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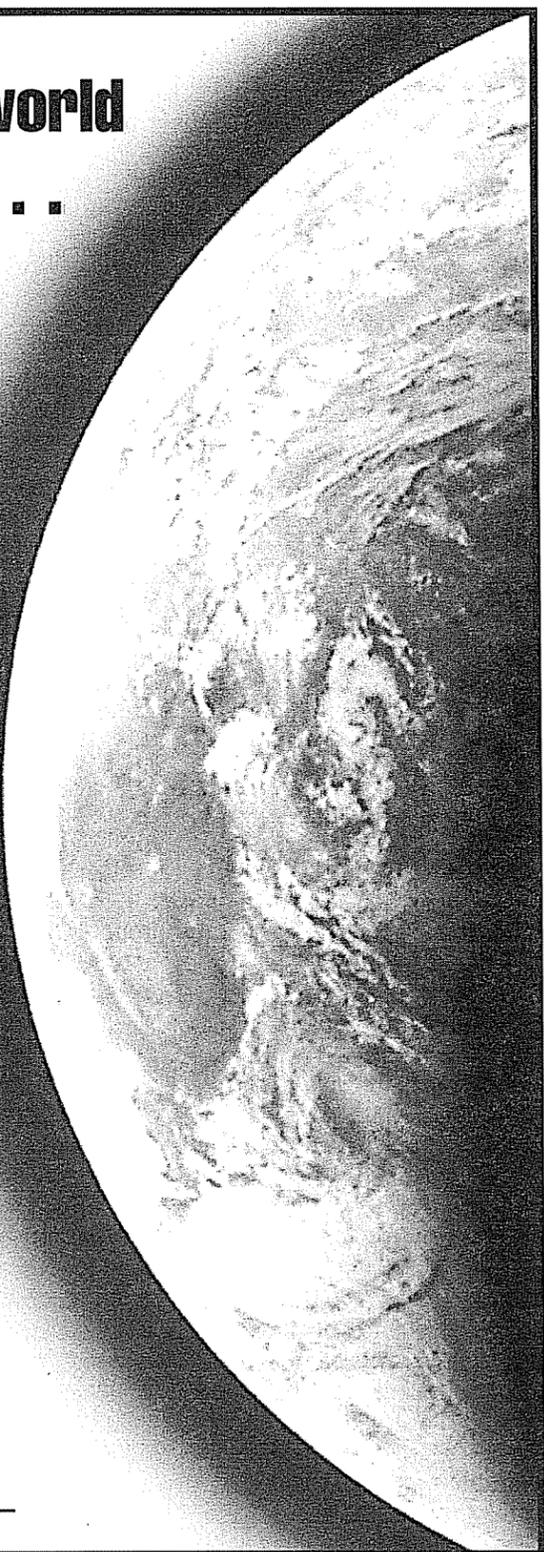
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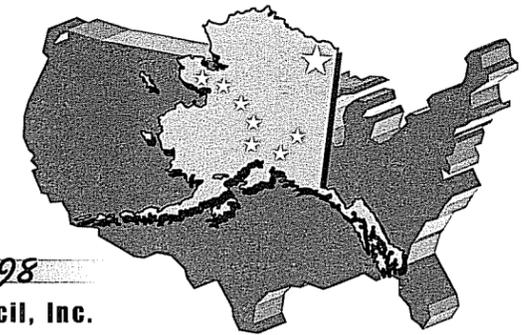


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White House proposes Clean Water Initiative

Far-reaching plan will greatly increase role of Clean Water Act

President Clinton recently announced a new \$568 million Clean Water Initiative that will greatly increase the role of the Clean Water Act in resource development activities in Alaska and elsewhere.

The Clinton Administration bills its "Clean Water Action Plan" as a blueprint for protecting America's water resources. The plan builds on the existing Clean Water Act (CWA) and proposes aggressive new actions to strengthen and expand environmental regulations.

The plan calls for addressing water quality issues through a watershed

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- John Sturgeon, President, Koncor Forest Products

approach with a dominant emphasis on non-point source pollution, wetlands and watershed assessment and restoration.

