

Alaska Industrial Development and Export Authority Overview

Alaska State Legislature- House
Transportation Committee
February 28, 2023

Randy Ruaro, Executive Director

Brandon Brefczynski, Deputy Director

www.aidea.org



AIDEA Mission

To promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing and investment.



AIDEA OVERVIEW

- ✓ Investing in Alaskans since 1967
- ✓ Alaska's Development Finance Authority
- ✓ Financially Self-Sustaining Public Corporation (no GF by statute AS 44.88.190(b))
- ✓ \$463 million in Dividends declared to Alaska since 1996
- ✓ Directed over \$3.5 billion into economic development in Alaska

AIDEA 2022 Financial Highlights

Net Income*



\$35.8
MILLION



28+ YEARS

OF POSITIVE ANNUAL NET INCOME*



+45%

INCREASE ABOVE THE
PREVIOUS 5 YEAR AVERAGE
(FY2017 TO FY2021)



+26%

INCREASE ABOVE
THE PREVIOUS 10 YEARS AVERAGE
(FY2012 TO FY2021)

*Statutory Net Income

Annual Dividend



\$17.9
MILLION



\$463 MILLION OF
TOTAL DIVIDENDS DECLARED SINCE 1996



+67%

INCREASE ABOVE
THE PREVIOUS 5 YEAR AVERAGE
(FY2017 TO FY2021)



+47%

INCREASE ABOVE THE
PREVIOUS 10 YEAR AVERAGE
(FY2012 TO FY2021)

What Did Statehood Bring For Economic Development?



Statehood Act – Section 6(i)

Alaska Constitution – Article 8

Statehood Act

U.S. Supreme Court says statehood acts are a binding contract between the U.S. and the State.

