

# Investing in Alaskans

## 2025 ANNUAL UPDATE

Alaska Senate Transportation Committee  
Alaska State Legislature  
April 1, 2025

Randy Ruaro, AIDEA Executive Director



# Constitutional Authority

## Constitution of Alaska

### Article VII – Health, Education, and Welfare

**Section 1. Public Education.** The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions.

**Section 4. Public Health.** The legislature shall provide for the promotion and protection of public health.

**Section 5. Public Welfare.** The legislature shall provide for public welfare.

### Article VIII – Natural Resources

**Section 1. Statement of Policy.** It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.

**Section 2. General Authority.** The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

### Article IX – Finance and Taxation

**Section 11. Exceptions.** The restrictions on contracting debt do not apply to debt incurred through the issuance of revenue bonds by a public enterprise or public corporation of the State or a political subdivision, when the only security is the revenues of the enterprise or corporation. The restrictions do not apply to indebtedness to be paid from special assessments on the benefited property, nor do they apply to refunding indebtedness of the State or its political subdivisions.

# AIDEA's

## Mission and Purpose

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

### **AS 44.88.010. Legislative Finding and Policy.**

**(a)** The legislature finds, determines, and declares that

**(1)** there exist areas of the state in which seasonal and nonseasonal unemployment exist;

**(2) *this unemployment is a serious menace to the health, safety, and general welfare, not only to the people in those areas, but also to the people of the entire state;***

**(3)** the state lacks the basic manufacturing, industrial, export, small business, and business enterprises and the other facilities referred to in this subsection necessary to permit adequate development of its natural resources and the balanced growth of its economy;

**(4)** the establishment and expansion of industrial, manufacturing, export, small business, and business enterprises in Alaska and the other facilities referred to in this subsection ***are essential to the development of the natural resources and the long-term economic growth of the state, and will directly and indirectly alleviate unemployment in the state;***

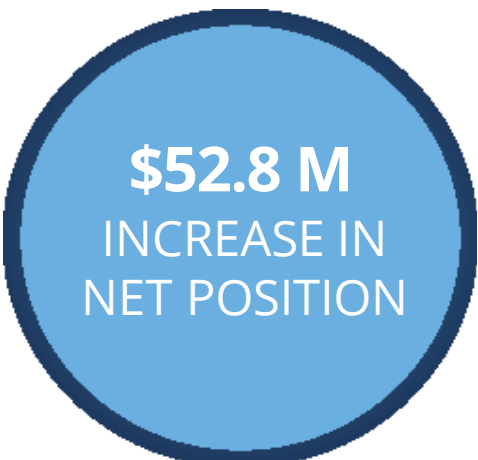
**(11)** it is in the state's interest to import private capital to create new economic activity which would not otherwise take place in the state.

**(b)** It is declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and ***a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources,*** through the establishment and expansion of manufacturing, industrial, export, small business, and business enterprises and the other facilities referred to in (a) of this section by creating the Alaska Industrial Development and Export Authority ***with the powers, duties, and functions as provided in this chapter.***

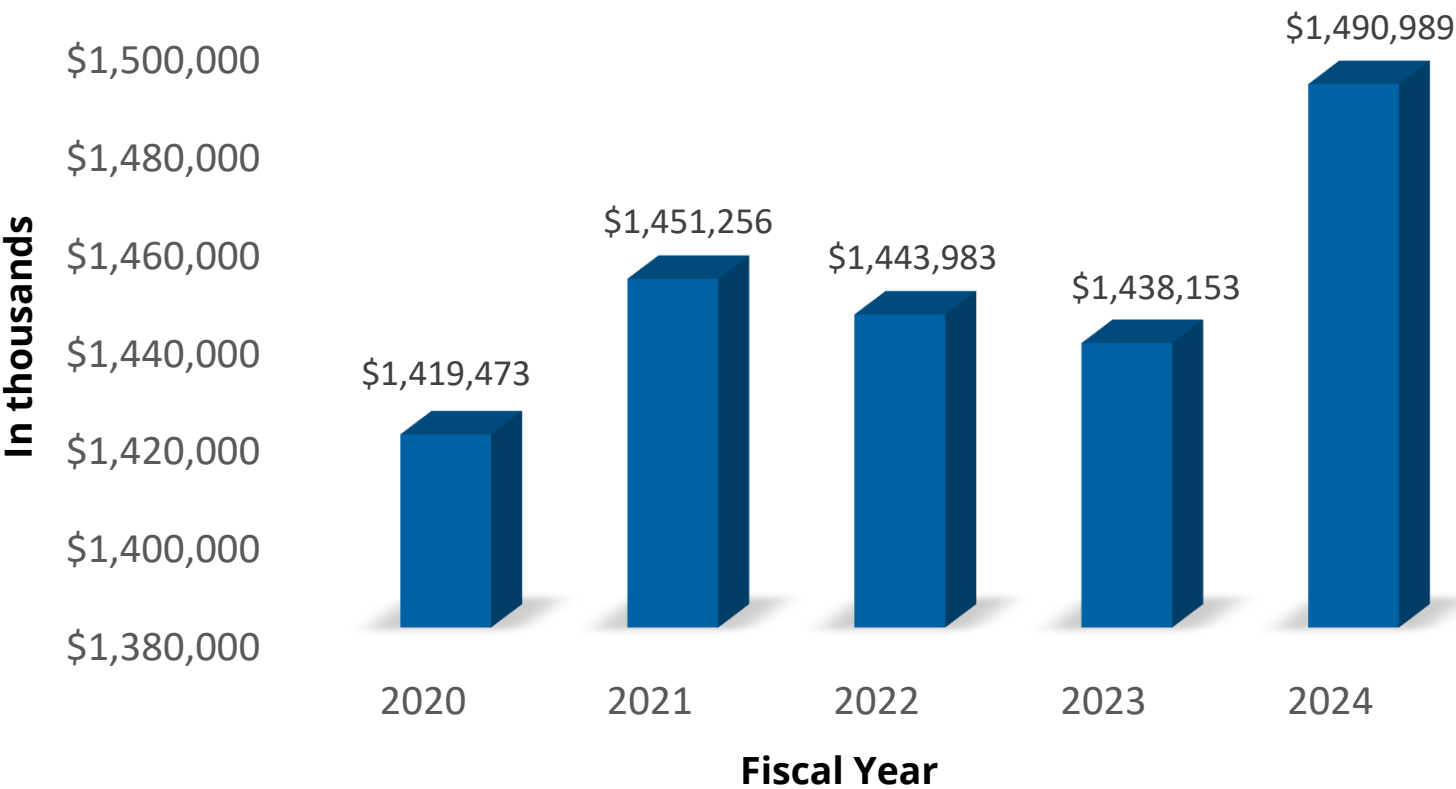
**(c)** It is further declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose of the state, to accomplish the objectives set out in (b) of this section through the provision of financial support to a federal, state, municipal, or private entity.

