



United States Department of State

Washington, D.C. 20520

OCT 6 2016

The Honorable
Lisa Murkowski
United States Senate
Washington, DC 20510

Dear Senator Murkowski:

Thank you for your letter of September 8 regarding mining activity in Canada and its potential impact in Alaska. We appreciate your suggestions on how to address this important issue.

We actively engage with Canada on protecting our shared waters, an issue we recognize is of significant concern in Alaska. Most recently, in August a U.S. government team visited Alaska at the invitation of the Central Council of Tlingit and Haida Indian Tribes of Alaska (CCTHITA) to discuss tribal concerns related to mining activities, the potential for environmental harm to rivers and ecosystems in Southeast Alaska, and the importance of this issue to the health, livelihood, and culture of tribal communities. The group included the Consul General in Vancouver, the Department of State's Director of the Office of Canadian Affairs, the U.S. Environmental Protection Agency's (EPA) Acting Assistant Administrator for International and Tribal Affairs, and EPA's Region 10 Administrator.

The team had extensive and productive meetings with the CCTHITA and other members of the tribal community, and with officials from the State of Alaska, including Alaska Governor Bill Walker and Lieutenant Governor Byron Mallott. The delegation also briefly met with a group of commercial fishing leaders, business owners, and conservation leaders interested in the mining issue. The team found the visit highly informative and helpful.

We discuss potential impacts of mining in shared waters in British Columbia and Alaska with our Canadian counterparts in our semiannual dialogues on transboundary water issues. Following the 2014 Mount Polley dam failure, we asked Canada to ensure the lessons from that breach influence improvements to both federal and provincial environmental assessment processes and oversight of existing and proposed mines. The most recent meeting was held in April, and the

Department of State and EPA raised the concerns of potential mining impacts with our Canadian counterparts from Global Affairs Canada and Environment and Climate Change Canada. In June, U.S. Ambassador Bruce Heyman met with an Alaska-based non-governmental organization to explore the environmental concerns of mining in the province.

The Department of State intends to continue to work, in coordination with other U.S. government agencies, to ascertain what the Canadian federal government is doing to meet U.S. concerns about protecting this sensitive shared ecosystem from potential transboundary pollution during mine development, operation, impoundment design, and post-closure, and through bonding practices. The EPA has been actively involved in discussions with Canadian federal and provincial governments to enhance U.S. engagement to address transboundary concerns associated with proposed projects. At the same time, Canada is undertaking an overall assessment of its federal environmental assessment law and processes, with results expected in early 2017.

Our existing interagency process for reaching consensus on all boundary waters matters, including transboundary mining issues, and for raising those issues formally with the Government of Canada and, as appropriate, with the International Joint Commission is inclusive and responsive to Congressional insights. Through this interagency process, we are exploring possible approaches to present to Canada when we next meet in late October; we also look forward to seeing the final Statement of Cooperation associated with the Memorandum of Understanding between Alaska and British Columbia. In our view that process is complementary to our dialogue with Canada.

We also noted that some baseline water quality testing has already begun, and were pleased to learn that Congress may make additional funding available for that purpose.

The Department of State remains in close contact with the state of Alaska and with CCTHITA and other interested parties, and remain committed to identifying the best way forward to resolve shared concerns about risks posed to water quality and livelihoods in Alaska by mining activities in British Columbia.

We appreciated the opportunity for Chris Sandrolini, Director of the Canada Office at the Department of State, to meet with your staff on September 14, and look forward to continued engagement with your office on this issue.

We hope this information is useful. Please do not hesitate to contact us if we can be of further assistance on this or any other matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia Frifield". The signature is written in a cursive, flowing style.

Julia Frifield
Assistant Secretary
Legislative Affairs

Congress of the United States
Washington, DC 20515

September 8, 2016

The Honorable John Kerry
Secretary
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Secretary Kerry:

Thank you for your staff's June 14th response regarding the development of several hardrock mines in British Columbia and their potential effects on water quality in the transboundary rivers that flow from Canada into Southeast Alaska. We are pleased to hear that you continue to discuss potential impacts of mining in British Columbia. It would be helpful if you could convey the results of these discussions, as well as address what actions have been taken on the specific items raised in our letter addressed to you this May.

