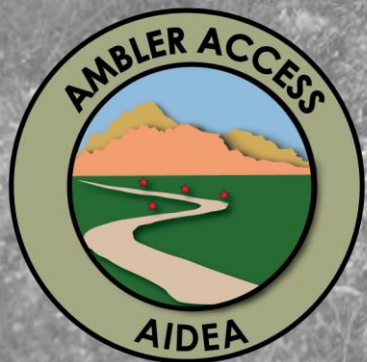




Senate Resources Committee

February 2019



**Ambler Mining District Industrial Access Project
(AMDIAP) UPDATE**



Agenda

1. AIDEA's Role
2. DMTS Model
3. AMDIAP Background
4. Project Purpose
5. Proposed Project
5. Permitting Update/Next Steps
6. Questions/Discussion



AIDEA's Role

What is AIDEA's Role



The Alaska State Legislature

- HOME
- SENATE
- HOUSE
- BILLS & LAWS
- MEDIA CENTER
- PUBLICATIONS
- GET STARTED

31st Legislature(2019-2020)
Alaska Statutes 2018
[AS 44.88](#)

SEARCH Display ?

Basis Navigation

- Bills
- Legislators
- Committees
- Session
- Session Laws
- Tools
- Archive

Search

Statutes Navigation

- ToC
- Print
- Email Link

Embed This