# AIDEA Fiscal Year 2024

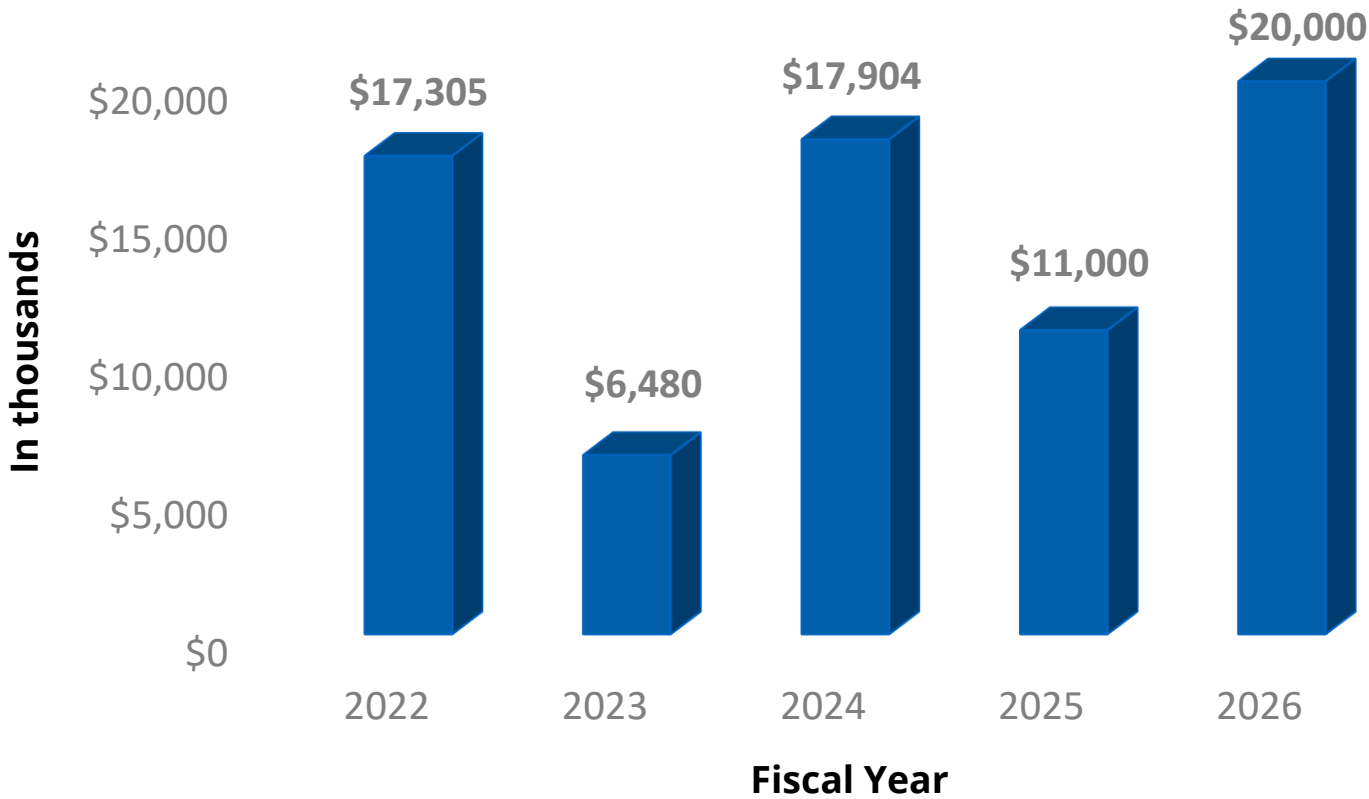
## Financial Highlights



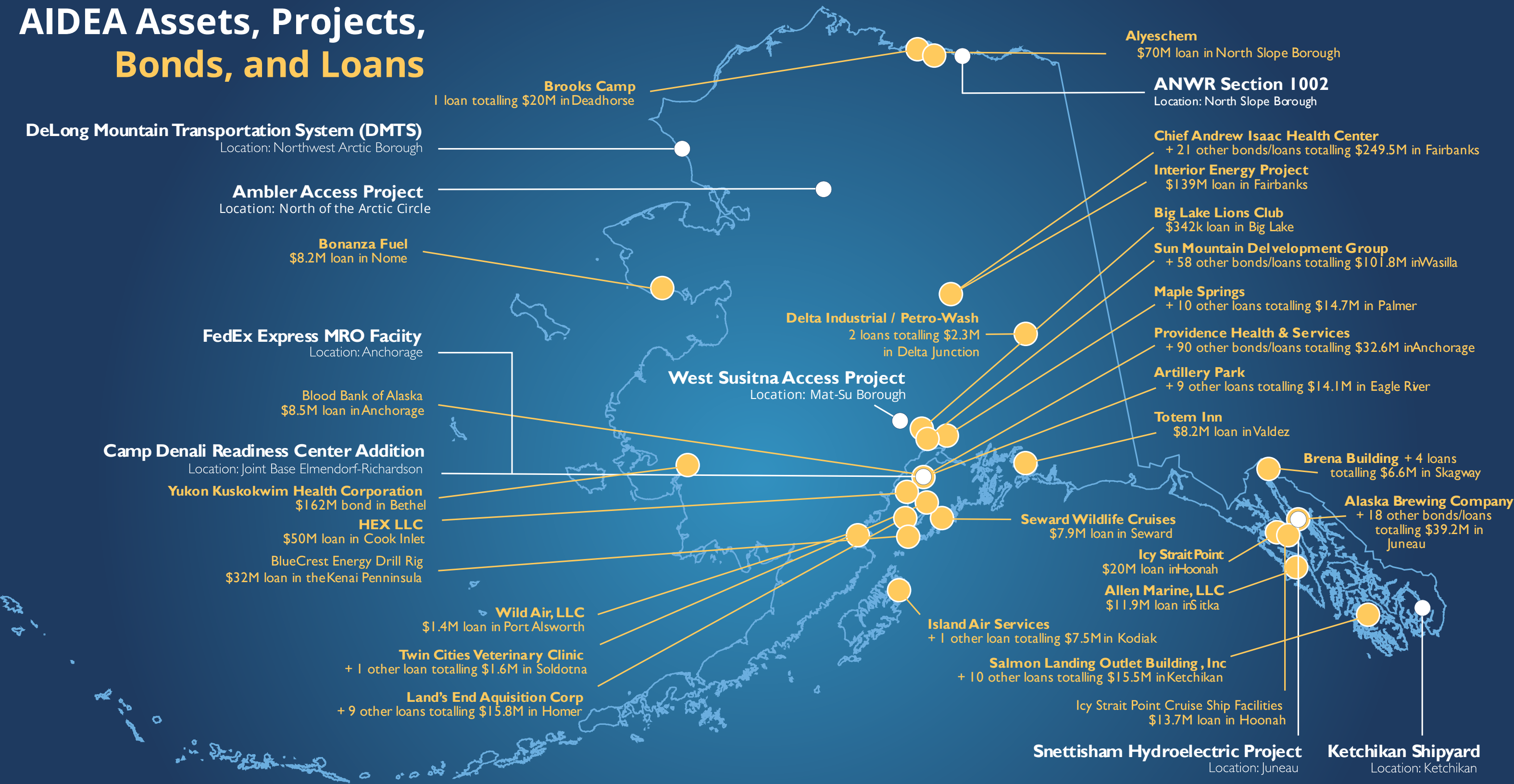
AIDEA NET POSITION



AIDEA DIVIDENDS DECLARED



# AIDEA Assets, Projects, Bonds, and Loans



● **AIDEA Assets and Projects**

● **AIDEA Bonds and Loans Funded** in whole numbers  
(including an example of one bond or loan and total funded in community)  
**\$522,059,965 in Bonds | \$488,107,252 in Loans**

