

ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE TRANSPORTATION STANDING COMMITTEE
HOUSE RESOURCES STANDING COMMITTEE

3:14 p.m.

DRAFT

MEMBERS PRESENT

HOUSE TRANSPORTATION STANDING COMMITTEE

Representative Grier Hopkins, Chair
Representative Sara Hannan, Vice Chair
Representative Harriet Drummond
Representative Tom McKay
Representative Kevin McCabe
Representative Mike Cronk

HOUSE RESOURCES STANDING COMMITTEE

Representative Josiah Patkotak, Chair
Representative Grier Hopkins, Vice Chair
Representative Sara Hannan
Representative George Rauscher
Representative Mike Cronk
Representative Ronald Gillham
Representative Tom McKay

MEMBERS ABSENT

HOUSE TRANSPORTATION STANDING COMMITTEE

Representative Louise Stutes

HOUSE RESOURCES STANDING COMMITTEE

Representative Zack Fields
Representative Calvin Schrage

COMMITTEE CALENDAR

PRESENTATION(S): KINROSS GOLD ORE TRUCKING PROPOSAL

- HEARD

PRESENTATION(S) : DOT&PF AND THE KINROSS ORE TRUCKING PROPOSAL

- HEARD

PRESENTATION(S) : ADVOCATES FOR SAFE ALASKA HIGHWAYS

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JEREMY BRANS, General Manager
Kinross Fort Knox
Juneau, Alaska

POSITION STATEMENT: Gave a PowerPoint presentation on the Kinross gold ore trucking proposal.

MICHAEL SAM, Chief
Village of Tetlin
Tetlin, Alaska

POSITION STATEMENT: Offered invited testimony during the presentation on the Kinross gold ore trucking proposal.

RYAN ANDERSON, Commissioner Designee
Office of the Commissioner
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Gave a presentation on DOT&PF and the Kinross gold ore trucking proposal.

BARBARA SCHUMANN
Advocates for Safe Alaska Highways
Fairbanks, Alaska

POSITION STATEMENT: Co-presented a PowerPoint presentation, titled "An Alaskan Plea for Safety."

JOHN COOK
Advocates for Safe Alaska Highways
Fairbanks, Alaska

POSITION STATEMENT: Co-presented a PowerPoint presentation, titled "An Alaskan Plea for Safety."

JEREMY BRANS, General Manager
Kinross Fort Knox

Juneau, Alaska

POSITION STATEMENT: Answered questions during the presentation by Advocates for Safe Alaska Highways.

RYAN ANDERSON, Commissioner Designee
Office of the Commissioner
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Answered questions during the presentation by Advocates for Safe Alaska Highways.

ACTION NARRATIVE

[3:14:41 PM](#)

CHAIR GRIER HOPKINS called the joint meeting of the House Transportation Standing Committee and the House Resources Standing Committee to order at 3:14 p.m. Representatives Hopkins, Patkotak, McKay, McCabe, Cronk, Gilham, Rauscher, Hannan, Drummond (via teleconference) were present at the call to order.

PRESENTATION(S): Kinross Gold Ore Trucking Proposal

[3:15:51 PM](#)

CHAIR HOPKINS announced that the first order of business would be a presentation on the Kinross gold ore trucking proposal.

[3:18:19 PM](#)

JEREMY BRANS, General Manager, Kinross Fort Knox, gave a PowerPoint presentation, titled "Manh Choh Project Update" [hard copy included in the committee packet], dated 3/8/22. He explained that Kinross, a value-based company, was one of the world's largest gold producers that took a legacy approach to new projects. Fort Knox celebrated 25 years of operation in Fairbanks with total contributions of \$127 million in property taxes, \$50 million in state taxes, and 715 direct jobs. He emphasized Kinross's positive impact on local and host communities. The Manh Choh project was an open pit gold mine near Tetlin, Alaska with a 4-5-year life prediction and estimated total production of one ounces of gold. Production would start in 2024 and bring hundreds of good paying jobs to the region with an average annual wage of \$130,000, boosting the local economy. The anticipated cost was over \$1 billion for the course of the project.

3:36:26 PM

MR. BRANS conveyed that Tetlin were Upper Tanana Athabascans with a predominantly subsistence lifestyle. The land was owned entirely by the Tetlin Village, not part of Alaska Native Claims Settlement Act (ANCSA). He noted Kinross's effort to foster relationships in the area with the Tetlin Tribe and stakeholders. The new business model was to mine the ore at Manh Choh and truck it to Fort Knox using existing infrastructure. The ore transport plan was the only way to make a profit on the project due to the difficulty of amortizing a medium size deposit; it would also reduce the environmental impact at the project site. However, residents and users of the Alaska and Richardson Highways may experience increased road traffic along the route.