Article 1. Creation and Organization.
Chapter 88. Alaska Industrial Development and Export Authority.
Sec. 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 exists;
(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, energy, 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, energy, export, small business, and business enterprises in the state 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;

TITLE 44. STATE GOVERNMENT.
Chapter 88. Alaska Industrial Development and Export Authority.
REFERENCES
[3 AAC 99.530](#)
[3 AAC 99.906](#)
[3 AAC 99.906](#)
[AS 29.45.050](#) Optional exemptions and exclusions.

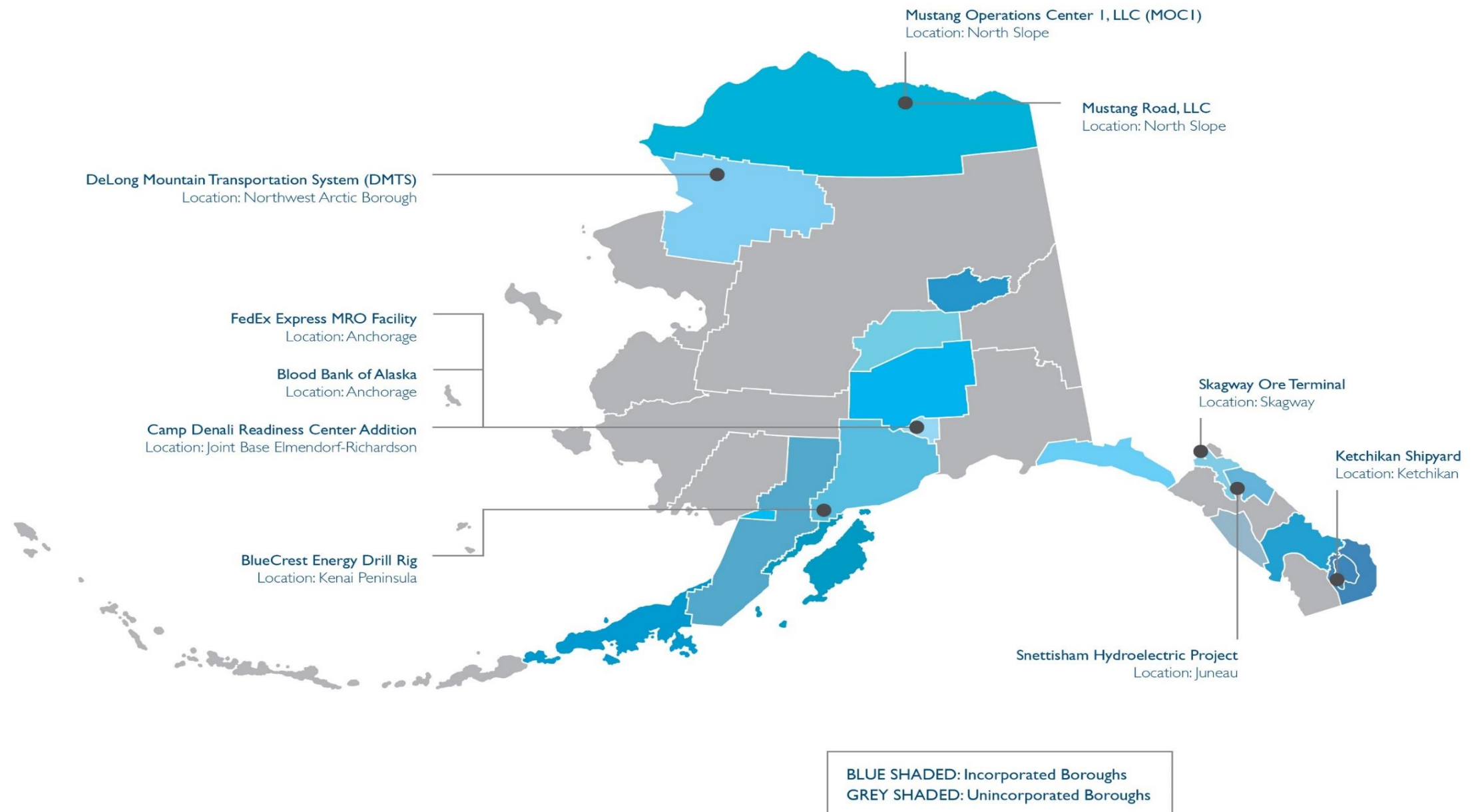
[AS 44.61.000](#) ">
Chapter 61. Alaska Industrial Development Authority.

