

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

March 27, 2023

1:02 p.m.

**MEMBERS PRESENT**

Representative Tom McKay, Chair  
Representative George Rauscher, Vice Chair  
Representative Josiah Patkotak  
Representative Kevin McCabe  
Representative Dan Saddler  
Representative Stanley Wright  
Representative Jennie Armstrong  
Representative Donna Mears  
Representative Maxine Dibert

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 125

"An Act relating to trapping cabins on state land; and relating to trapping cabin permit fees."

- HEARD & HELD

PRESENTATION(S): ALASKA MINING UPDATE BY COUNCIL OF ALASKA PRODUCERS AND ALASKA MINING ASSOCIATION

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 125

SHORT TITLE: TRAPPING CABINS ON STATE LAND

SPONSOR(S): RESOURCES

03/20/23	(H)	READ THE FIRST TIME - REFERRALS
03/20/23	(H)	RES, FIN
03/27/23	(H)	RES AT 1:00 PM BARNES 124

**WITNESS REGISTER**

MEGAN HILLGARTNER, Regional Land Section Chief

Division of Mining Land and Water  
Department of Natural Resources  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on HB 125, gave a PowerPoint presentation, titled "Trapping Cabin Permits."

JIM WALKER, Public Access Assertion & Defense Section Chief  
Division of Mining Land and Water  
Alaska Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Provided information and responded to questions during the hearing on HB 125

CHRISTY COLLES, Director  
Central Office  
Division of Mining Land and Water  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Responded to questions during the hearing on HB 125.

TREVOR JEPSEN, Staff  
Representative Tom McKay  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave the sectional analysis of HB 125 on behalf of the House Resources Standing Committee, sponsor, on which Representative McKay is chair.

WAYNE HALL, Manager  
Community and Public Relations  
Teck Alaska  
Juneau, Alaska

**POSITION STATEMENT:** Co-presented a PowerPoint during the Alaska Mining Update presentation.

KAREN MATTHIAS, Executive Director  
Council of Alaska Producers  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented a PowerPoint during the Alaska Mining Industry presentation.

DEANTHA SKIBINSKI, Executive Director  
Alaska Miners Association  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented a PowerPoint during the Alaska Mining Update presentation.

## **ACTION NARRATIVE**

[1:02:40 PM](#)

**CHAIR TOM MCKAY** called the House Resources Standing Committee meeting to order at 1:02 p.m. Representatives Saddler, Rauscher, McCabe, Dibert, Armstrong, Wright, Mears, and McKay were present at the call to order. Representative Patkotak arrived as the meeting was in progress.

### **HB 125-TRAPPING CABINS ON STATE LAND**

[1:03:34 PM](#)

CHAIR MCKAY announced the first order of business would be HOUSE BILL NO. 125, "An Act relating to trapping cabins on state land; and relating to trapping cabin permit fees."

CHAIR MCKAY explained it was the first hearing of the bill which was introduced as a committee bill. The intent of the bill is to update some outdated statutes regarding the construction and use of trapping cabins on state land. He pointed out that there is a known problem regarding the department's ability to allow trappers to use already constructed cabins. The bill would close the gap, allowing the Department of Natural Resources (DNR) to better support the traditional use of state lands for trapping. [1:05:19 PM](#)

MEGAN HILLGARTNER, Regional Land Section Chief, Division of Mining Land and Water, Department of Natural Resources, Megan Hillgartner introduced herself as the Regional Manager for the Department of Natural Resources, Division of Mining Land and Water, Southeast Regional Land Office and explained that she would present on HB 125 related to trapping cabin permits on state land.

MS. HILLGARTNER began a PowerPoint presentation, [hard copy included in the committee packet], titled "Trapping Cabin Permits." She pointed out that statutes provided for the issuance of permits for the construction and use of trapping cabins on state land were created in the early 1980s and allow the department to issue permits for trapping cabins for temporary shelter while trapping. She explained that AS 38.95.075 was created to offer use of existing cabins without prior authorization and that AS 38.95.080 was created to authorize construction of new cabins.