# Arctic National Wildlife Refuge (ANWR)

## Section 1002 Area Leases



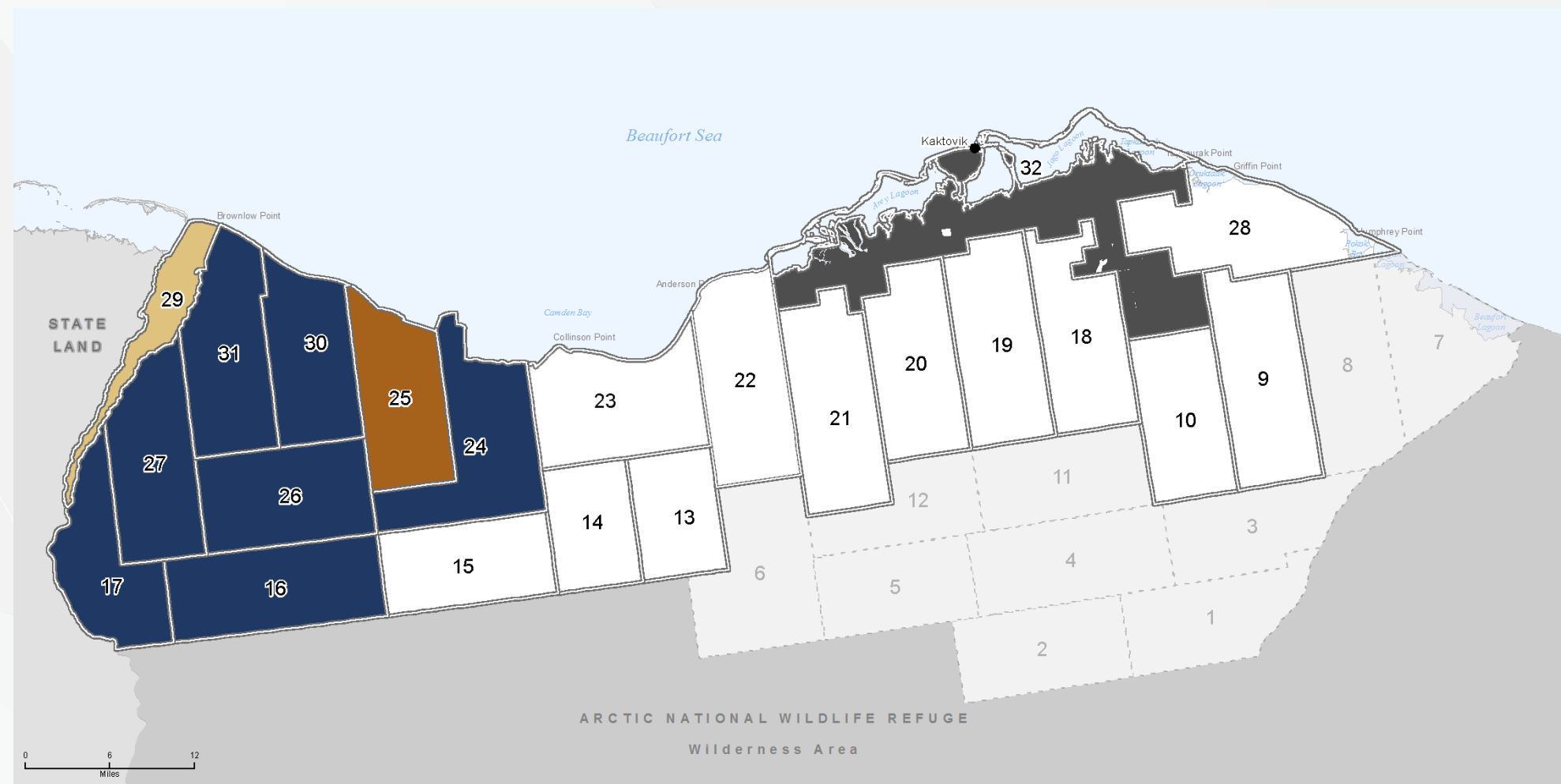
### SECTION 1002 AREA OIL AND GAS LEASES

In 2017, Congress passed the "Tax Cuts and Jobs Act," which directed the Department of the Interior (DOI) to establish and manage a competitive oil and gas leasing program in the Arctic National Wildlife Refuge (ANWR). The Coastal Plain, often referred to as the 1002 Area, comprises 1.56 million acres within the 19.64 million-acre ANWR. AIDEA's leases cover 365,775 acres, legally acquired in January 2021.

Development of the 1002 Coastal Plain holds significant potential for economic growth. According to the Final Supplemental Environmental Impact Statement (SEIS), leasing and development could generate billions of dollars in revenue for local, state, and federal governments while creating thousands of jobs.

March 25, 2025 - Federal District Court Judge Gleason ***rules in favor of AIDEA in the case against the United States Department of Interior for wrongfully canceling its leases*** in the Alaska National Wildlife Refuge (ANWR).

*"Today's ruling is about so much more than reinstating illegally canceled leases in ANWR; it is about upholding the rule of law in our country," said Governor Mike Dunleavy. "A rogue federal agency under the Biden administration should never have had the power to cancel legally obtained leases. Now the leasing program can move forward and could result in more safe, secure energy production right here in Alaska. President Trump was right on ANWR as well."*