The initiative calls for a 35 percent increase in federal funding for FY 99. The Administration claims the \$568 million increase in the federal water program, as well as a \$115 million increase for state non-point source programs, fit into the overall balanced budget.

The plan outlines ten principles for restoring and protecting America's water resources with a strong link between water quality and resource development activities. The plan states that "natural resources — croplands, forests, wetlands, range land and riparian areas — are the building blocks of most watersheds" and watershed health "is a reflection of how well those natural resources are cared for."

The plan also describes 80 specific actions to expand and improve water

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The White House's Clean Water Action Plan is just the beginning of a long-term effort by federal agencies to implement far-reaching watershed protection measures.

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New water plan proposes aggressive new measures, expands regulations

Initiative raises concern throughout regulated community

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quality regulations.

Many details of the program are still unknown, but some elements of the plan are raising concern throughout the regulated community. Critics say the plan contains vague goals and could block development projects some perceive to be a potential threat to pristine or sensitive areas of a watershed. They also dislike provisions in the plan that would funnel tax dollars to environmental advocacy organizations.

"This is much more than an initiative that is written by the government and then put on the shelf to gather dust," said John Sturgeon, President of Anchorage-based Koncor Forest Products. "Many of the elements in this plan are already here like watershed assistance grants to environmental groups, more regulatory focus on private land and the moratorium on new road construction in roadless areas of the National Forest System."

The plan calls for the federal government to increase financial and technical assistance to states, local governments and others, including environmental organizations, to advance watershed protection strategies. The funding would come in the form of "watershed assistance grants" to organizations that cooperate with the federal regulatory agencies in building local efforts to restore and protect watersheds.

The initiative also includes new measures to preserve natural resources, strengthen storm water runoff controls and turn the federal "no net loss" wetlands policy into an annual 100,000 acre "net gain" wetlands program.

In addition, the initiative would establish by 2002 more than two million miles of conservation buffers to reduce



The new Clean Water Initiative will increase the role of the Clean Water Act in all resource industries. The initiative calls for addressing water quality issues through a watershed approach. Pictured above is the Usibelli Coal Mine at Healy.

polluted runoff. It also calls for federal regulators to relocate and improve water quality protection for 2,000 miles of roads in the National Forest System per year through 2005 and decommission or obliterate 5,000 miles of Forest Service roads per year by 2002. It also calls for a new unified policy to enhance watershed management on all federal lands.

Shift to non-point pollution

At the core of the new federal initiative is a major shift from point to non-point source pollution.

Point pollution includes pollutants traced to a specific point such as a factory discharge water pipe while non-point pollution comes from widespread, dispersed sources. For example, non-point pollution would include the oil that drips from cars, fertilizer that runs off from yards throughout a community and silt in streams originating from various human activity, including agriculture and forestry. Government regulators have a much more difficult

time pinpointing the actual location of non-point pollution.

EPA's current jurisdiction applies only to direct dischargers, or point sources of pollution, and do not directly cover the other activities that result in polluted runoff. As a result, EPA does not have the statutory authority to establish enforceable controls for non-point sources, and has instead pursued voluntary measures with states and industry to curb non-point pollution.

In Alaska, non-point pollution resulting from forestry has been regulated through mandatory Best Management Practices (BMPs), a proven method to control pollution.

Under the new plan, the EPA would work with states in developing "appropriate" state enforceable policies and mechanisms for non-point sources. The EPA would issue guidelines describing models of enforceable authorities. The initiative would also allow EPA to revise CWA permit regulations and anti-degradation regulations as they apply to non-point source activities.

"Fundamentally, if public funds are being used to monitor and collect data used by public agencies, then the data should be collected by trained professionals or technicians. Monitoring data collected by ad hoc citizen groups who are not trained or have particular biases do not meet this criterion. We are concerned that the results will not be of the highest quality, fully objective and fully transferable for the myriad of public uses of that data."