MS. HILLGARTNER moved to slide 2, "Current Trapping Cabins Statutes," which read as follows [original punctuation provided]:

Alaska Constitution, Article 8  
Title 38.95 Miscellaneous Provisions

AS 38.95.075 Permits for the Use of Trapping Cabins  
(existing cabins)

AS 38.95.080 Trapping Cabin Construction Permits (new  
cabins)

Trapping cabins are for temporary shelter while  
trapping

MS. HILLGARTNER moved to slide 3, "Permits for Use of Trapping Cabins (Existing Cabins)," which read as follows [original punctuation provided]:

AS 38.95.075 the commissioner shall issue a nonexclusive, nontransferable permit to an individual for the use of a trapping cabin when the applicant provides to the commissioner a verified statement by the local fish and game advisory committee of the area in which the cabin is located that states that

(1) the applicant had used the cabin on a regular basis for trapping before August 1, 1984;

(2) the past, present, and intended use of the cabin is for temporary shelter while trapping; and

(3) the applicant is the owner of the cabin or has the concurrence of the owner of the cabin or there is no owner of the cabin

MS. HILLGARTNER explained that statute .075 prevented DNR from issuing trapping cabin permits for existing cabins to new trappers. The applicant must have used the cabin on a regular basis for trapping prior to August 1, 1984. Trappers who wanted to use the cabins but did not have a pre-1984 history of use were not able to receive permits for those cabins.

MS. HILLGARTNER next moved to slide 4, "Trapping Cabin Construction Permits (New Cabins)," which read as follows [original punctuation provided]:

AS 38.95.080 The commissioner may issue a nontransferable permit for the construction of a trapping cabin on state land to a person who meets the following qualifications:

(1) the person must have an established trapline with proof of regular use;

(2) the person must have a trapline of sufficient length to justify the need for cabin construction.

MS. HILLGARTNER summarized the permitting qualifications under which a trapper could construct a new cabin.

CHAIR MCKAY asked who would take on the work and the expense of building new cabins, specifically whether it would be the State of Alaska.

MS. HILLGARTNER responded that the person interested in obtaining the trapping cabin permit would be responsible for building and maintaining the cabin. It would not be done by the state or with state resources.

CHAIR MCKAY asked, for example, if he built a trapping cabin, whether he could rent it out to other trappers when he wasn't using it.

MS. HILLGARTNER responded that the proposed legislation would allow the department to authorize multiple permits for that cabin to other trappers who demonstrate proof of trapping.

REPRESENTATIVE RAUSCHER asked for the definition of "proof of regular use".

MS. HILLGARTNER replied that "proof of regular use" can include a verified permit from the Alaska Department of Fish & Game (ADF&G) for trapping, proof of fur receipts, or proof of trapping income.

REPRESENTATIVE RAUSCHER asked whether traplines had to be a certain length.

MS. HILLGARTNER did not have that information available but said she could get that information to him.

[1:10:10 PM](#)

JIM WALKER, Public Access Assertion & Defense Section Chief, Division of Mining Land and Water, Alaska Department of Natural Resources, clarified that the question of sufficient trapline length is made on a case-by-case basis. The idea is that a trapping cabin becomes necessary when it is hazardous to run the entire trapline on one day during the winter months. However, a shorter trapline might necessitate a cabin due to difficult topography. These are examples of what the Division of Mining Land and Water adjudicates in considering a permit.

REPRESENTATIVE MCCABE asked about proof of regular use and other requirements that would be considered in the trapping cabin permit.

MR. WALKER explained that obtaining a trapping cabin permit is based on meeting certain requirements such as having a valid trapping license, being 18 years of age, having a trapline, and being in the business of trapping in a certain area as required by the statute. The need for a cabin often becomes more crucial as the length of the trapline is extended.