# Arctic National Wildlife Refuge (ANWR)

## Section 1002 Area Leases

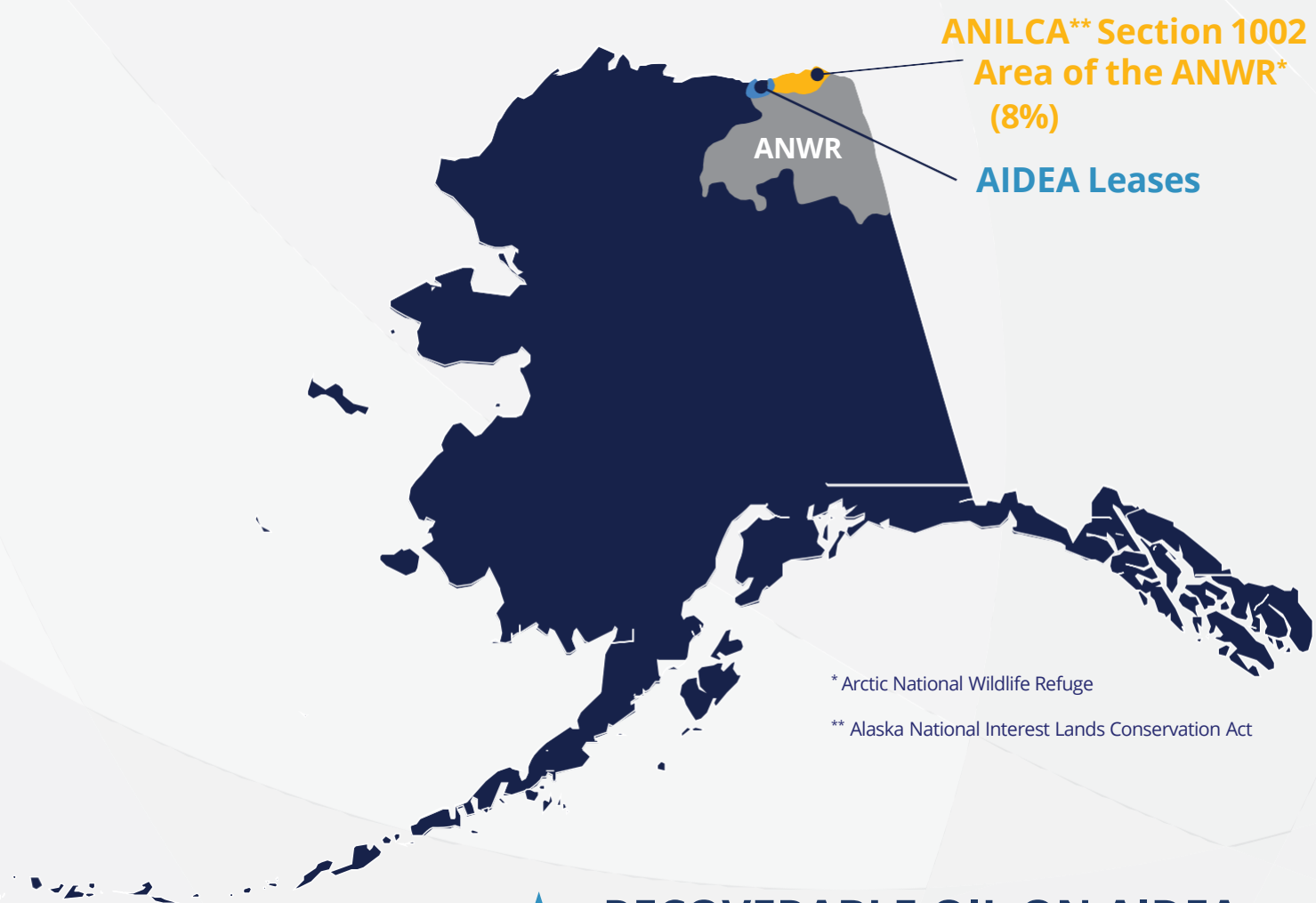
★ **ESTIMATED STATE ANNUAL TAX AND ROYALTY REVENUE \$2,002,000,000**

Government Revenues (in Millions of 2017 Dollars)	Annual Average	Total
North Slope Borough property taxes	\$49	\$1,119
State of Alaska royalties	\$782	\$15,648
State of Alaska taxes	\$1,220	\$24,425
Federal royalties	\$782	\$15,648
Federal taxes	\$673	\$13,459

Source: Northern Economics, Inc. 2023 estimate.

Effects	Estimated jobs (average number of part- time and full-time jobs)	Annual Average	Peak
Direct	Exploration	250	650
	Development	2,260	3,300
	Production	770	1,200
Indirect	Exploration	130	390
	Development	1,720	2,500
	Production	1,020	1,600

Table C-8 of the Coastal Plain Oil and Gas Leasing Program Final Supplemental Environmental Impact Statement, Volume 3. (Source: Northern Economics, Inc. 2023 estimates based on IMPLAN 2021 data year and assumptions listed in Section 3.4.10 Economy of the Supplemental EIS for the Coastal Plain Oil and Gas Leasing Program.)



★ **RECOVERABLE OIL ON AIDEA LEASES HAS AN ESTIMATED VOLUME OF 4 TO 6 BILLION BARRELS**

# Kaktovik Presentations

Matthew Rexford  
Tribal Administrator  
Native Village of Kaktovik  
March 31, 2025



An aerial photograph showing a coastal town with numerous buildings, including several large white storage tanks, situated along a shoreline. The town is bordered by a body of water with a sandy beach area. In the background, the water is filled with many small ice floes under a clear blue sky.

# Background

- **Currently Tribal Administrator**
- **Formerly Kaktovik Iñupiat Corporation President Testified extensively to Congress on opening the Coastal Plain to Oil & Gas Leasing**
- **Testified on the 2017 Tax Cuts and Jobs Act**
- **Testified to the Alaska Legislature on HJR 12 in 2021**
- **Thank you for allowing us to speak today on our continued support for Oil and Gas Leasing in the HOMELANDS of the Kaktovikmiut.**
- **Our people have lived here for thousands of years.**
- **Our position with respect to these lands need to be heard.**

# Our History

- Our community has been continually been caught between federal actions that impact our ability to realize our visions of a vibrant and sustainable future.
- The 1971 Alaska Native Claims Settlement Act of 1971 (ANCSA) was supposed to allow our Kaktovik Iñupiat Corporation (KIC) the economic freedoms to develop its lands to benefit our community.
- Quickly following ANCSA, the 1980 Alaska National Interest Lands Conservation Act (ANILCA) compromised KIC's ability to access and develop its lands by expanding the Arctic National Wildlife Refuge and surrounding us.
- Kaktovik did not want to be an island in the middle of a Refuge but it happened anyway.
- Having lived in the Refuge since ANILCA I am here to tell you that life has been difficult, and after 44 years the federal management agency has not performed its duty to our community as required.



# Our Desires

- Our community is aligned on leasing in the Coastal Plain and our tribe works closely with Kaktovik Iñupiat Corporation on supporting oil and gas opportunities
- We need a local economy and opportunities for our youth
- As North Slope residents we are familiar with oil and gas – we understand the balance required between protections of OUR homelands and development
- Development in our area can provide the economic freedoms that we were promised under ANSCA to allow our community to thrive
- We want to be partners with AIDEA and other future lessees to advance our community





# Our Promise

- As an integral part of the Coastal Plain landscape we will continue to be good stewards of the land as our ancestors have
- The land is “sacred” to us because its our ancestors who are buried here, our children who are born here
- It’s natural resources and what they provide have sustained us for millennia and will continue to provide for us well into the future
- Our forefathers have always considered all resources as ours including the resources beneath the surface of the lands we have walked on for thousands of years
- These lands will continue to sustain us for thousands of years to come
- We celebrate our past, our present, and our future





# **Our Community – Our Homelands**

## **Our People**

### **Quyanaqpak**





**Charles Lampe, President Kaktovik  
Inupiat Corporation March 31, 2025**

# Kaktovik's viewpoint -Background and history

- The debate over opening ANWR to oil drilling gained national attention in 1980, when the Congress set aside **less than 8 percent** of the newly formed Refuge for potential oil and gas development.
  - These lands of ANWR became known as the 1002 Area, after Section 1002 of ANILCA.
  - Unstated in ANILCA is that these lands are home to the Kaktovikmiut.
- We have recognized that we are an 'inconvenient truth' because we are here – these are our homelands.
- We will not give up on our rights as indigenous people and the federal government has an obligation to us through the laws of ANCSA and ANILCA.
- AIDEA leases were legitimately obtained under the 2020 Coastal Plain Oil and Gas lease sale. Congratulations on resolution of the lawsuit.
- KIC was financially impacted in a meaningful way when Secretary Haaland arbitrarily cancelled the AIDEA leases.
- KIC needs the contracts, and our community needs the jobs that come with exploration. The operators of the leases need subsistence representatives, polar bear guards, cultural resource experts – this is what we can provide. These are important opportunities for our people.
- We understand that without a significant discovery these jobs could be ephemeral but people in Kaktovik need these opportunities to build resumes and to work with outside companies to grow their capabilities and capacities.
- We openly admit that oil is critical to our region. It is the tool that we used to bring us into modern society.
- **ON THE FOLLOWING PAGES ARE SOME CURRENT BEST PRACTICES FOR NORTH SLOPE OIL AND GAS**