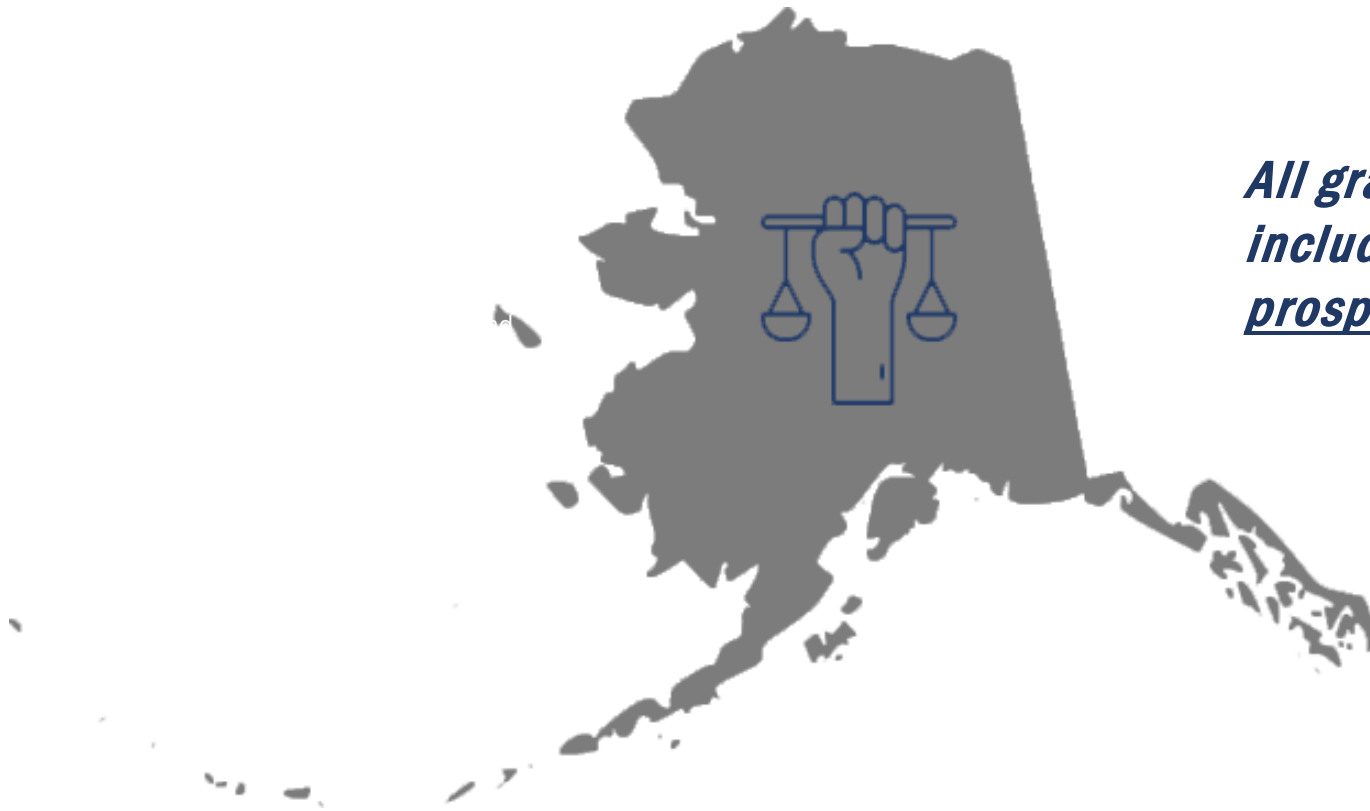


“[It] would raise grave constitutional concerns if [Congress] purported to “cloud” Hawaii’s title to its sovereign lands more than three decades after the State’s admission to the Union. ... “Congress cannot, after statehood, reserve or convey submerged lands that have already been bestowed upon a State.” Idaho v. United States, [533 U. S. 262](#), 280, n. 9 (2001); (Rehnquist, C. J., dissenting) (“[T]he consequences of admission are instantaneous, and it ignores the uniquely sovereign character of that event ... to suggest that subsequent events [acts by Congress] somehow can diminish what has already been bestowed”). ... In light of those concerns, we must not read a [subsequent act by Congress] ... to create a retroactive “cloud” on the title that Congress granted to the State of Hawaii in 1959.”

Hawaii v. Office of Hawaiian Affairs, 556 U.S. 163 (2009)

Alaska Statehood Act – Section 6(i)

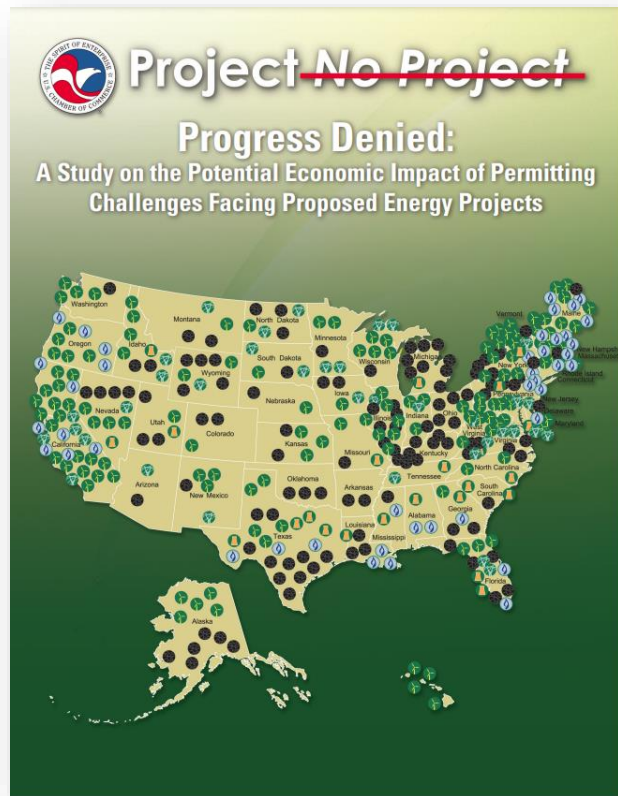
What did Alaska negotiate with Congress?



All grants [to the state of statehood lands] shall include mineral deposits ... [and] the right to prospect for, mine, and remove the [minerals]

How's That Going?

The statehood vision has not played out well. Interference by the federal government in development of lands and resources.