MR. WALKER clarified that meeting the specific requirements for building trapping cabins on state lands is important to prevent the trapping cabin permits from being used for recreation purposes. He reminded the committee that trapping is a long-standing Alaska tradition, so the bill wants to clarify, enable, and bolster this traditional activity by removing some of the impediments that exist in the present law.

[1:14:59 PM](#)

REPRESENTATIVE RAUSCHER asked for clarification of the 18-year-old requirement, pointing out that a person can hunt at a much younger age.

MS. HILLGARTNER reminded the committee that the bill concerned the requirements needed to obtain a trapping cabin permit and did not pertain to trapping itself. The trapping license is obtained through ADF&G.

REPRESENTATIVE RAUSCHER asked whether someone younger than 18 could use the trapping cabin for trapping, and Ms. Hillgartner said yes.

MS. HILLGARTNER presented slide 5, "HB 125 Overview" which read as follows [original punctuation provided]:

HB 125 revises AS 38.95.080 (new cabins) and repeals AS 38.95.075 (existing cabins):

- Allows DNR to issue a trapping cabin permit for an existing cabin
- Outlines conditions of the permit to include term
  - Permit is valid for a period of not more than 10 years
  - Director shall renew the permit for successive periods of not more than 10 years
- Sets application fee and annual land use fee

[1:18:01 PM](#)

REPRESENTATIVE SADDLER reiterated the permitting process.

REPRESENTATIVE ARMSTRONG asked how many cabins are currently on state lands, how many permits are issued in an average year, and what the anticipated increase in permits would be under HB 125.

MS. HILLGARTNER answered there are 83 permits on state lands. The department currently averages one permit application per year under .075 for the use of an existing trapping cabin permit, and nine applications per year under .080 for new cabins. She explained that they were unable to determine how many more permits they might receive each year.

MS. HILLGARTNER continued her presentation with slide 6, "Benefits," which read as follows [original punctuation provided]:

- Trappers will be able to obtain trapping cabin permits for existing cabins on state lands, saving construction time and costs

- Potentially resolves trespass issues by issuing trapping cabin permits for existing cabins that are used for temporary shelter while trapping
- Allows the Department to issue permits for cabins currently that are used for trapping but do not qualify under AS 38.95.075.
- Facilitates trapping industry growth as newer trappers are now able use preexisting cabins
- Sets the fee in statute, which was a concern by trappers
- Provides further clarity and guidance on the conditions for issuing trapping cabin permits

CHAIR MCKAY presented a scenario wherein he received his permit, built his cabin, closed his cabin at the end of the trapping season, and then another trapper used his cabin, had an unfortunate incident, and burned down the cabin. He wondered what would happen in that situation.

MS. HILLGARTNER deferred her response to Christy Colles.

CHRISTY COLLES, Director, Central Office, Division of Mining Land and Water, Department of Natural Resources, explained that typically there are not permit requests for cabins already authorized for someone else to build. The division does not require bonding. It is a limited program, and such an incident would be a civil matter not involving the division. Typically, if the division permits more than one person for a cabin, it's because the individuals know each other, they are family, or there is a reason they want to be in the same cabin. The division doesn't see a lot of applications for a cabin being used by another trapper.

[1:22:43 PM](#)

REPRESENTATIVE RAUSCHER asked who would be responsible for a cabin when a permit ends.

MS. HILLGARTNER explained that the division would work with the permit holder at the close of the permit to remove all the improvements they installed on state lands. It is the responsibility of the permit holder.

REPRESENTATIVE RAUSCHER said he knows that DNR or "someone" has taken down cabins that have expired and wants to know whether DNR can send the former permit holder a bill.

MS. HILLGARTNER deferred to Ms. Colles.

MS. COLLES said DNR does not send a bill. The department tries to work with whoever is responsible for the cabin to remove it. It might try to find another applicant who wants to use the cabin. She explained that there are several reasons DNR might have to take a cabin down including the difficulty of finding the previous permittee if they have, for example, moved out of state.