# 1002 Area with KIC Lands

This aerial map illustrates the 1002 Area, which is outlined in yellow. The map includes several key features and labels:

- 1002 Area:** The main area of interest, outlined in yellow.
- KIC Lands:** Located in the upper right portion of the map, near the coast.
- Carson Bay:** Labeled in the upper left area.
- Kaktovik:** A small settlement located near the coast in the upper right.
- Acreage References:** Two specific areas are highlighted with white grid patterns and labeled:
  - 3,750 Acre Leases (2x3):** Indicated by a white arrow pointing to a 2x3 grid.
  - 2,500 Acre Leases (2x2):** Indicated by a white arrow pointing to a 2x2 grid.
- Scale:** A scale bar at the bottom left indicates distances from 0 to 30 miles.

# Modern Seismic Technology – Step 1 in Exploration



- There is a lot of fear about seismic acquisition.
- North Slope seismic is conducted during the winter months using low impact equipment that leaves no trace following 'green-up' of the tundra.
- KIC has been involved in several attempts to permit seismic in the Coastal Plain and feel its is important for this Committee to understand what low-impact seismic really means.
- In this image you can see the compressed snow pattern for the 3D seismic program in mid-June 2018.
- The same area is shown in August 2018.
- As you can see the compressed snow lines are not visible in August.
- This is due to the strict regulatory compliance of the seismic industry by the State of Alaska and the many years of analysis of the best available technology for low impact acquisition.

# Sound Environment Standards for North Slope Exploration and Development

- We, Iñupiat, have been active participants in developing sound environmental standards with the oil industry on the North Slope since the discovery of Prudhoe Bay.
- We have been instrumental in campaigning for gravel reduction across the North Slope.
- In fact, our region can access more resource from the smallest gravel footprint compared to any other State in the country, including New Mexico.
- The gravel footprint continues to shrink and as an example the Nanushuk Development Project, on State lands, plans to access 700 million barrels of recoverable oil with a gravel footprint of 254 acres of gravel (Nanushuk Development EIS).
- However, we do acknowledge that more gravel can have a countervailing impact to the environment by providing critical insect relief areas for caribou.
- Allow caribou access to the gravel infrastructure is important and critical to the animals.

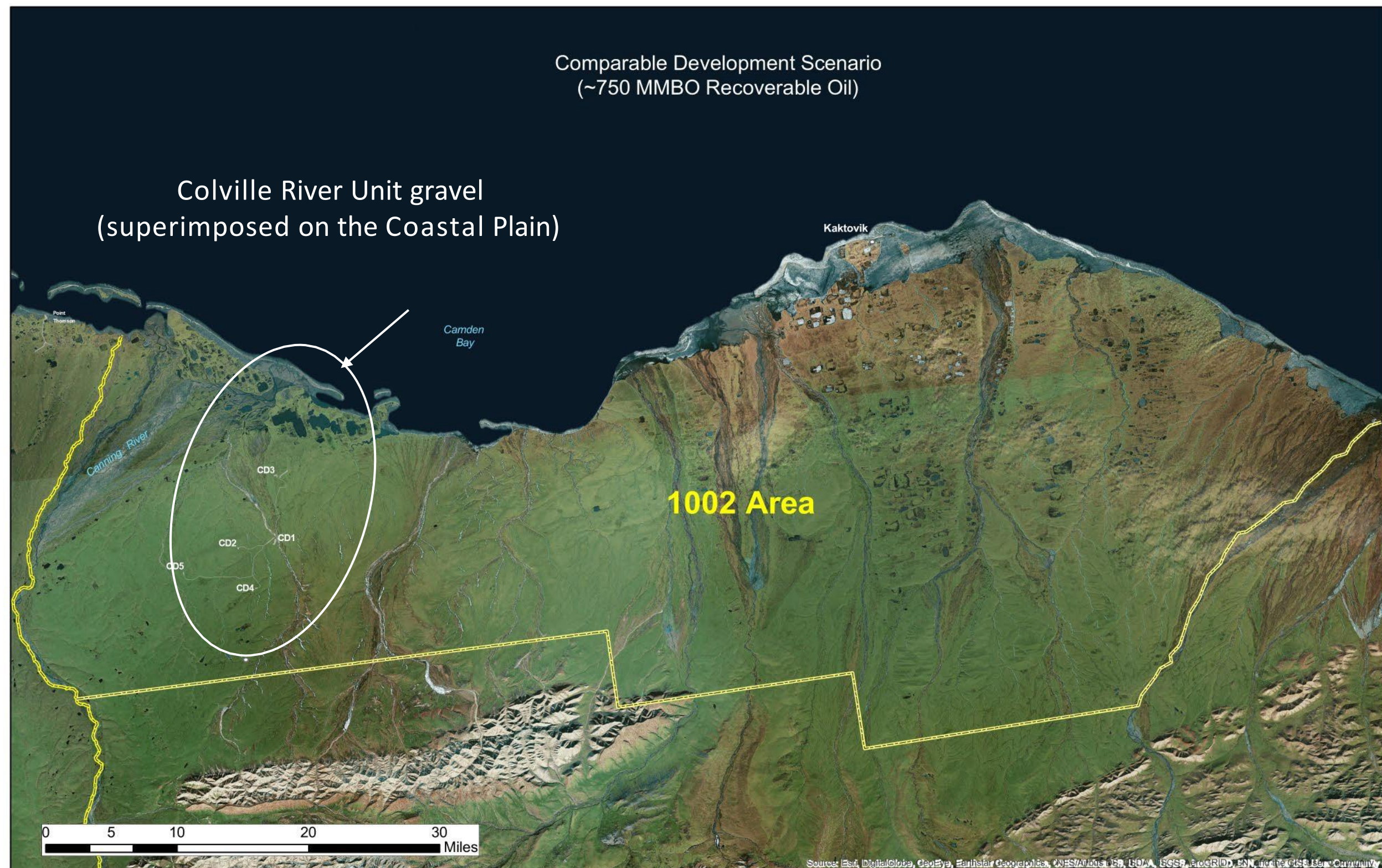
# Colville River Unit Footprint Example

Modern Development and Area of  
Drainage From Minimal Footprint <  
1,000 Acres of Gravel for ~700 MMBO Oil

- The CRU provides an example of the area of drainage from minimal gravel.
- This image shows development wells drainage from less than 1,000 acres of gravel.
- Washington DC, Alexandria, and Arlington are superimposed with the white box.
- Green is Kuukpik Corporation Lands.
- Red lines are development wells in the Alpine Field Development.