3:49:33 PM

CHIEF MICHAEL SAM, Chief, Village of Tetlin, shared that as elected Tetlin Tribal chief, his primary job was to look out for the physical, social, and financial well-being of his Tribe members. The Manh Choh project exacts long-term revenue and funding opportunities and would help train the workforce with transferrable skills to other projects in Alaska. The project team was in constant communication with the community, keeping them informed every step of the way to ensure that Tribal culture and traditions were protected. In response to committee questions, Chief Sam stated that Manh Choh would provide more opportunities for the people of Tetlin. His goal was to implement water sewer infrastructure with the money coming in from the project, employ Alaskans, and boost the local economy. The population of Tetlin was 125, of which 50 were able-bodied employees; Tribal membership was around 300 members.

4:05:20 PM

MR. BRANS resumed the presentation on the topic of the ore transport plan. The trucks were similar to double fuel and cargo trailers with a payload of 45 tons driving at an estimated 2 to 4 trucks per hour in each direction. Kinross and its trucking partners promised to implement a strong safety culture through recruitment, training, driver safety, structured contracts, real time vehicle monitoring, purpose-built equipment, and a commitment to drive to conditions.

PRESENTATION(S): DOT&PF and the Kinross Ore Trucking Proposal

[4:19:32 PM](#)

CHAIR HOPKINS announced that the next order of business would be a presentation by the Department of Transportation & Public Facilities (DOT&PF) on the Kinross ore tucking proposal.

[4:19:56 PM](#)

RYAN ANDERSON, Commissioner Designee, Office of the Commissioner, Department of Transportation & Public Facilities (DOT&PF), stated that highway safety and fair access was DOT&PF's top priority. The department had attended Kinross's public meetings and supported the legal use of state highways. The route from Manh Choh to Fort Knox was classified as an interstate highway that had been maintained by a fair amount of federal funds. The department was working with its federal partners to evaluate the use of the corridor in a way that addressed public and stakeholder concerns.

[4:25:31 PM](#)

COMMISSIONER DESIGNEE ANDERSON, in response to committee questions, clarified that a formalized plan had not been submitted by Kinross. An ideal plan would address DOT&PF statutes, regulations, and safety aspects. The department was considering investment in Richardson Highway with the addition of passing lanes with or without Manh Choh. He estimated that building a new bridge on the Alaska Highway would be an eight-to-nine-year project in total.

PRESENTATION(S): Advocates for Safe Alaska Highways

[4:36:51 PM](#)

CHAIR HOPKINS announced that the next order of business would be a presentation by the Advocates for Safe Alaska Highways (ASAH).

[4:37:33 PM](#)

BARBARA SCHUMANN, Advocates for Safe Alaska Highways (ASAH), gave a PowerPoint presentation, titled "An Alaskan Plea for Safety" [hard copy included in the committee packet]. She emphasized that ASAH was opposed to the transportation plan, not the mine itself, and expressed concern about public safety,

infrastructure, liability, and environmental impact. She believed that the project would take longer than four to five years.

[4:42:11 PM](#)

JOHN COOK, Advocates for Safe Alaska Highways (ASAH), described the Kinross trucking proposal as an unprecedented logistical plan on a scale that had never been done before. He shared statistics on the potential impact to the road system. In addition, Kinross had not submitted a peer reviewed safety plan.

MS. SCHUMANN and MR. COOK continued the presentation by discussing accident liability. They posited that Kinross would not claim responsibility for accidents based on an explosion at a Kinross gold mine in Ghana in January 2022. The state may be targeted for liability based on the common law duty of due care for highways users. To date, there had been no analysis of capital and maintenance costs, and the Richardson highway was in need of care. The route was a DOT&PF priority two for winter maintenance. Driving 192 to 384 semi-trucks at 80 tons each would hinder the air quality in the Fairbanks North Star Borough. ASAH asked the following of Kinross and the state: hold public forums, consider alternatives, task DOT&PF, the Department of Conservation (DEC), and the Department of Law (DOL) to initiate an analysis of the transport plan, and address potential liability and State Implementation Plan (SIP) impacts.

[5:04:00 PM](#)

JEREMY BRANS, General Manager, Kinross Fort Knox, indicated that Kinross would continue to hold public forums. He said ASAH was not offering productive conversations or solutions and falsifying calculations. Per DOT&PF, road improvements for the corridor were already in the works.

RYAN ANDERSON, Commissioner Designee, Office of the Commissioner, Department of Transportation & Public Facilities (DOT&PF), in response to committee questions, said structural deficiencies in the bridges were being monitored and addressed, but could handle the load.

MR. BRANS, in response to additional committee questions, assured the committee that a standard operating procedure (SOP) would be in place. \$50 million would not cover the cost of a new mill. Wetlands would be minimally impacted. Kinross considered alternatives, such as railroad convoys, pioneer

roads, building a mill; however, the options were not economically feasible. The trucking plan was preceded throughout the U.S. and Alaska, he added.

[5:35:34 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee and the House Resources Standing Committee meeting was adjourned at 5:35 p.m.