[AS 39.50.200](#) Definitions.

[AS 36.30.850](#) Application of this chapter.



AIDEA's Projects





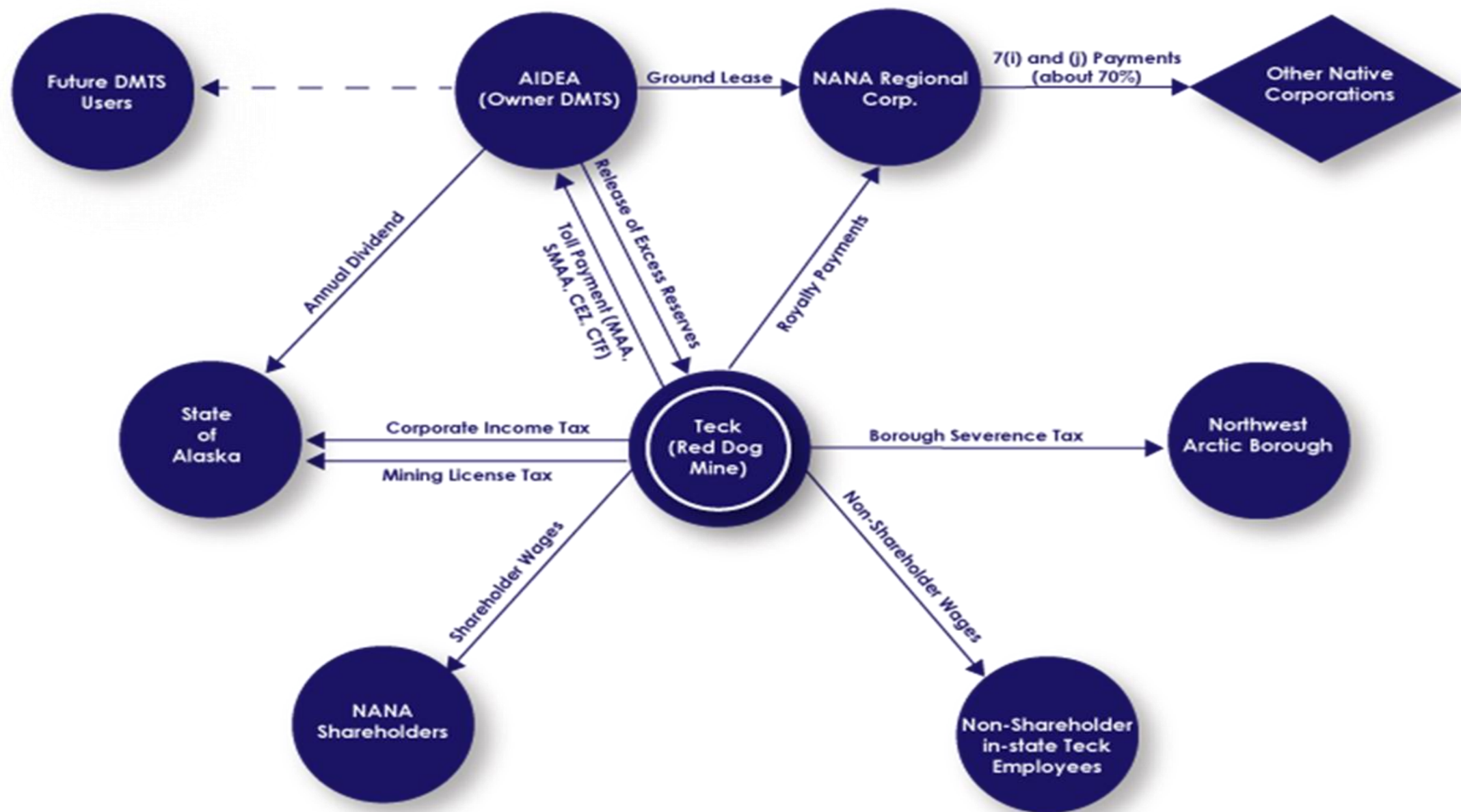
DMTS Project Model



DMTS – Red Dog Model Success

- Employment
 - Annual average of 550 jobs - average salary of \$99,000
 - 55% of year-round Red Dog jobs filled by NANA Shareholders
 - 78% of Teck Alaska workers live in AK
- Northwest Arctic Borough (NWAB)
 - PILT payments for 2016 to 2021 estimated at \$14MM to \$18MM annually
 - New Village Improvement Fund - payments of \$4MM to \$8MM annually
 - Total wages in NWAB \$65MM
- Native Corporation Participation
 - Royalties to NANA shared with other Alaska Native Corporations (ANCSA Section 7(i)/7(j))
 - \$1.1B shared by NANA since 1990
 - 2016 \$108.7MM NANA royalty; \$65.8MM shared
 - 2017 \$247.0MM NANA royalty; \$156.4MM shared

