

# Report of the 2013 Alaska Minerals Commission



Drill rig on Millrock's Estelle Project, Alaska Range near Rainy Pass  
Millrock Resources – Teck American Inc. Joint Venture gold exploration project

# The Alaska Minerals Commission

The Alaska Minerals Commission serves in an advisory capacity to the Governor and the Alaska State Legislature. Its role is to recommend ways to mitigate constraints on mineral development in Alaska. This annual report fulfills that mandate.

Commission members are appointed by the Governor, the President of the Senate, and the Speaker of the House.

Current members represent the placer, hard rock, and coal mining industries across the state. Created by the Legislature in 1986, the Commission's authorization continues through 2014.

# The Alaska Minerals Commission

## Appointed by the Governor

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Vice-Chairman

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# **Alaska Minerals Commission**

## **2013 Report Introduction**

### **Introduction**

The State of Alaska continues to take positive steps to attract mining industry investment. It aggressively defends the state's right to develop its resources, reforms and streamlines regulation, and works with industry to develop transportation and energy infrastructure.

Overall, the actions by the state this past year continue to send the message that Alaska is open for business investment.

These actions signal that responsible mineral resource developers are welcome and will be treated fairly. The state is on the right course and the Commission encourages the administration and Legislature to continue these initiatives.

# **Alaska Minerals Commission Recommendations 2013**

## **ISSUE**

## **ACTION ITEM**

- |   |  |
|---|--|
| <b>1. Tax Climate / Resource Revenue Sharing</b>                          | <b>Reform tax policy for revenue sharing</b>   |
| <b>2. Transportation Infrastructure</b>                                   | <b>Support administration's initiative</b>   |
| <b>3. Education</b>   | <b>Support K-12 and college level resource education</b>   |
| <b>4. Federal Intervention</b>  | <b>Encourage legislative funding to continue legal relief</b>  |
| <b>5. Division of Geological &amp; Geophysical Surveys (DGGS) Funding</b> | <b>Encourage administrative and legislative funding of DGGS and the Alaska Geologic Materials Center</b> |

# Tax Climate – Revenue Sharing

Local communities should benefit when a resource-based investment is made in rural Alaska. Whether related to long-term large-scale mining or short-term seasonal prospecting, the economic boost to local economies from mining development is sometimes accompanied by increasing challenges for communities to provide local government services.

## **Recommendation:**

- Portions of the existing statewide mining license tax collected from mining operations, regardless of land ownership, should be allocated to communities near mining developments. Simultaneously, the municipal tax code should be revised to preclude local municipal severance taxes on mineral resources.

# Transportation Infrastructure

Roads to Resources

Ports

Leverage private development

Reduces cost of living in rural Alaska

Going in the right direction

Recommendations:

- Continue outreach, environmental studies, engineering studies in northwest Alaska
- Support financing options: public-private partnerships
- Restricted use roads – limited access to subsistence areas
- Investigate transportation corridors



# Education



University of Alaska funding, Consolidated Alaska Minerals Initiative (CAMI).

Build on investment – UA is doing great things and becoming a leading institution

Provide needed funding for mining engineering and earth science programs

Collaborative, coordinated, efficient effort needed – support CAMI

Alaska Resource Education – K-12

Preserve current funding at \$100,000 and appropriate \$100,000 for Google Earth minerals curriculum



# Federal Intervention

Alaskan resource development projects face increasing federal intervention that prevents the State of Alaska from developing its natural resources.