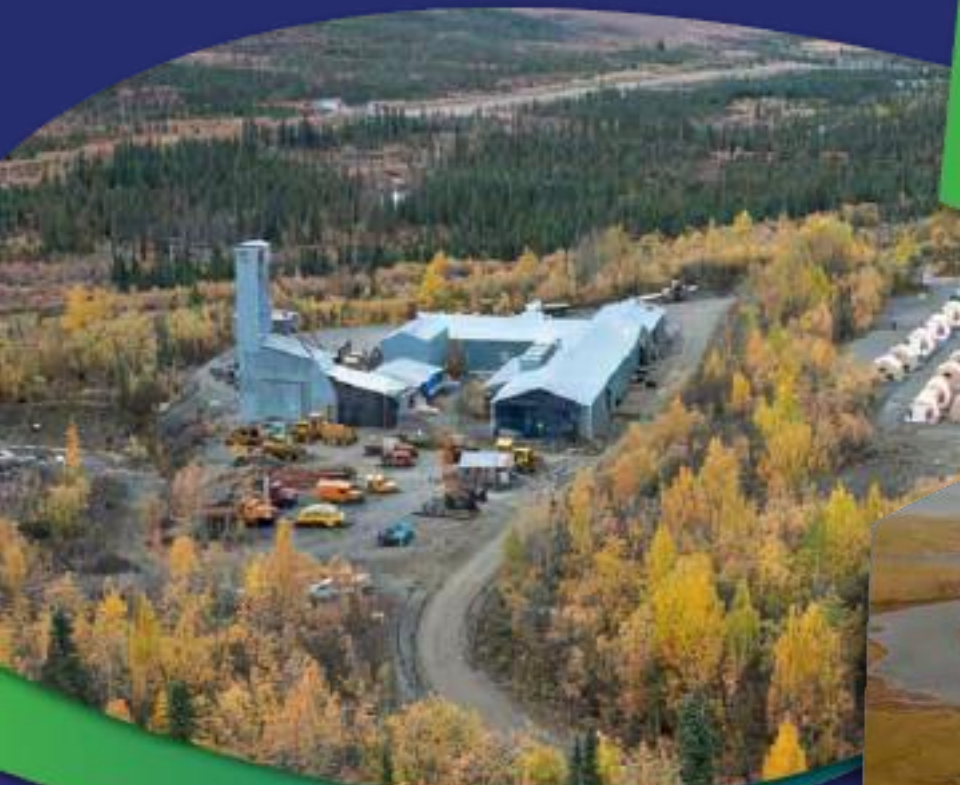


“The economic and job impact projections of this study show that millions of jobs, and hundreds of billions of dollars in potential economic value, continue to sit on the shelf. This is not good for the nation’s well-being. Widespread failure to move energy projects forward in a timely manner works against our ability to address two of our nation’s most significant concerns: promoting substantial job creation and stimulating economic growth.”

- Bill Kovacs is Senior Vice President for Environment, Technology and Regulatory Affairs at the U.S. Chamber of Commerce