Stakeholders in the Red Dog Mine





Project Background

Project History

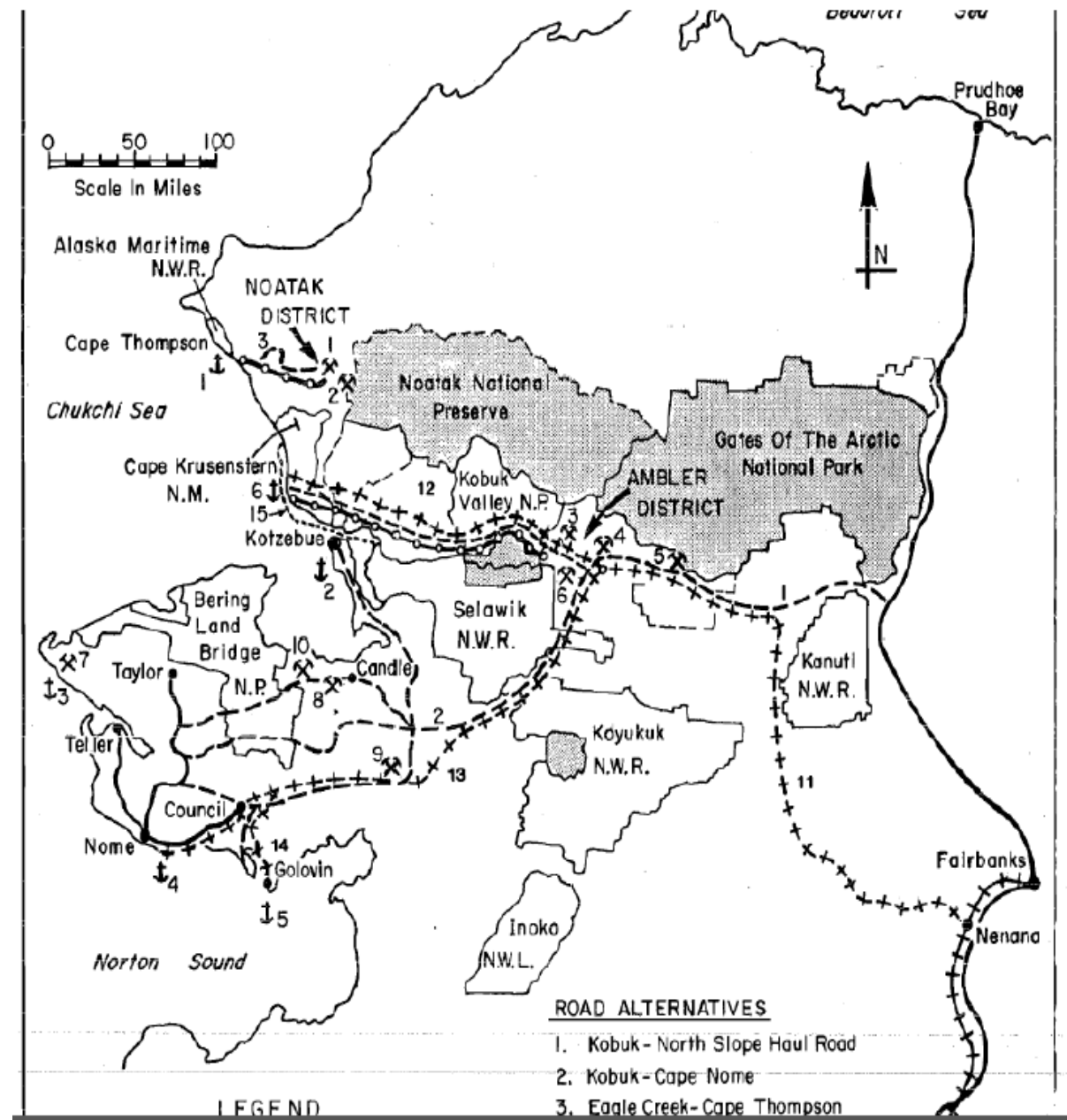
ALASKA CONSTRUCTION

February, 1968 — 50 cents

the colorful story
of bornite, a
far-north
outpost
where
men are
waging a



1968 Bornite Article



1981 Western Alaska Access Study



ANILCA Provision for Ambler Access

PUBLIC LAW 96-487—DEC. 2, 1980

94 STAT. 2379

and scenic beauty of the mountains, forelands, rivers, lakes, and other natural features; to provide continued opportunities, including reasonable access, for mountain climbing, mountaineering, and other wilderness recreational activities; and to protect habitat for and the populations of, fish and wildlife, including, but not limited to, caribou, grizzly bears, Dall sheep, moose, wolves, and raptorial birds. Subsistence uses by local residents shall be permitted in the park, where such uses are traditional, in accordance with the provisions of title VIII.

Post, p. 2422.