# Comparable Development ~ 1,000 ac of gravel for ~750 MMBO Recoverable Oil



# Ambler Access Project

# DeLong Mountain Transportation System (DMTS)

## Red Dog Mine (Northwest Arctic Borough)

- AIDEA-owned asset.
- In 1985, the Alaska Legislature, the Governor, and AIDEA agreed that some public support was needed to make Red Dog go forward. After many hearings, SB 279 and SB 280 were passed by the Legislature and signed into law.
- In 1986, AIDEA & Cominco (Teck) signed a 50-year agreement for the financing, construction, use, operation, and maintenance of the DMTS. Payments commenced on July 1, 1990, and the initial term will conclude on June 30, 2040.
- In 1987, funds for the road and port were \$180 million. (Part of the financing involved issuing \$130,250,000 in tax-exempt revenue bonds based on a 50-year agreement with Cominco (Teck))
- AIDEA expanded port facilities in 1997 by funding an additional \$85 million for port expansion and amended and reinstated the DMTS agreement.
- Project continues to yield significant dividends for NANA (royalty of \$255 million in 2021 and shares ~60% of the royalty with other Regional Corporations).
- Future opportunities also exist (Aktigiruaq prospect could be one of the largest undeveloped zinc deposits in the world).



**AIDEA's Return on Investment: \$296 Million**

### Benefits from AIDEA's Investment to the State and NWAB Economy

<b>Tax Revenue (thru '18)</b> <b>\$1.3 Billion</b>	<b>NWAB PILT (thru '21)</b> <b>\$269 Million</b>	<b>7(i) Payments (through '21)</b> <b>\$1.6 Billion</b>
<b>FY20 Employment</b> <b>1,500 Jobs</b>	<b>FY20 Wages</b> <b>\$120 million</b>	<b>AIDEA DIVIDENDS</b> <b>50%</b>

# West Susitna Access Project

Project update at the Skwentna Roadhouse  
- June 2024

Project supporters met to share an informative update and great discussion with local property owners in the project area at a gathering at the Skwentna Lodge.

From left to right: Representative Kevin McCabe, Todd Smoldon, Dana Pruhs, Robyn Reyes, Senator Mike Shower, Randy Ruaro, Logan Boyce, Andrew Traxler, Josie Wilson, Kurt Parkan, Hans Hoffman, Mike Brown, and Cindi Herman (top)



*The West Susitna Access Project is more than a transportation initiative – it is a cornerstone of Alaska’s future prosperity.*

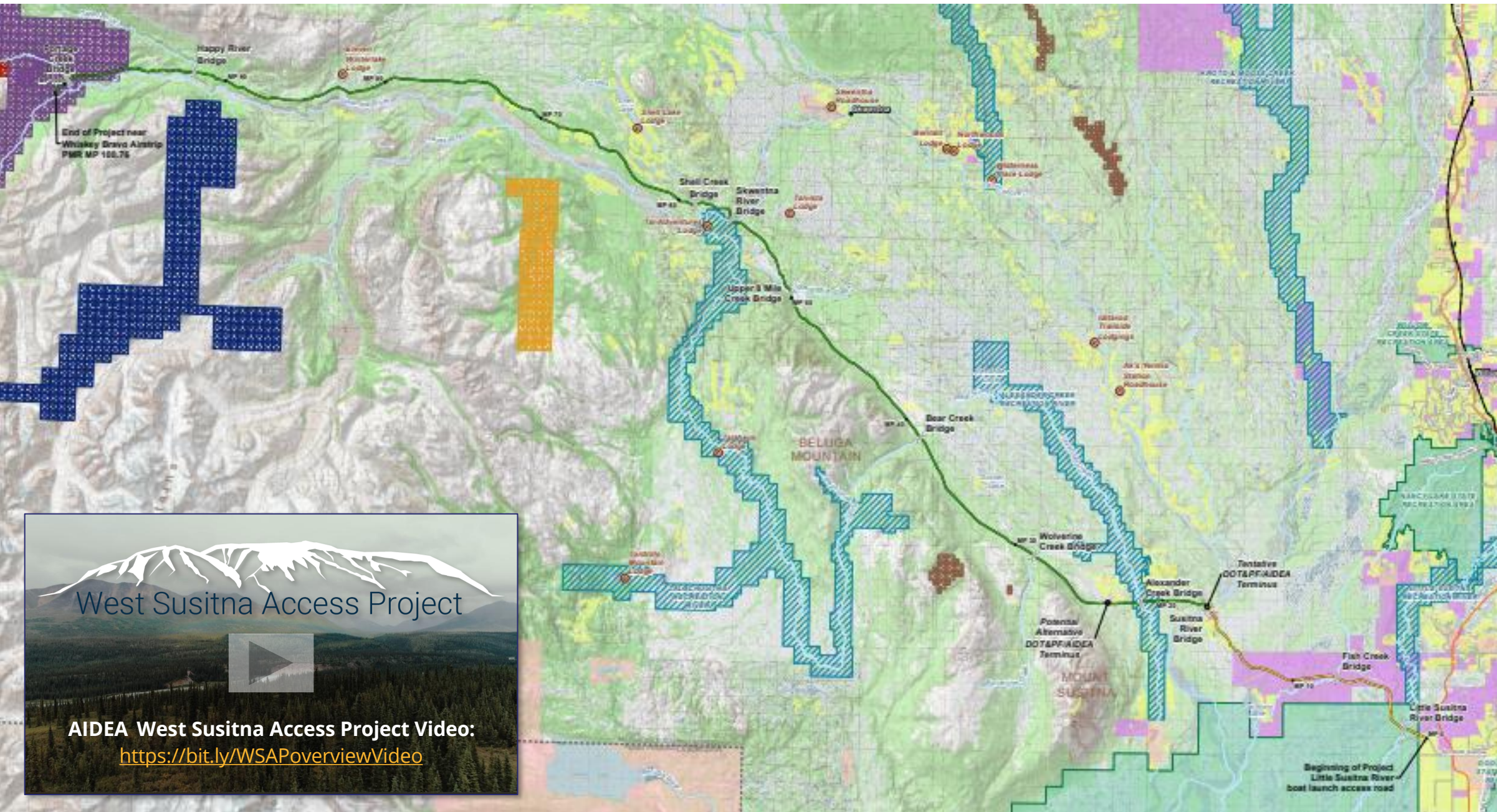
AIDEA West Susitna Access Project:  
<https://bit.ly/WSAPdev>



This 78-mile road project is located north of Anchorage and west of Wasilla and will provide access to many desired resources.

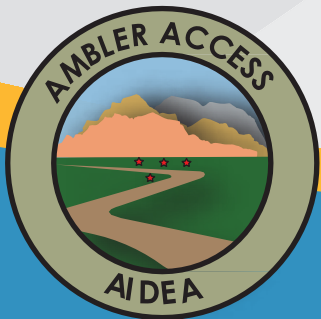
## Potential Benefits

-  Gold, copper, silver, coal, antimony, and other mineral resources.
-  Opportunities for clean energy, including geothermal, solar, wind, carbon capture and sequestration, and biomass resources.
-  More than 700,000 acres available for harvest.
-  Active energy exploration in the areas of the Susitna River, including Upper Cook Inlet, where active oil and gas-producing fields exist in the study area.
-  More than 65,000 acres of land has been identified for potential agricultural uses.
-  Many opportunities for recreational access including snowmachining, fishing, hunting, boating, recreational mining, and use of cabins.