Significant Transportation Projects Being Progressed

West Susitna Access Project



Ambler Access Project

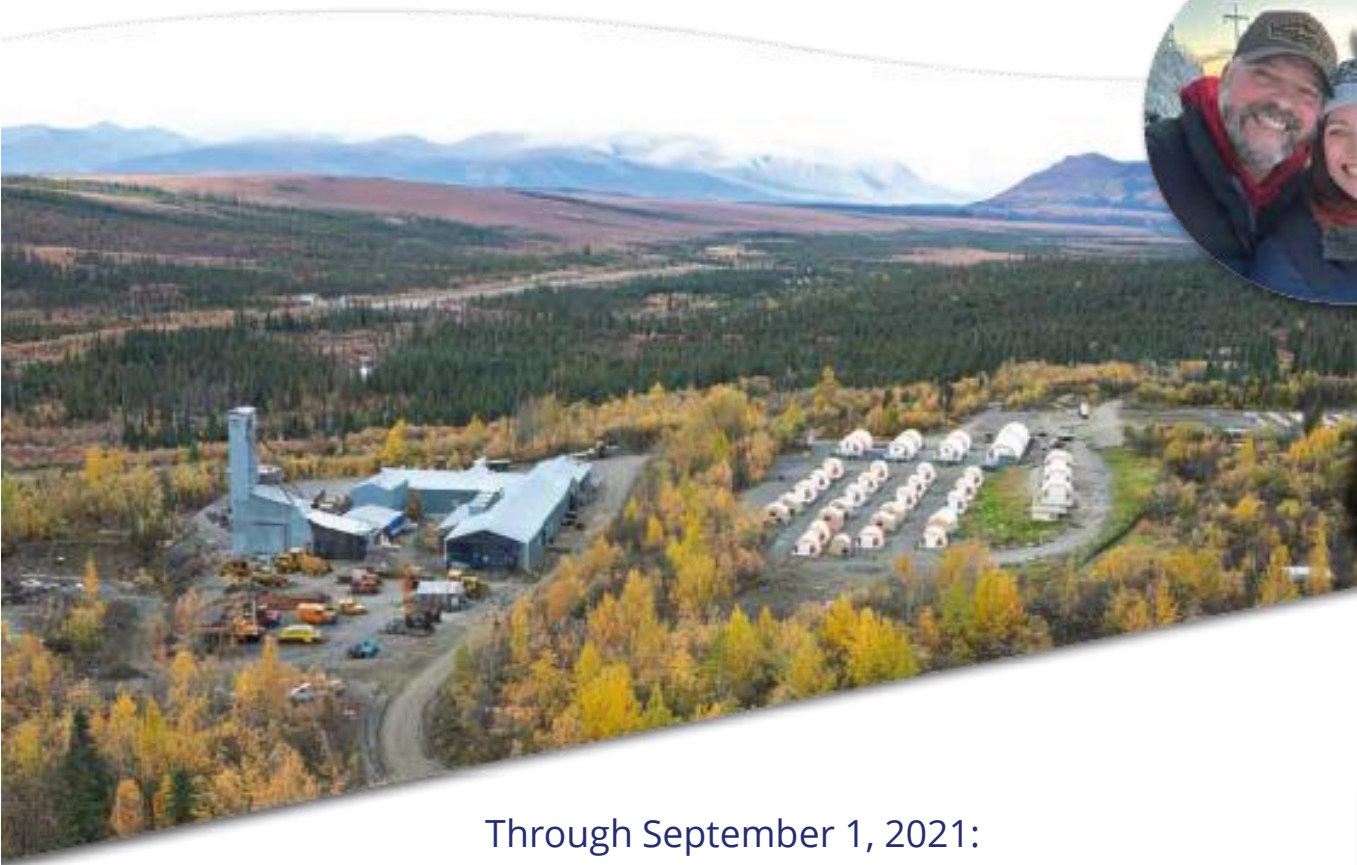


1002 Leases



FEDEX Maintenance, Repair, and Operations Facility

Ambler Access Project



Ambler Access Road is a proposed 211-mile private controlled industrial access road to the Ambler Mining District in northwestern Alaska.

Access to Ambler Mining District defined within the Alaska National Interest Lands Conservation Act (ANILCA).



Through September 1, 2021:



3,256 mining claims purchased for mining



3,931 jobs in mining operations & \$300 million in wages for mining operations

The Ambler Access Project is a 211-mile industrial access road leading to critical mineral resources, including copper, silver, gold, lead, and zinc. The Ambler Mining District has been characterized as one of the largest undeveloped copper-zinc mineral belts in the world. The area has been explored for decades, but development of the mineral resources has been limited due to a lack of transportation infrastructure.