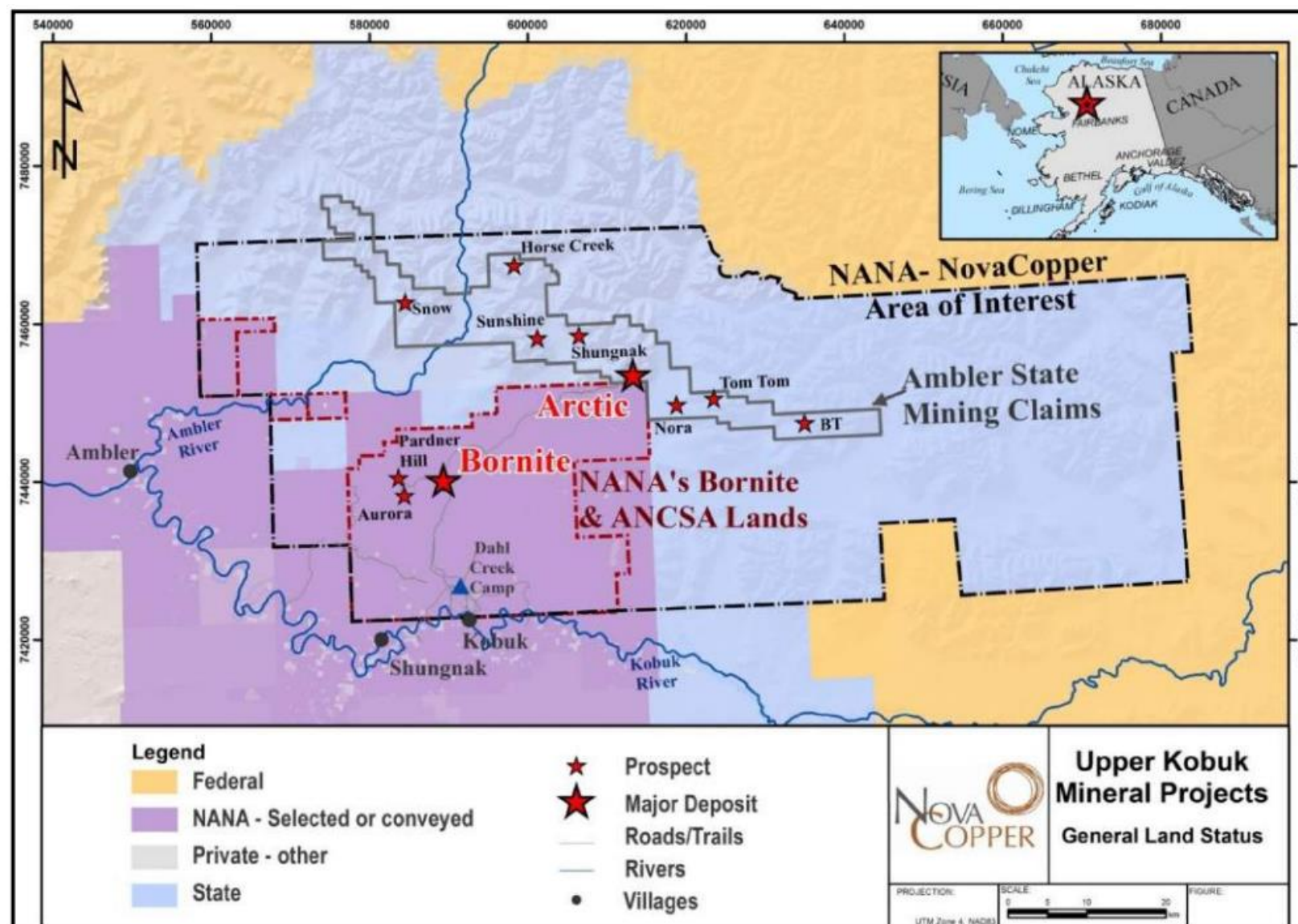
(b) Congress finds that there is a need for access for surface transportation purposes across the Western (Kobuk River) unit of the Gates of the Arctic National Preserve (from the Ambler Mining District to the Alaska Pipeline Haul Road) and the Secretary shall permit such access in accordance with the provisions of this subsection.



Project Purpose

Unlock the Resource Rich Region

- 75-mile-long mineralized area
- Copper, Lead, Zinc, Gold, Silver and Cobalt Resources



Arctic NI 43-101 Figure 4-1



Arctic & Bornite Resource Estimates (Trilogy)

**8 billion pounds of
copper**

**3 billion pounds of
zinc**

**Over 1 million ounces
of gold equivalent
precious metals**

- Sources: Progress in 2018 reports. Arctic pre-feasibility study, Bornite resource estimate.

Goals of the Project

- Develop industrial access to the Ambler Mining District
- Support exploration and development of mineral resources in the Ambler Mining District
- Promote economic development and job opportunities in the region and the state

