



121 W. FIREWEED SUITE 120 | ANCHORAGE, ALASKA | 99503 | 907.563.9229 | ALASKAMINERS.ORG

April 5, 2018

Senator Donny Olson
Alaska State Legislature
Submitted via email

Re: AMA Comments on SB203, AIDEA Bonds for Graphite Creek Project

Dear Senator Olson:

The Alaska Miners Association (AMA) writes to thank you for the introduction of SB203, an Act authorizing the Alaska Industrial Development and Export Authority (AIDEA) to issue bonds to finance the infrastructure and construction costs of the Graphite Creek Project, and express our support for the bill.

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.

Economic prosperity and the responsible development of Alaska's resources are a priority for AMA, and we are grateful for the role of AIDEA, whose mission is to provide various means of financing to promote economic growth and diversity. AIDEA financing has played a key role in many successful projects in Alaska: the Delong Mountain Transportation System (DMTS) connecting the Red Dog mine to tidewater, the Skagway ore terminal, the Ketchikan Shipyard, and others. These projects, resulting in thousands of jobs for their surrounding communities and significant economic benefits to local and state governments, Alaska Native Corporations, and businesses, were made possible by AIDEA financing.

AMA believes that AIDEA holds a successful record of financing projects because of the structure in place at the Authority. Projects of any kind are evaluated for their viability, and all projects must meet AIDEA's financial criteria. This kind of due diligence ensures that only projects ready for development and poised for success will receive financing from the State's investment bank. Legislative approval is required for AIDEA to finance infrastructure at the Graphite Creek Project, however, SB203 does not automatically provide the financing. The project will still be required to meet AIDEA's financing standards.

The Graphite Creek Project stands to exponentially boost the economy in the area. 370 potential jobs averaging a \$108,000 annual wage will come with the operation of a mine, and the benefits to Northwest Alaska vendors, small businesses, and local governments will be significant. Every rural community in Alaska greatly needs and deserves diversification of its economy and the economic benefits that will come

from mining. Financial assistance with the infrastructure needed to operate these projects is a logical way to encourage the economic growth our communities need, and we urge the passage of SB203.

Thank you for your consideration of our comments.

Sincerely,



Deantha Crockett
Executive Director