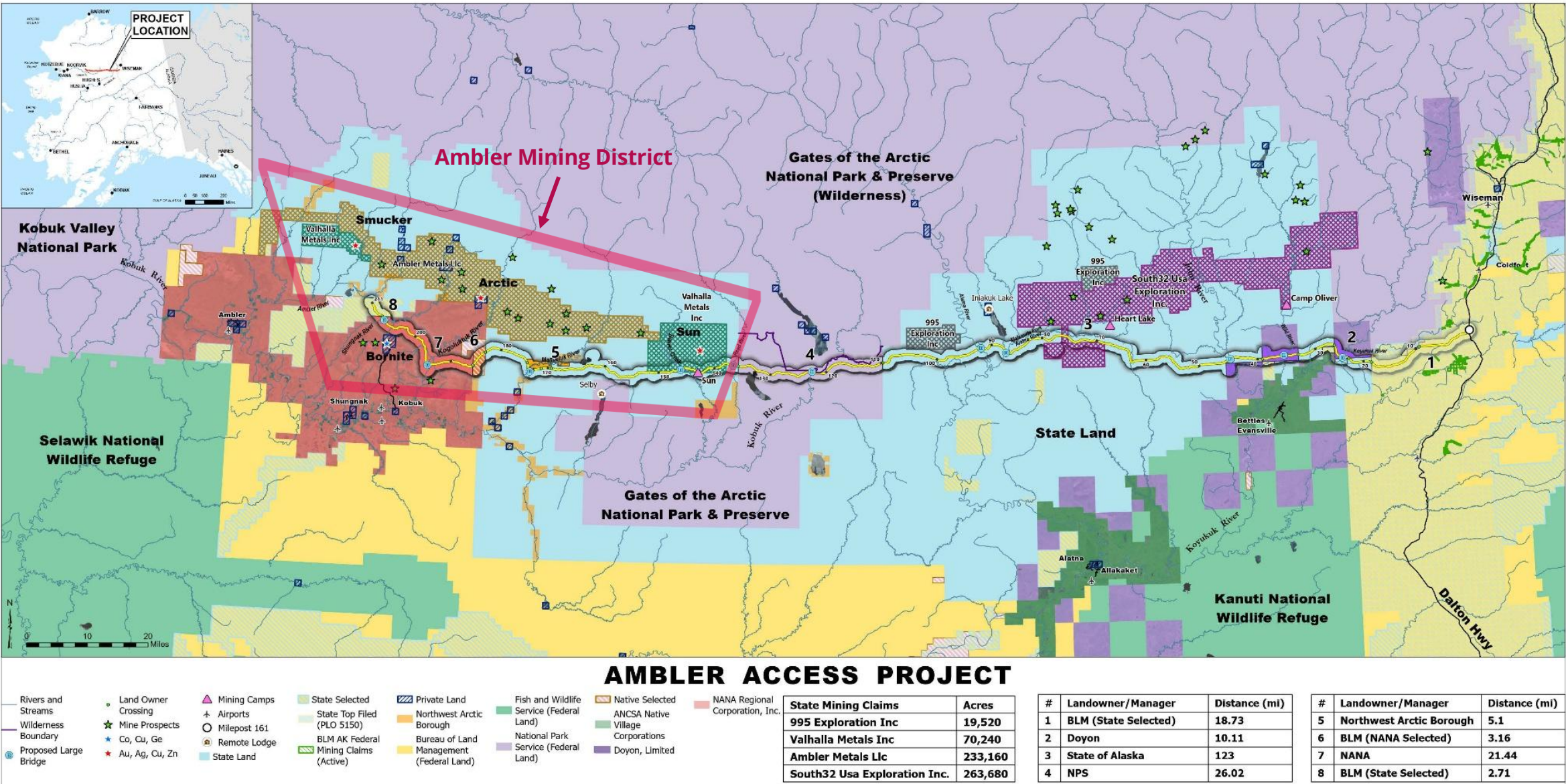


AIDEA West Susitna Access Project Video:  
<https://bit.ly/WSAPoverviewVideo>

# Access to Opportunities



## ESTIMATED TOTAL TAX AND ROYALTY REVENUE \$1,144,785,127



This 211-mile road project will provide access to almost 600,000 acres of active State mining claims. Starting from the Dalton Highway, it would stretch east towards the Ambler Mining District.

### Potential Benefits

#### Mine Construction

- 2,777 direct jobs with \$286 million in wages annually
- 2,034 additional indirect and induced jobs with \$108 million in wages annually

#### Mining Operations

- 495 direct jobs with \$72 million in wages annually
- 3,436 additional indirect and induced jobs with \$228 million in wages annually

#### Road Construction and Operations

- An annual average of 360 direct jobs over the road construction period
- Up to 81 direct annual jobs for road operations and maintenance over the life of the road

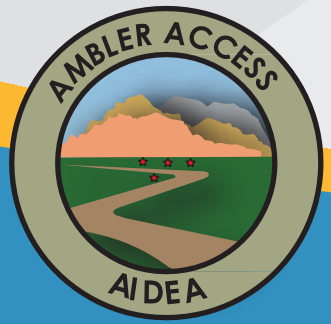
#### Government Revenue Generation

- \$393 million in mining license tax revenues
- \$524 million in corporate income taxes
- \$214 million in production royalties
- \$13 million in claim rents

Source: [UAA CED \(Page 17\)](#) 2019

# Shungnak Community

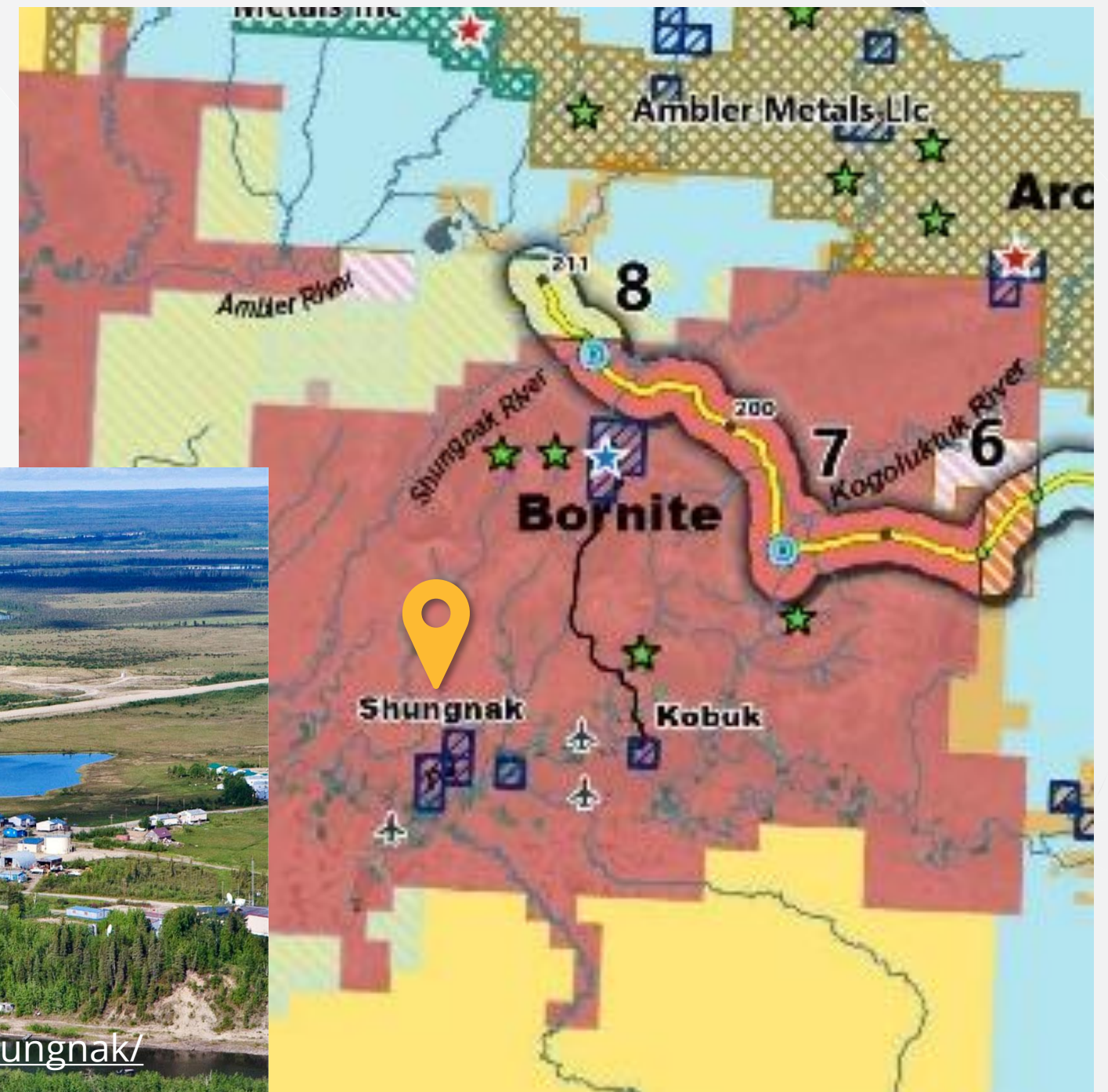
Fred Sun, Sr. Tribal President of the Native Village of Shungnak