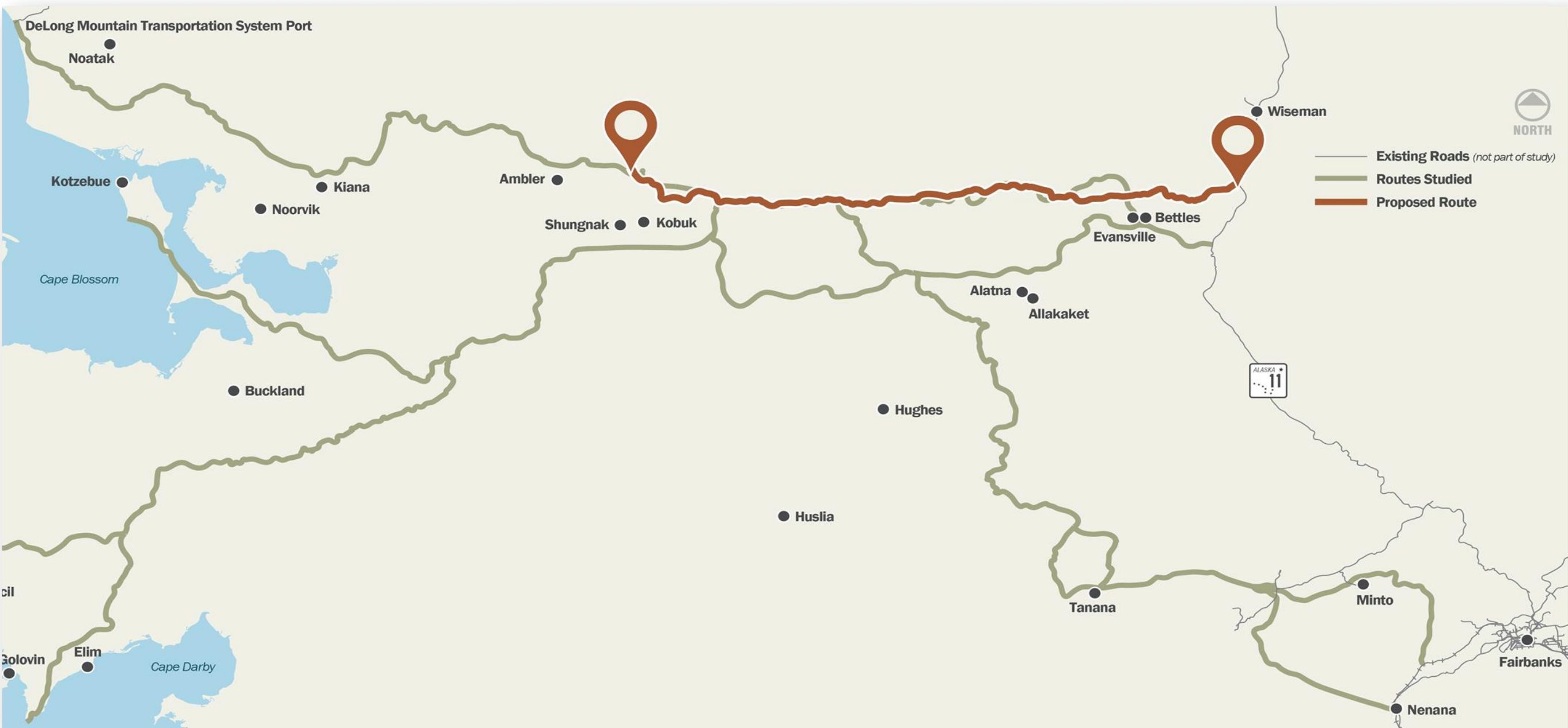




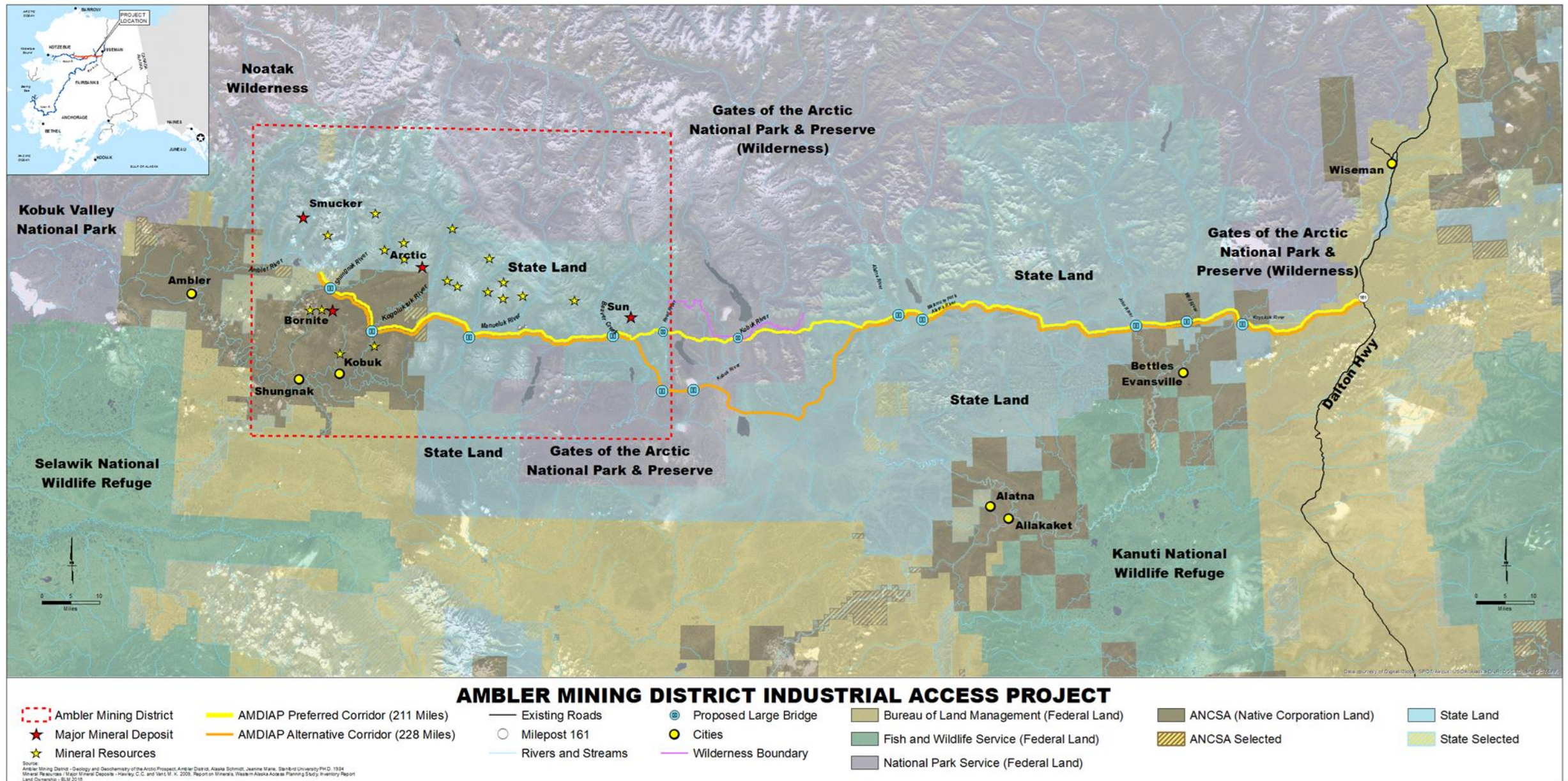
Proposed Project



AMDIAP DOT/PF Corridor Alternatives



AIDEA Proposed AMDIAP Corridor





Ambler Proposed Construction Costs (DOWL)

Phased development as demand increases

- Phase I – 16ft single-lane, seasonal road (approx. \$280MM)
- Phase II – 18ft single-lane, year-round road (approx. \$40MM additional)
- Phase III – 32ft two-lane, year-round road (approx. \$60MM additional)

*2017 dollars with 10% contingency. Bridges are 1-lane wide with a 23-foot deck width. \$320MM total after Phase II and \$380MM total after Phase III).



Benefits of Project

- Potential Road Benefits
 - Construction: Annual average of 486 jobs
 - Operations: Estimated 68 full-time jobs
- Potential Mine Benefits
 - Mine construction (4 mines)
 - 5,933 direct jobs with \$457.4MM/yr. in wages
 - Mine operations (4 mines)
 - 1,534 direct jobs with \$164.2MM/yr. in wages
- Potential Government Revenues (4 mines)
 - \$261MM estimated in mining license tax revenues to state
 - \$357MM estimated in corporate income taxes to state
 - \$78MM estimated in production royalties to state
 - \$6.5MM estimated in annual PILT to NWAB per mine

