

ALASKA STATE LEGISLATURE

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Senator Cathy Giessel

SB 1 Alaska Mining Day

Sponsor Statement

On May 10, 1872, the General Mining Act of the United States was approved, which governs prospecting and mining for minerals on federal public lands. It codified the acquisition and protection of land tenure rights for mining claims. This law has been amended more than 50 times but the essential principles remain in place – if a citizen ventures on to federal public land not otherwise designated as a park, refuge, etc., and with his or her own energy, intellect, finances, and hard work finds a valuable mineral deposit, that citizen, after obtaining the required environmental and operating permits, has the first right to develop that mineral deposit. The mining law is open to all citizens irrespective of race, religion or creed, and is truly the most non-discriminatory law in the country.

Mining was central to Alaska's early development and economy. The lure of gold brought prospectors by the thousands to Alaska. Cities such as Fairbanks, Juneau and Nome, as well as many other communities, were founded on mining. Although many people associate mining in Alaska with the gold rush of the late 1800's, later discoveries and production of zinc, lead, silver, coal, and construction materials such as sand, gravel and rock have all played a role in the state's mining industry.

Well-known, large gold rushes occurred in: Juneau in 1880, Turnagain Arm in 1885, Fortymile in 1886, Kenai in 1888, Circle in 1892, the Klondike in 1896, Nome in 1898, Fairbanks in 1902, and Iditarod in 1908. These gold rushes, and the copper discovery at Kennecott in 1905, brought miners, adventurers, merchants and families to Alaska. They built towns, roads, ports and railroads in Alaska.

Today mines employ a highly skilled workforce of Alaskans:

- Greens Creek Mine in Juneau (340 employees)
- Red Dog Mine in NW Alaska (550 employees – more than half of which are NANA shareholders)
- Fort Knox Gold Mine in Fairbanks (500 employees)
- Pogo Gold Mine in Delta area (300 employees)
- Kensington Gold Mine in Juneau (200 employees)
- Usibelli Coal Mine in Healy (130 employees)

Mining jobs cover a wide spectrum of professions. They include heavy equipment operators, miners, drillers, engineers, geologists, biologists, accountants, chemists, and other skilled occupations. The average salary is \$95,000 a year, nearly twice the statewide average wage.

Mining will continue to be an important contributor to Alaska's future economy. Notable bright prospects and projects include: Donlin Creek, in Western Alaska, and Livengood, north of Fairbanks. In Skagway, the Ore Terminal is being developed as an import/export facility in support of the mining industry.

Our state has globally significant resources of gold, silver, lead, zinc, copper and coal. However, the future of Alaskan mining may also include REEs. Bokan Mountain, on Prince of Wales Island in SE Alaska, thought to hold about 3.8 million tons of "rare earth elements" (REEs). These minerals are necessary to produce hybrid automobiles; many electronic components; clean energy products, such as wind turbines; and sensitive military hardware. China now has a near monopoly, producing over 95% of the world's production of REEs, and has recently implemented restrictions on the export of these minerals to the US and other countries.

Alaska has a tremendous and varied mining history, and even greater envisioned future. The declaration of May 10 as Alaska Mining Day is a fitting tribute to that storied past and promising future of our second largest – and growing – industry.