



USIBELLI COAL MINE, INC.

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April 5, 2017

The Honorable Senator John Coghill
State Capitol
Juneau, Alaska 99801

Re: Support for SB 86 Alaska Railroad Corporation Land

Dear Senator Coghill:

Usibelli Coal Mine, Inc. (UCM), located in Healy, is a fourth generation, family-owned, business and the only operational coal mine in Alaska. Emil Usibelli founded the company in 1943. His son, Joe Usibelli is the Chairman of the Board of Directors. Joe Usibelli Jr., Emil's grandson, is President of UCM.

Employee Housing

In 1950, UCM built the Usibelli Camp adjacent to its mining operations for employee housing. The following year, the company began building housing for married employees and their families. In 1953, a two-story bunkhouse was built at Usibelli Camp to house seasonal employees. Mine employees and their families lived at Usibelli Camp until 1977 when UCM leased land from the Alaska Railroad Corporation and developed the Tri-Valley subdivision.

The Federal Mine Enforcement and Safety Administration had advised UCM that families of its miners needed to be moved from the Usibelli Camp due to safety concerns of mining trucks sharing the road with residential vehicles. UCM wanted to provide an opportunity for mine personnel and their families to own homes and create a community, however, available land in the surrounding area was predominantly owned by the Alaska Railroad Corporation (ARRC). The ARRC also had employees living in Healy who desired to own their own homes, but were having great difficulty finding available building lots.

As a solution to meet the demand for residential housing and necessary facilities, the ARRC leased UCM approximately 510 acres to develop roads, utilities, and building lots. Today, the Tri-Valley Subdivision encompasses many of the amenities that make up Alaska's only coal mining town, such as the Tri-Valley Community Center, Denali Pre-School and Early Learning Center, a Baptist, Catholic, and Latter Day Saints church, the Denali Chamber of Commerce office, and is also where many residents of Healy reside. While UCM is the lessee of the land, individuals and entities sublease lots to build and own homes and buildings.

Senate Bill 86 Alaska Railroad Corporation Land

Upon passage of SB 86, UCM would be interested in exploring the purchase of the Tri-Valley Subdivision land from the ARRC and then making the lots available for purchase to those who are sub-leasing them.

Thank you for the opportunity to provide support for SB 86. Should you have any questions, please do not hesitate to contact me at (907) 982-6744, or lorali@usibelli.com.

Sincerely,



Lorali M. Simon
Vice President, External Affairs