From Cardno report using 2014 Dollars



Permitting/Next Steps



Ambler Permitting Process

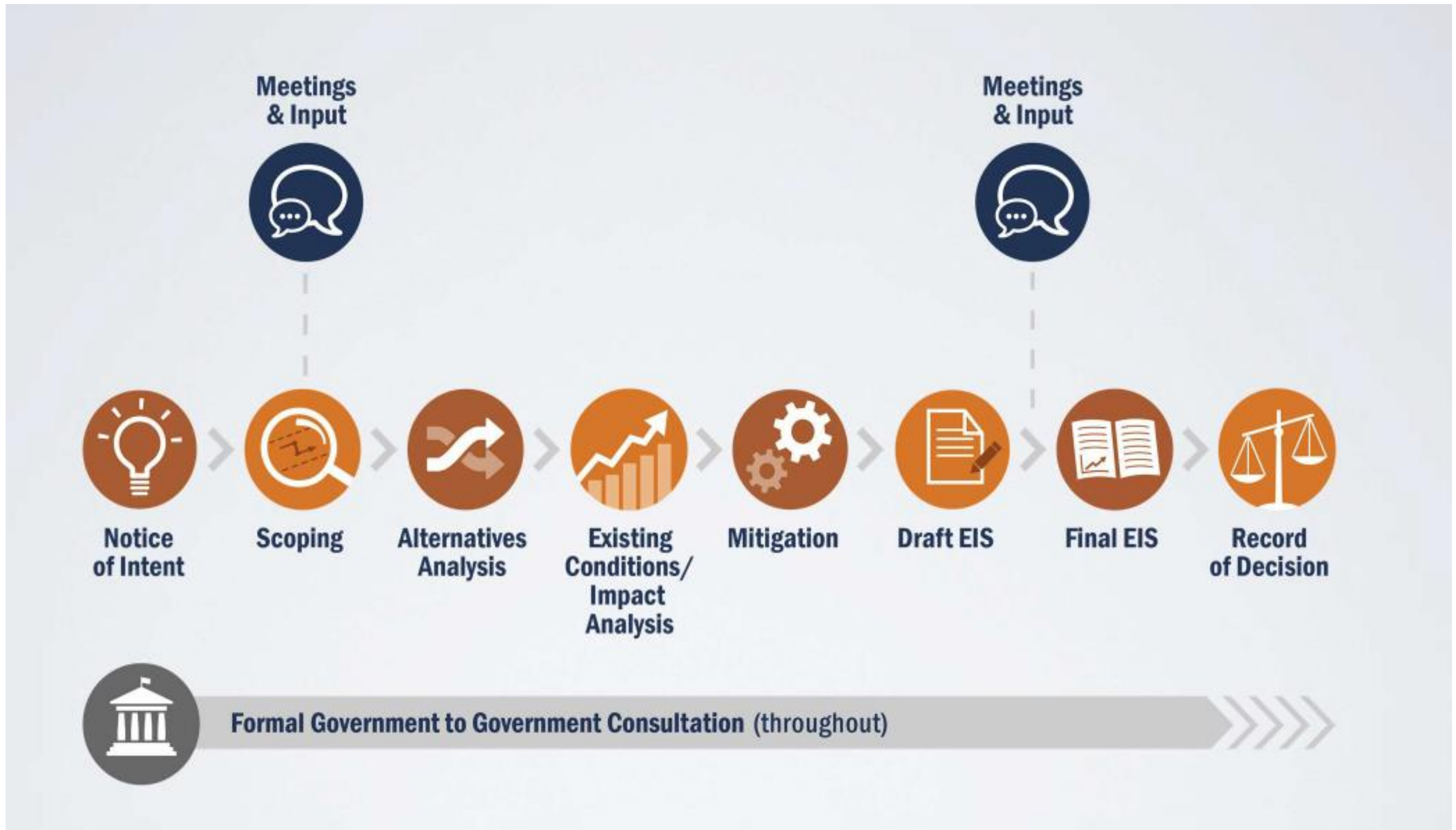
Application submitted to relevant federal agencies:

- BLM – NEPA and Title XI of ANILCA
- NPS/FHWA – ANILCA Section 201 (4) (Title II)
- USACE – wetland permits
- USCG – bridge permits



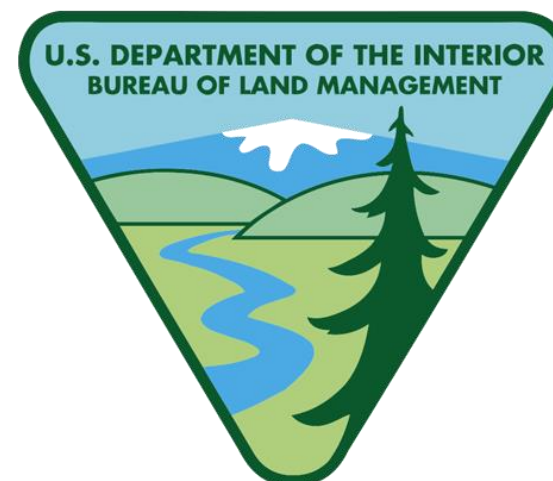


NEPA Process

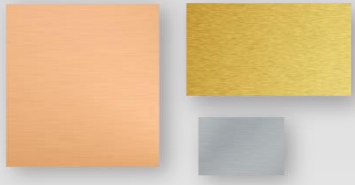




CRA Agreement for EIS Schedule



- Draft EIS August 2019
- Final EIS November 2019
- Record of Decision (ROD) December 2019



Questions/Discussion

www.ambleraccess.org