Shungnak, on the west bank of the Kobuk River, was originally located 10 miles further upstream at Kobuk until river erosion and flooding forced the village to relocate. Issingnak is the Iñupiat word for jade, which is found throughout the neighboring hills. Shungnak is an Iñupiat village where subsistence is an important part of the economy.

Native Village of Shungnak:

- Incorporated in 1967
- 15 miles from the proposed Ambler Access Road
- Population in 2020: 272
- Median Household Income: \$76,667
- In the Northwest Arctic Borough



# Allakaket Community

## PJ Simon, First Chief of the Village of Allakaket

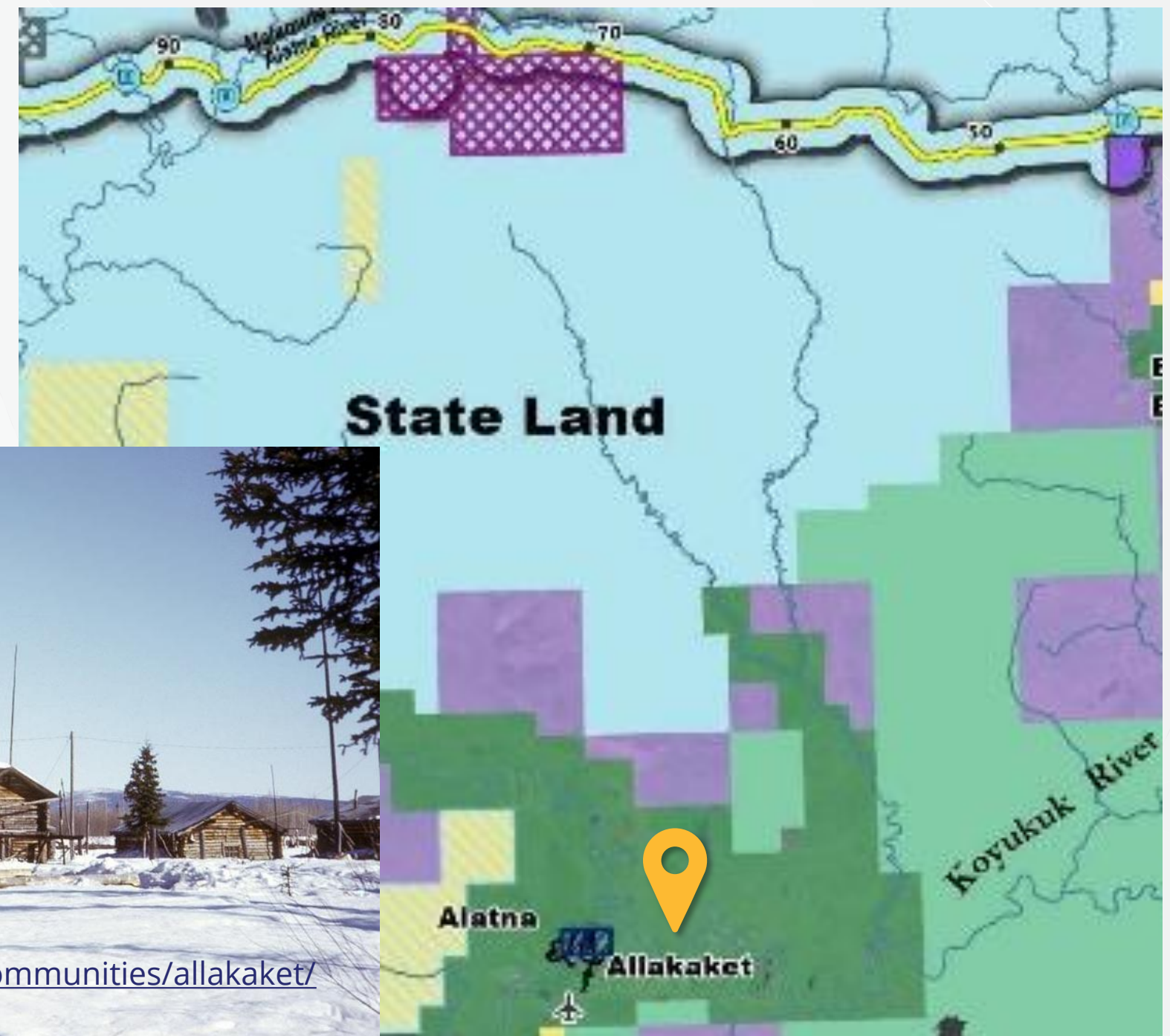
Allakaket is on the south bank of the Koyukuk River, southwest of its junction with the Alatna River, approximately 190 air miles northwest of Fairbanks and 57 miles upriver from Hughes. The village of Alatna is located directly across the river.

Village of Allakaket:

- Incorporated in 1975
- 34 miles from the proposed Ambler Access Road
- Population in 2020: 177
- Median Household Income: \$25,000
- Unorganized Borough



[www.tananachiefs.org/about/communities/allakaket/](http://www.tananachiefs.org/about/communities/allakaket/)



# “If not resource development, then what?”

-Fred Sun, Tribal President of the Native Village of Shungnak

Watch this informative video:  
<https://bit.ly/AAPthanWhat>



**Thank you for your support of AIDEA's services and programs.**

**Together we are enabling long-term jobs  
and economic opportunities for Alaskans.**



[www.aidea.org](http://www.aidea.org)

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