



RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

January 27, 2025

Submitted electronically via: House.State.Affairs@akleg.gov,
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House State Affairs Committee
Alaska State Legislature
Juneau, Alaska



RE: Oppose HB 124, AIDEA

Dear Chair Carrick, Vice Chair Story and Members of the House State Affairs Committee:

The Resource Development Council for Alaska (RDC) writes to comment on HB 124, an Act related to the Alaska Industrial Development and Export Authority (AIDEA).

RDC is a statewide, non-profit trade association founded in 1975. Our membership is comprised of individuals and companies from Alaska's fishing, tourism, forestry, mining, and oil and gas industries and includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

RDC has significant concerns with several provisions of HB 124. In particular, Section 8 would require AIDEA to reduce its assets to no more than \$500 million by mandating the sale of approximately \$1.2 billion in existing assets. Section 9 would further require projects exceeding \$10 million to receive legislative approval in addition to already robust permitting, financing, and regulatory review processes. Taken together, these provisions would force AIDEA to divest core assets, potentially at a substantial loss, while also disrupting existing loan programs that support thousands of Alaska small businesses.

AIDEA was intentionally structured as an independent public corporation with a mandate to promote economic development and job creation. For decades, the legislature has recognized that this mission depends on insulating AIDEA's investment decisions from political interference and treating its assets as separate from general state funds. Introducing ad hoc legislative control over AIDEA's project approvals and asset management would undermine that



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framework and threaten the Authority's AA+ bond rating, which is essential to financing large-scale infrastructure and development projects.

By shifting major economic development decisions out of established due-diligence processes and into the uncertainty of the legislative cycle, HB 124 would chill private investment, delay or derail critical infrastructure projects, and potentially signal to investors that Alaska's business environment is unpredictable and unstable.

The bill would place several active projects at risk, including the Interior Energy Project, Yukon-Kuskokwim Health Corporation facilities, and Cook Inlet Gas Development totaling nearly \$400 million. In addition, HB 124 could jeopardize future large-scale projects, including ANWR-related development and the Ambler Road, which have the potential to generate billions in long-term state revenue and create thousands of jobs. The uncertainty created by legislative micromanagement, where project approvals and financing could change from one year to the next, would effectively stall these investments before they begin.

For these reasons, RDC urges legislators to reject HB 124. If changes to AIDEA oversight are warranted, they should be narrowly tailored, carefully considered, and structured to preserve AIDEA's ability to fulfill its mission supporting responsible resource development and long-term economic opportunity for all Alaskans. Thank you for the opportunity to comment.

Sincerely,

Connor Hajdukovich
Executive Director

Resource Development Council for Alaska

Celebrating 50 Years of Responsible Resource Development in Alaska



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