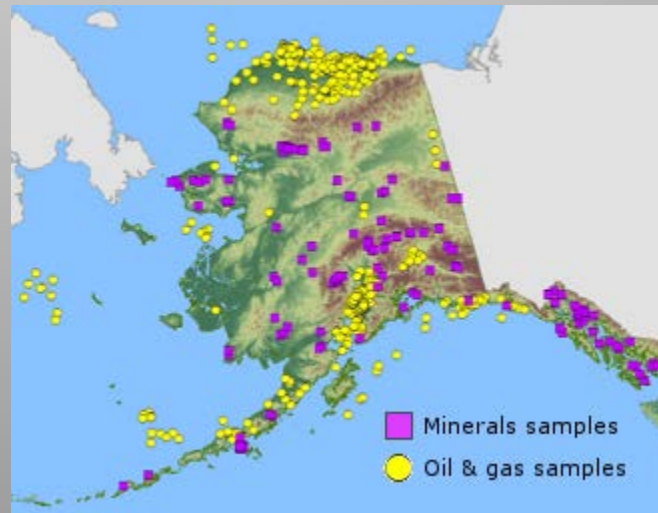
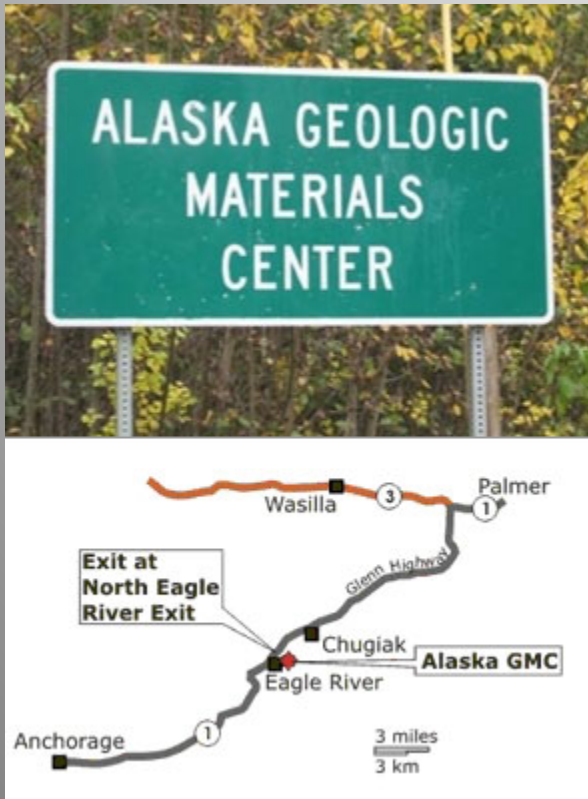
- Federal intervention from legally unprecedented regional assessments targeted at stopping development of large world-class deposits
- The implementation of Emission Control Areas (ECA), which imposes the use of more expensive fuel for all shipping activity within all U.S. coastal waters.

## **Recommendation:**

- To maintain Alaska's right to develop its resources (large and small) and to fend off precedent-setting court cases, the State of Alaska must have funding available for expert witnesses, attorney fees, court costs, and staff resources.

# Division of Geological & Geophysical Surveys (DGGS) Funding

There is great value in retaining drill hole samples obtained from mineral and petroleum exploration in Alaska. These specimens provide essential information in the search for ore deposits and petroleum reserves, for re-interpretation of structural and stratigraphic relationships, and for geoscientific research. The current facility in Eagle River is inadequate and cannot expand. A new facility is needed.



# Geological & Geophysical Mapping

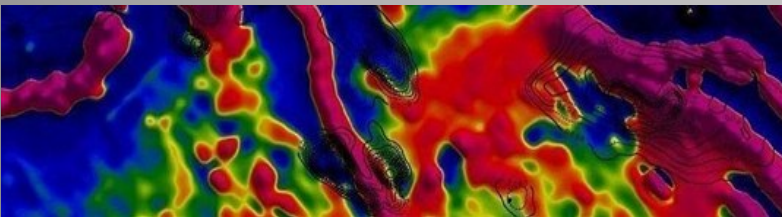


The Airborne Geophysical/Geological Mineral Inventory (AGGMI) program is a multi-year investment to expand the knowledge base of Alaska's mineral resources and catalyze private-sector mineral development. It works. The program products create immediate interest from industry and the state sees direct benefits from mining claim fees.