For quite some time, we have urged you and your Department to work with us to focus appropriately on the risks that mining in British Columbia poses to Alaska and Alaskans. When you visited Alaska last year, we were encouraged by your comment that "downstream impacts should not be taken lightly by any country, anywhere." But we remain troubled that nearly a year later, we have seen little action from State on such an important issue to so many.

Treating transboundary mining issues with urgency and focus today would prevent discord and disaster tomorrow. We need the federal government to partner with Alaska to press Canada on policy answers.

Alaska is a resource state and we believe, as Canadians do, in smart, thoughtful extraction of energy and minerals. Mining is central to our economy, provides well-paying jobs, helps generate revenues for our treasuries, and serves as the foundation of our manufacturing sector. But we are very concerned about the absence of leadership at the Department of State to constructively and candidly address the transboundary issue and work collaboratively with Canada to find the best mechanism to proactively resolve concerns.

The stakes for Alaska are enormous. Alaska's salmon rivers provide for commercial and recreation fishing and tourism which are vital to the economy of southeast Alaska. The continued health of these rivers also sustains the regions unique way of life. This region of Canada is now one of the world's largest mining districts, and many Canadian mineral projects are located in transboundary watersheds of key salmon rivers—the Taku, Stikine and Unuk—that originate in British Columbia and flow into Southeast Alaska. These mines pose huge economic risk to Alaska in the form of acid mine drainage and toxic heavy metals that threaten Alaska Native communities and traditional and customary lifestyles as well as the regional \$2 billion-dollar-a-year fishing and tourism industries. As

Secretary Kerry
September 8, 2016

we all remember, almost two years ago, the Mount Polley mine in central British Columbia dumped just over six billion gallons of contaminated tailings into waters leading to the salmon-rich Fraser River.

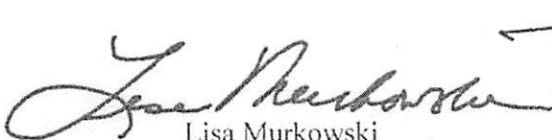
To this point, we believe there has been a failure by your Department to support potential solutions embraced by Alaskans. Alaska has been left alone to pursue steps including a Statement of Cooperation with British Columbia, even though we know that by definition that is only one step in a process which must include federal leadership. We are continuing our fight to elevate this issue and to find funding for baseline water quality monitoring. We ask that you please reconsider our requests from our May letter:

- 1) Encourage British Columbia officials to consider the cumulative impacts of mining and their potential impacts on transboundary waters during the review and approval process for mines.
- 2) Determine whether an International Joint Commission reference is a suitable venue to determine whether Canadian mines are following "best practices" in treatment of wastewaters and acid-producing mine tailings – especially in light of the scientific reviews of the causes of the Mt. Polley tailing disposal dam failure.
- 3) Establish a more formal consultation process with American state agencies, other federal agencies, tribes, and Alaska Native Claims Settlement Act corporations during Canadian mine permit reviews, similar to the American process of having participating entities during Environmental Impact Statement preparations.
- 4) Support Environment Canada's water quality study effort relating to the impacts of mining on transboundary waters.
- 5) Support and work towards robust funding for water quality testing on the American side of the border to establish baseline water quality data, so that the U.S. can file for damages in the event of mining-related damage from Canadian mines.

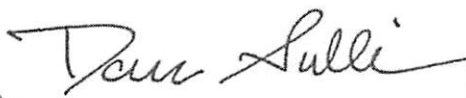
Alaska is at a point now where we urge you to consider appointing a Special Representative for U.S.-Canada Transboundary Issues, creating an Interagency Working Group to address these issues, and work with us to form U.S.-Canada exchanges of legislators and parliamentarians to discuss these issues on both sides of the border. Most importantly, we ask that you will respond to these specific proposals on the merits – and propose some answers of your own.

We formally request a meeting with you as soon as possible to discuss these issues. Thank you for your consideration of our requests. Please contact our offices if you need additional information.

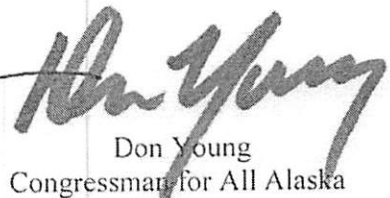
Sincerely,



Lisa Murkowski
United States Senator



Dan Sullivan
United States Senator



Don Young
Congressman for All Alaska