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March 6, 2018

Representative Andy Josephson, Co-Chair
Representative Geran Tarr, Co-Chair
House Resources Committee
Alaska State Legislature
Submitted via email

Re: HB272, Tangle Lakes State Game Refuge

Dear Representatives Josephson and Tarr:

The Alaska Miners Association (AMA) writes to oppose HB272, An Act Establishing the Tangle Lakes State Game Refuge. This proposal eliminates jobs and income for Alaskans on the mistaken premise that mineral jobs and income are incompatible with public use and habitat. Decades of history in this area shows this to be a false choice. I would like to take this opportunity to explain.

AMA is a professional membership trade organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,400 members that come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, suction dredge miners, small family mines, junior mining companies, and major mining companies, Alaska Native Corporations, and the contracting sector that supports Alaska's mining industry.

A Century of Mining: A Legacy of Minimal Impact. The Sponsor's Statement for HB272 states: "Although most activities within the proposed refuge pertain to renewable resources, there is potential for non-renewable activities, which could irreparably damage both the ecosystem and the wildlife that depend on it." A century of experience shows this premise – that one must choose between renewable and nonrenewable resources – to be false.

The Denali Highway Region around the proposed refuge has been the subject of mineral exploration since the turn of the century. The large Valdez Creek Mine, just east of the Susitna River, was discovered in the early part of this century and reclaimed in the early 1990s. Beginning in the early 1990s, modern mining exploration increased in this region. The proposed refuge area and lands to the north, where access would be impeded by the refuge, was explored for over 20 years by American Copper and Nickel Company (ACNC), Anglo American, Fort Knox Gold (a different company than the one mining near Fairbanks), Nevada Star Resource Corporation, Pure Nickel, and a few others. Since 2000, DNR has granted approximately 20 exploration permits and the same number of permits for placer mining in the region. While most are outside the proposed Refuge area, a number have included work within the Refuge area as well.

Exploration has included most of the techniques used to find hard-rock minerals including field mapping, aerial and ground geophysical exploration, soil samples, water samples, rock sampling, and exploration

drilling. Almost all of the recent exploration has been helicopter supported. It has left little ground disturbance or long-term visual affect. Neither Department of Natural Resources (DNR) nor Department of Fish and Game (DF&G) have suggested to the companies involved that the exploration has caused significant effects on recreation or wildlife. According to DNR field personnel questioned at the time of the previous refuge proposal, very few people using Tangle Lakes or the Delta Wild and Scenic River even know that mineral exploration has been occurring.

The region's history shows that nearby large mines such as Valdez Creek Mine have not created the long-term impacts asserted by the sponsor, and years of recent exploration have avoided the predicted impacts. In addition, BLM analyzed a modern mining scenario in a 2011 Environmental Assessment for the Delta Wild and Scenic River. It concluded, "If exploration leads to the discovery of an economically viable deposit, the deposit will likely be developed only through underground mining (not open-pit) techniques. If so, a mine could be developed in a similar manner as the Pogo Mine (about 38 miles northeast of Delta Junction). Surface disturbance will vary depending on mine design, construction of roads, power line corridors, selection of tailing disposal method, and other factors. The Pogo Mine has a permitted disturbance of 425 acres."¹ Four hundred and twenty-five acres is roughly 0.3% of the proposed refuge's area. This modern mining scenario hardly makes the case that Alaska must choose between habitat and our jobs or income.

Depriving Alaskans of Jobs, State Revenue, and Permanent Fund Income. We cannot give you the full economic value that mineral exploration has created in this region. Expenditures and employment has varied from year to year and decade to decade. However, recently some companies have published expenditures that may give a sense of the economic value this proposal would be eliminating.

Most recently Pure, Nickel explored the area – both within the refuge and in the area to the north, in an area where the refuge would discourage additional exploration. Their camp varied from 15 people to 30 people, and most of which are Alaskans. In 2004, Nevada Star, the predecessor company, spent almost \$1.4 million on the project. The level of exploration gradually increased and in 2010 and for a few years thereafter, Pure Nickel spent approximately \$7.5 million annually. In each of those years, the company paid an additional amount, up to more than \$180,000 to the state of which a significant amount has gone to the Alaska Permanent Fund and increased dividends for all Alaskans.

While the proposed refuge is not presently being explored, it is likely to be explored again. The Tangle Lakes region is known to be a highly mineralized area, in the Nikolai Greenstone geologic terrane that is host to the incredibly rich Kennecott copper deposits. The recent exploration showed significant potential of nickel, platinum metals and elements, and other minerals. These minerals are included in a recently published list by the United States Geological Survey (USGS) of minerals that are critical to national defense and the economy.² A secure supply of domestic sources of minerals is a priority for the United States, and it should be for Alaska as well.

A Refuge With Only Average Habitat? DNR's land use plan, written with DF&G's help and endorsement, indicates that the vast majority of the refuge has only moderate habitat. The proposed refuge is split

¹ BLM Environmental Assessment for the Proposed Delta River Special Recreation Management Area Plan and East Alaska Resource Management Plan Amendment August 1, 2011. Pg 88. In addition to the acres, the management plan referenced Pogo's 40-mile road (491 acres). A road in this area would be much shorter with much less acreage but is not included in the 425-acre estimate.

² This list may be viewed at: <https://pubs.usgs.gov/of/2018/1021/ofr20181021.pdf>

between two DNR Area Plans: Tanana Basin Area Plan, Subunit 5C2; and Copper River Basin Area Plan, Subunit 28.

DF&G provides the fish and wildlife expertise for these plans. As part of these plans, the agencies rated habitat in each area into one of 5 categories. As part of the plans' public process, the habitat ratings were published for public comment. The plans concluded that the vast majority of what is proposed for the Refuge is in the middle habitat category (which the plans termed "Prime" habitat).

The Refuge Proposal Ignores the Real Management Problems. The refuge proposal ignores the real management problem in the area and neglects the protection from existing management. Most of the proposed Refuge area is within DNR's Tangle Lakes Archaeological District Special Use Area. The Special Use Area was enacted in 2003. At that time, DNR assessed the area and determined that the area needed protection, not because of its habitat, but because of the many cultural and heritage sites in the area. During the assessment, DNR concluded that mining and mineral exploration impacts were easily controlled through mining's extensive permitting and inspection process. DNR, like BLM before it, concluded that unrestricted motorized recreation had the greatest potential to cause significant impacts to these resources. For that reason, DNR enacted rules for recreation and received additional legislative funding for field personnel to manage recreation this area. This Special Use Area provides already a vehicle for special rules should those rules become necessary.

Conclusion. A century of exploration and active mining in and near the proposed refuge shows that Alaska does not have to make a choice between renewable and non-renewable resources. It is possible to maintain quality habitat and allow Alaskans to have the jobs and income that sustains us. It is possible and desirable to maintain the fish and wildlife we depend on and still provide the state with general fund and permanent fund income. The sponsor's assertion that we must choose is false, and in the long run is deadly for Alaska's economy and people. Alaska's miners strongly oppose the proposed Refuge and the false choice that prompts it. Thank you for the opportunity to comment.

Sincerely,



Deantha Crockett
Executive Director