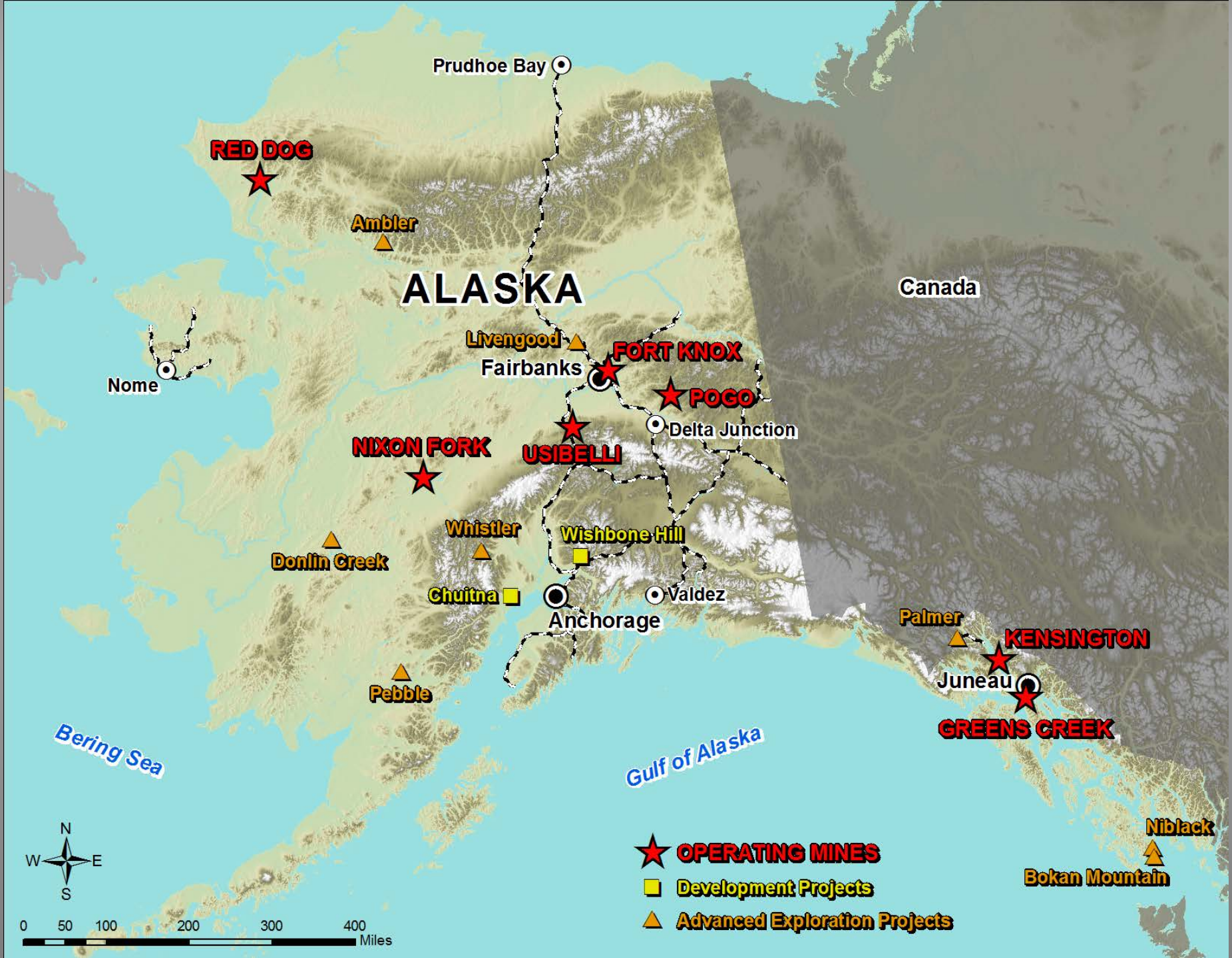
**Issues:** Competitive salaries with industry  
Funding for surveys

## **Recommendations:**

- Increase DGGs salary levels.
- Encourage administrative and legislative funding of DGGs surveys and materials center.









## Mining in Alaska

A growing industry that creates many well-paying jobs in rural and urban areas. It is poised to grow given a supportive business climate.