REPRESENTATIVE WRIGHT asked what would happen if a permit holder passed away after using the cabin for five years with five more years left on the permit, and there are no adult children who want to use the cabin.

MS. HILLGARTNER explained the department would try to find another individual who might want to use that existing cabin even for different purposes. For example, ADF&G might use an existing cabin on state lands. The proposed legislation would allow the division to issue permits for those existing cabins where the permit holder may have passed away.

REPRESENTATIVE SADDLER said it was his understanding that HB 125 would provide clarity about current informal rules and practices as well as clarify ownership of trapping cabins. He questioned whether a cabin could be left in place for emergency purposes such as shelter for someone who is not a trapper.

MS. HILLGARTNER deferred to Ms. Colles.

MS. COLLES explained that typically the state does not like to leave cabins no longer being used by a permit holder. If a cabin is not in use, it will be catalogued as a "trespass cabin." The state will look for someone who can take responsibility for it such as for a commercial activity, for use by a non-profit organization, or as a safety cabin. The department does not like to leave cabins which are not maintained because they could become safety hazards.

REPRESENTATIVE SADDLER pointed out it is a liability issue. The state doesn't want to have "ghost cabins" where someone might get hurt and look for someone to sue, the state being the deep

pockets. He questioned what type of non-profit would be willing to take on the responsibility of a cabin no longer in use.

MS. COLLES mentioned Hut to Hut and Cabin Hoppers as examples of two groups that have taken over the responsibility of cabins for activities such as back country skiing. She discussed the issues that might be encountered in several scenarios. Overall, the division tries to find someone to be responsible for a cabin because they don't want the state to know about a cabin and then not maintain it. She again referred to "trespass cabins" and how they can be used in emergency situations.

[1:29:11 PM](#)

REPRESENTATIVE RAUSCHER asked for clarification regarding types of cabins. For example, DNR has given a permit for a trapping cabin to be built and used for trapping, but the permit holder no longer wishes to use the cabin for trapping. He questioned how a non-profit, a 501(c)(3), can take over the cabin since it is not a trapper. He explained that he was trying to understand the state's cabin structure.

MS. HILLGARTNER responded that DNR has other programs which deal with permitting cabins. She gave two examples: for guiding purposes and the personal use cabin program. These are examples of other instances for permitting existing cabins.

[1:30:42 PM](#)

REPRESENTATIVE DIBERT asked who is liable if a cabin is being used off-season and an accidental fire or forest fire starts.

MS. HILLGARTNER described the existing regulations that cover an agreement between the trapper and DNR. This includes a requirement that the trapper assume full liability for forest fire protection as well as for the cabin structure and the area surrounding it.

REPRESENTATIVE MCCABE speculated that the 18-year-old requirement is because a person must legally be 18 to enter into a contract. It does not prevent a 16-year-old from trapping, assisting family, or otherwise using the cabin for trapping purposes.

MS. HILLGARTNER confirmed that is correct. She then concluded the PowerPoint presentation with slide 7, "Conclusion" which read as follows [original punctuation provided]:

- The Department supports HB 125
- DNR worked with ATA (Alaska Trappers Association) to address concerns
- HB 125 resolves the issue with the current statute which prevents issuance of permits for existing cabins

REPRESENTATIVE SADDLER asked about the finer points of cabin permits as opposed to cabin ownership. He surmised that the person who builds the cabin, owns the cabin.

MS. HILLGARTNER pointed out that the state holds title to the land, and the individual constructing the cabin owns the cabin and any improvements to the land.

REPRESENTATIVE MEARS said she was still interested in numbers and asked about cabins that were constructed but currently did not have a permit holder. She wanted to know how many of those the department was expecting.

MS. HILLGARTNER replied that she did not have that number with her, but she would confer with her team and provide that information in writing to Representative Mears. This number would include how many applications might be in a suspended status because they could not receive permits under the current legislation.

REPRESENTATIVE MEARS said nine seemed to be a lot of cabins to be built in a year and asked for context. Did the number mean there would be nine new cabins a year or were there nine new applications the department could not issue?