FEDEx Maintenance, Repair, and Operations Facility

LOCATION IS ONLY
9.5 hrs
FROM 90% OF THE
INDUSTRIALIZED WORLD

3.6 million
TONS OF CARGO

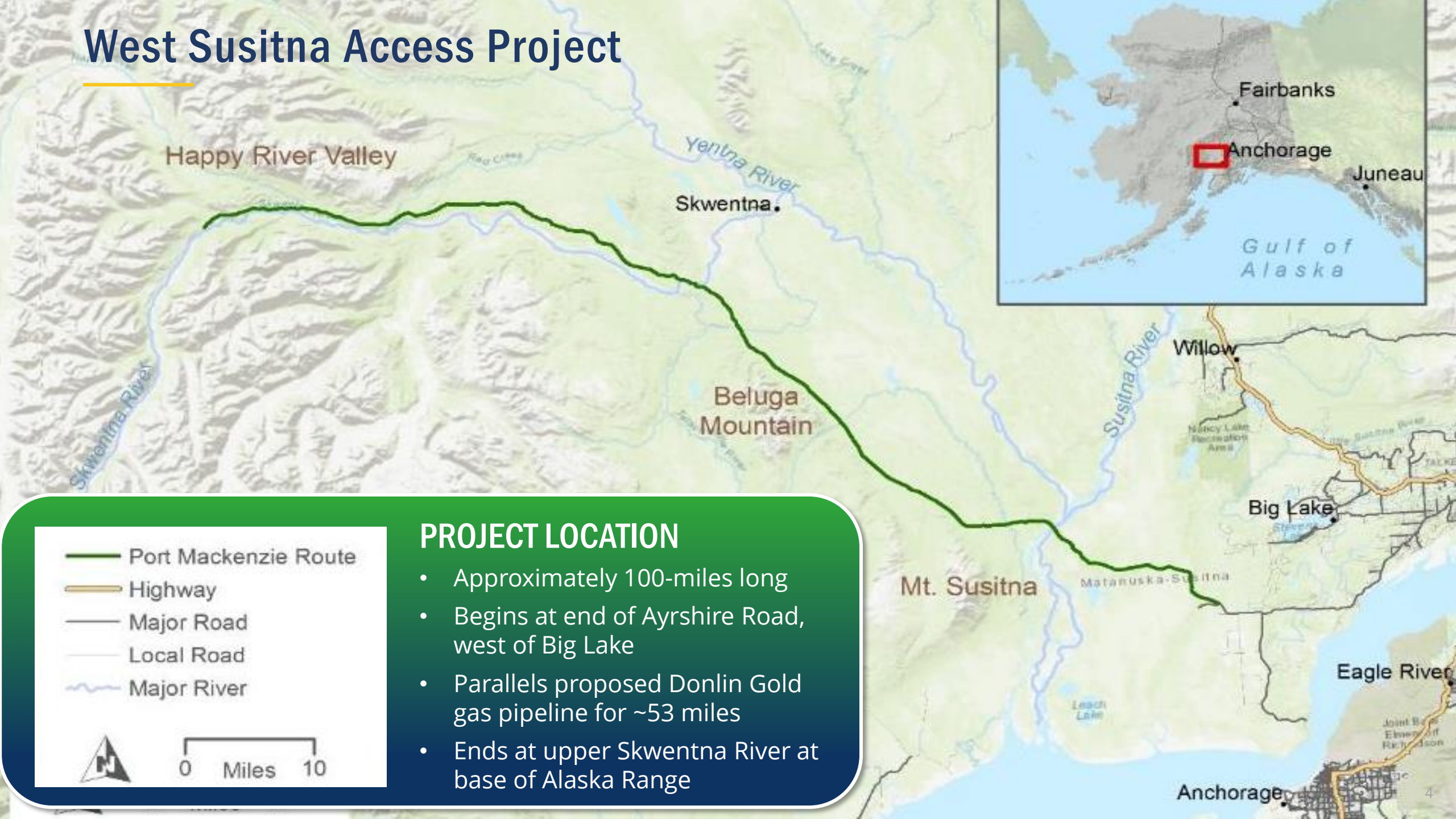
300
NEW JOBS FOR ALASKANS

4th
BUSIEST CARGO HUB
IN THE WORLD



The FedEx Maintenance, Repair, and Operations (MRO) Facility is a hangar capable of accommodating one wide-body aircraft, such as a Boeing 747.

West Susitna Access Project



PROJECT LOCATION

- Approximately 100-miles long
- Begins at end of Ayrshire Road, west of Big Lake
- Parallels proposed Donlin Gold gas pipeline for ~53 miles
- Ends at upper Skwentna River at base of Alaska Range

Project Purpose

- Provide safe and efficient road access from the existing highway system in proximity to existing port facilities and population centers in Southcentral Alaska to resources in the Fish Creek NRMU and western Yentna and Skwentna river basins that increase job growth and economic development opportunities.