- Rick Harris, Sealaska Corporation

"The new plan seems to focus on non-point pollution sources such as forestry in a manner similar to point sources such as factories," said Geoffrey McNaughton, Environmental Manager at Koncor Forest Products. McNaughton explained that several attempts have recently failed in court to regulate forestry as a point source. However, he said "the new initiative may blur the distinction between point and non-point sources by yielding similar regulations for the two pollution types."

If the Clinton Administration plan is successful, nearly all environmental laws and regulations for forestry and other natural resource industries could have greater federal influence.

"It's not as if we're running wild," McNaughton said. "The Alaska forest products industry is already highly regulated, governed by state regulations which enforce BMPs to control non-point pollution."

According to the Competitive Enterprise Institute (CEI), the EPA has been displeased that the Clean Water Act and its reauthorizations have never given it the authority to go after non-point sources.

"The President has tried to roll out this new initiative to provide the EPA with the tools it needs to do watershed-based management and to regulate non-point pollution sources," said Jonathan Tolman, Environmental Policy Analyst at CEI. He noted that through the Clean Water Initiative the EPA will develop Total Maximum Daily Loads (TMDLs) for rivers in all 50 states, setting new standards for contaminants in the nation's river systems and requiring states to regulate the non-point sources. Under the new plan, states may find

their rivers in non-compliance with new TMDLs.

"The TMDL approach is an effort on behalf of the Clinton-Gore Administration to go after the last non-regulated entities," Tolman said.

Wetlands:

The Clean Water Action Plan calls for the development of new regulatory programs to achieve a net increase of 100,000 acres of wetlands each year. Since the annual net loss of wetlands is estimated at approximately 100,000 acres nationwide, achieving a net increase of 100,000 acres per year will actually require an increase in gross wetland gains of 200,000 acres annually. To accomplish this goal, federal agencies will identify programs which are expected to create or restore 200,000 acres of wetlands. Unavoidable wetland losses that are authorized by Section 404 of the Clean Water Act will be offset fully by gains achieved through an increasing emphasis on successful compensatory mitigation. The Action Plan calls for the Corps of Engineers and EPA to emphasize avoidance of wetland losses, deterrence of non-permitted losses and enforcement of permit conditions.

Meanwhile, a report filed by the CEI has taken the federal government to task over its claims of annual wetland losses. Entitled, "Swamped," the CEI report noted over the last decade the convergence of two little known wetland trends has resulted in the achievement of the stated national goal of "no net loss" of wetlands. The CEI insists the goal has not only been met, but exceeded.

The CEI report claims that wetlands losses have been steadily falling over the past ten years while non-regulatory programs designed to restore wetlands have resulted in a sharp increase in wetlands.

According to the most recent National Resources Inventory (NRI), wetland loss due to agricultural conversion, formerly the number one source of wetland loss, has slowed to a trickle. The U.S. as a whole lost roughly 141,000 acres of wetlands in 1995, while at least 187,000 acres were restored.

"Given the current success of wetland restoration programs and the decline of wetland losses, there is little doubt the nation as a whole has exceeded its expectations of no net loss," said Jonathan Tolman, author of the report. "Wetland restoration programs appear to be a more cost-effective method of conserving wetlands than regulatory programs."

Watershed Assistance Grants

Another troubling aspect of the new Clean Water Initiative for the regulated community is a provision providing for watershed assistance grants. Under this provision, federal agencies provide discriminatory grants to local organizations that want to take a leadership role in building local efforts to restore and protect watersheds. These grants, according to the EPA, will ensure that local communities and stakeholders can effectively engage in the process of setting goals and devising solutions to restore their watersheds.

While the watershed assistance grants may appear to be a new source of funding for private organizations, the EPA, through the Alaska Department of Environmental Conservation (ADEC), already grants federal funds to local organizations for "citizen monitoring" programs. In fact, ADEC has awarded \$312,500 for citizen monitoring projects in Alaska this year. The funding represents 47 percent of Alaska's CWA Section 319 non-point source pollution research grants for 1998.

In a memorandum to House Speaker Gail Phillips and other fellow colleagues, Representative Pete Kelly

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