.

Because of the abundance of wetlands in Alaska, compensatory mitigaand makes little biological/economic sense off-site. Gay said compensatory mitigation should only be required to The EPA rejected arguments that land losses -- should not be required in

tion is frequently unavailable on-site offset impacts of discharges when high value, scarce wetlands are being used. compensatory mitigation -- restoration and creation of wetlands to offset wet-Alaska because of a lack of mitigation sites and the limited record of success in restoring certain wetland types in the state. EPA instead proposed that the federal government work with the state to establish a mitigation banking pilot project and develop mitigation strategies for past, current and future oil and gas development on the North Slope.

RDC does not endorse mitigation banking, but if the concept is applied to Alaska, it should be tailored to the state's unique and different circumstances. In its comments, RDC said mitigation banking principles must be changed to accommodate the abundance of wetlands in Alaska. Moreover, any banking plan for the state needs to credit wetlands already protected in refuges, parks and other conservation units.

RDC said off-site and interstate mitigation should not be mandatory, and occur only if the permit applicants volunteer to do so.

While RDC refused to endorse the administration's draft initiative, it did support some aspects of the draft, including a proposal to streamline and speed up wetlands permits for Alaska villages that are building wastewater and other sanitation facilities.

The draft initiative proposes to speed up the process for village facilities by implementing Alternative Permit Processing Procedures (APPs). Gay recommended that APPs

airstrips, port facilities, schools, clinics

should also be implemented for any other activities that have minimal environmental impact. She said expansion of community infrastructure such as and housing should qualify for APPs.

Specific recommendations should be added to the administration's wetlands initiative that expand the General Permitting (GP) program in the state, including a GP for North Slope oil and gas development, Gay noted.

The draft initiative did acknowledge that Alaska has a wetlands situation unique to the rest of the nation, that much of the land mass within the state is wetlands and that much of the rest of the state is covered with mountains. It admits that the State and Alaska Natives were awarded land from the federal government to use for economic purposes, and suggests that fact be taken into consideration when wetlands permitting is considered.

Gay and others, however, charged that the draft initiative misrepresented wetlands data, such as estimates that the Anchorage bowl has lost over 50 percent of its wetlands to development.

Even though the Anchorage misrepresentation was corrected during an earlier stakeholders meeting, the draft initiative still indicated that Anchorage has lost half its wetlands, a claim often made by the environmental industry. The report cited no source for its estimate on Anchorage wetland losses.

The Anchorage bowl has lost far less than half its wetlands. The figure cited in the draft initiative excluded from the original wetlands base in the bowl those wetlands in municipal parks, military property and the Anchorage Coastal Wildlife Refuge. In addition, Municipality wetlands in state parks and BLM lands were not included.

According to the U.S. Fish and Wildlife Service, the Municipality of Anchorage contains 227,680 acres of fresh and tidewater wetlands. Less than 15 percent have been filled.

In the Anchorage bowl itself, there are at least 50.000 acres of wetlands remaining.

According to the Anchorage Wetlands Management Plan, which classified only 8,037 of those acres, 3,792 acres were designated "preservation." 1,066 "conservation" and 3,179 "developable." Under its general permit, however, Anchorage has filled less than half the wetlands it specifically identified for community expansion.