Mineral Resources

Copper, gold, silver, coal, and platinum potential; more than 3,000 active mining claims within the basin



Oil & Gas

Active oil and gas exploration in the northern Cook Inlet; nine oil and gas producing units and fields in the study area



Alternative Energy

Opportunities including geothermal and hydroelectric projects, and woody biomass resources



Recreational Resources

Opportunities for snowmachining, fishing, hunting, boating, recreational mining, and use of cabins



Forestry

700,000+ acres available for harvest; enhances emergency response & fire prevention



Agricultural Resources

More than 65,000 acres of agricultural land identified for potential agricultural uses

Importance of Mining in the Transitional Economy

- Mining plays a critical role in supporting clean energy and technology for the emerging and future economies.
- The West Susitna Area is a large prospective mineral belt with deposits of copper, gold, silver, and platinum.
- Aligns with federal policy to identify new sources of critical minerals, increase activity at all levels for a reliable, domestic supply chain.



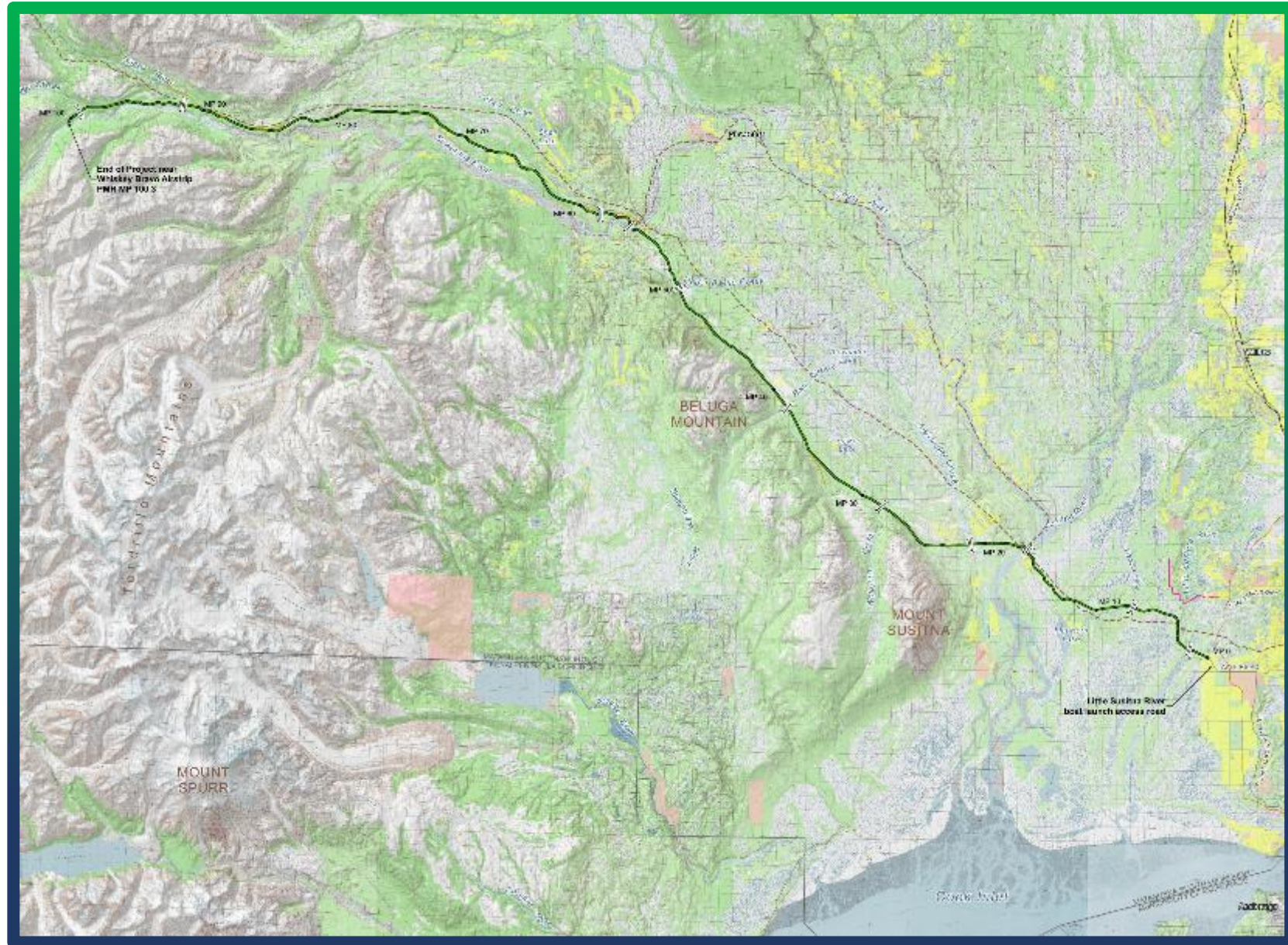
Potential Jobs and Wages for Borough Residents

Project	Operating Jobs	Operating Wages (\$millions)	Total Jobs Impact Range	Total Wage Impact Range (\$millions)
Estelle	200-400	\$24-\$47	380-960	\$38-\$90
Whistler	500	\$59	950-1,200	\$95-\$115
Island Mountain	360	\$42	680-860	\$65-\$80
Raintree West	230	\$27	450-550	\$40-\$55
Canyon Creek	300	\$35	500-1,000	\$50-\$70

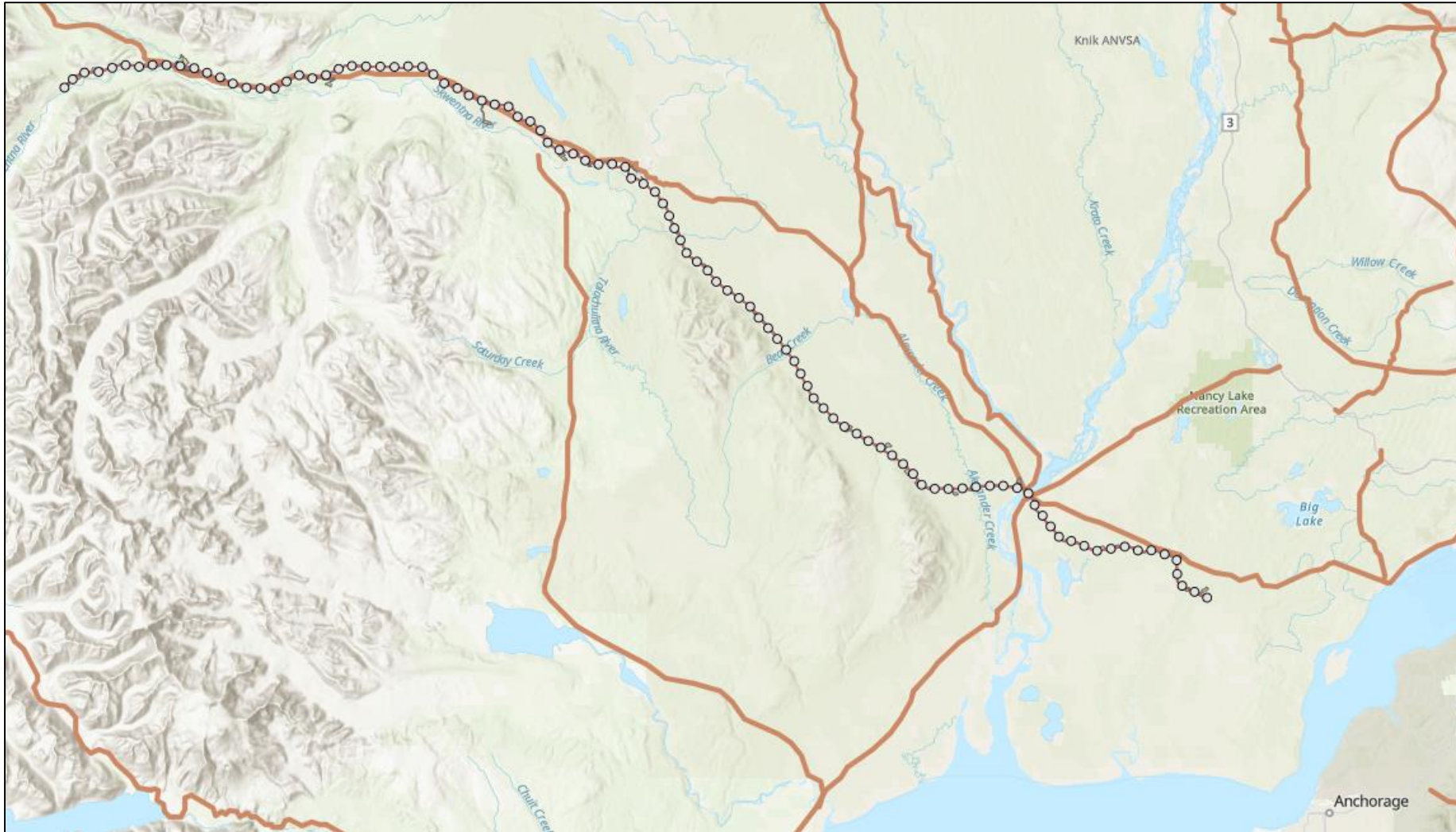
Source: University of Alaska Anchorage, Institute of Social and Economic Research; Alaska Department of Labor and Workforce Development; and McKinley Research Group estimates.

Engineering

- Components:
 - Access Road
 - 101 miles long
 - 32-foot surface width
 - 11 bridge crossings
 - 171 culvert crossings
 - 28 material sites
 - 3 maintenance stations
 - 2 airstrips
 - 2 boat launches
 - 6 overpass trail crossings
 - 20 at-grade trail crossings



West-Su Access Project & RS 2477s

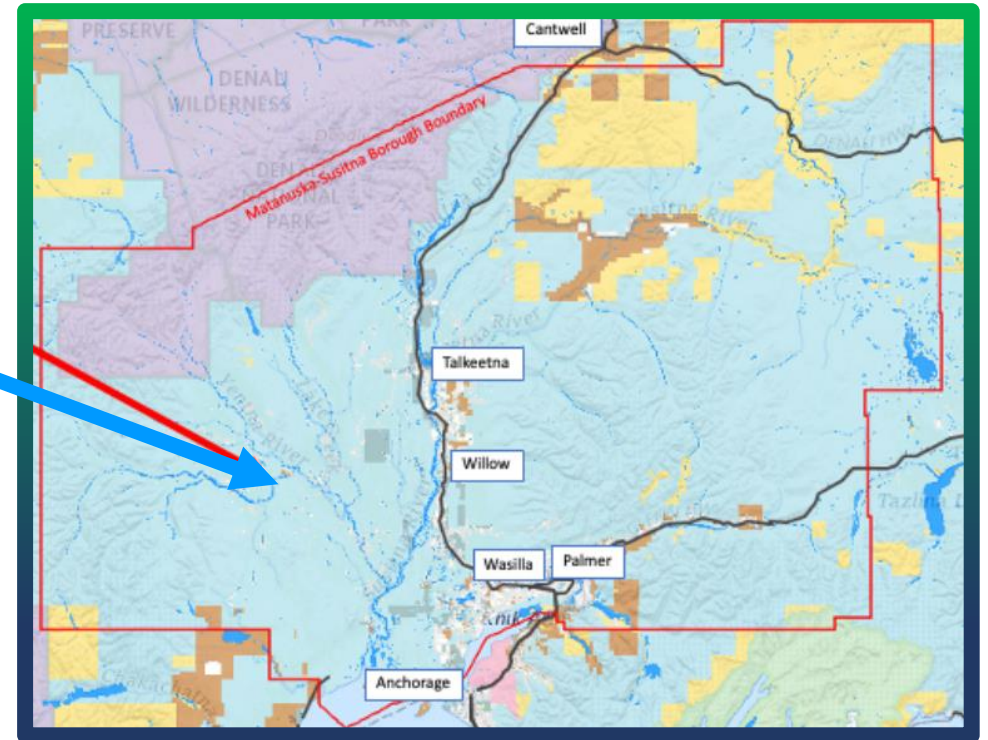


WSAP Route - - - - -

RS 2477s ———

Current Status – Permitting is Underway

- The 100-mile road has been designed to avoid and minimize environmental impacts, with less than 100 acres of projected impacts to wetlands.
- AIDEA submitted its application for federal wetlands permit (CWA 404) in May 2020. The NEPA process will soon be underway.
- The entire project occurs on State lands.
 - State ROW required
 - Federal government cannot use a federal ROW process to shut down the project like they did on Ambler Rd.



Project Schedule



*Subject to change

We Need Your Help!



Your Voice Needs to Be Heard :

- ✓ Advocate for responsible development of Alaska's resources
- ✓ Join the Alaskans for Access Coalition
- ✓ Join the Friends of West Susitna
- ✓ Comment During NEPA in Support of the Project



www.friendsofwestsusitna.org

THANK YOU

Randy Ruaro

Executive Director, AIDEA