MS. HILLGARTNER clarified that there were nine applications a year for new construction and one application a year for use of an existing cabin. Ms. Hillgartner deferred to Ms. Colles who had more institutional knowledge regarding the number of applications a year.

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MS. COLLES explained that the number nine referred to active or existing cabins. The problem was that DNR had to issue trapping cabin permits for existing cabins under the construction statute because 075 with its 1984 requirement was too restrictive to

allow new permits. People might want a permit for an existing cabin, but under the restrictions of 075, specifically the 1984 stipulation, DNR could not issue permits for existing cabins. There were not actually many new cabins being built. Ms. Colles explained that 075 has been very problematic, and under the new statute she did not anticipate issuing nine construction permits.

REPRESENTATIVE SADDLER sought to clarify his understanding that people were requesting cabin construction permits when they actually wanted to use an existing cabin but could not meet the requirements under the current statute.

MS. COLLES answered by giving a hypothetical example. A permit holder had previously applied for a trapping cabin construction permit and subsequently used the cabin for ten years. Under 075 the trapper could only renew the permit using the trapping cabin construction statute.

REPRESENTATIVE SADDLER asked whether people were then applying for construction permits when what they really wanted was to continue to use their existing cabins.

MS. COLLES explained that in these cases, renewals could be facilitated by using AS 38.95.080. It was the department's understanding that DNR could legally renew applications to the person who had originally received the trapping cabin construction permit. A more difficult problem comes up when a person wishes to get a permit for a trapping cabin, but that person was not the one who had constructed the cabin.

REPRESENTATIVE SADDLER commented that Ms. Colles' answer clarified the need for the bill.

REPRESENTATIVE MCCABE commented about the 1984 issue and its relevance to HB 125.

CHAIR MCKAY asked for further questions and there were none. He pointed out that the next hearing on the bill would include public testimony, and he thanked Megan Hillgartner, Jim Walker, and Christie Colles. He introduced staff member Trevor Jepsen who would go through the bill mechanics.

[1:39:39 PM](#)

TREVOR JEPSEN, Staff, Representative Tom McKay, Alaska State Legislature, on behalf of the House Resources Standing

Committee, sponsor of HB 125, reiterated that trapping cabin permits were addressed in two separate statutes: AS 38.95.075 for use permits for existing cabins before August 1, 1984; and AS 38.95.080 for trapping cabin construction permits. The proposed legislation would repeal AS 38.95.075 and then would define trapping cabin permits for both existing cabins and new cabins under AS 38.95.080. In doing so, the bill would address the issues DNR and Alaska trappers have with the statute.

MR. JEPSEN presented the sectional analysis [included in the committee packet], entitled "House Bill 125 Trapping Cabin Construction Permit (TCCP) Reform," which read as follows [original punctuation provided]:

Sectional Analysis for Version R

"An Act relating to trapping cabins on state land; and relating to trapping cabin permit fees."

Sec. 1 Conforming change to incorporate the new AS 38.95.080(g) (section 6 of this bill) into the fee schedule regulations under AS 38.05.850(a).

Sec. 2 & 3 Restructures the existing AS 38.05.080(a) and (b), which authorize the commissioner to issue trapping cabin permits. Also clarifies who is entitled to a permit for existing cabins on state lands.

Sec. 4 Clarifies the conditions for a permit that must be included in regulations. This clarification includes:

1. Providing more guidance on permit renewals
2. Detailing the process for multiple cabins under the same permit
3. Specifying a procedure for unowned cabins
4. Setting statutory fee limits for the permits
5. Making several technical drafting changes

Sec. 5 Provides more explicit language to ensure that a use permit cannot be misinterpreted as providing ownership rights or preference rights to future ownership.

Sec. 6 Creates two new subsections, which:

1. Further define the nonexclusive nature of the permit by stating that the director may issue multiple trapping cabin permits for the use of the same cabin.
2. Bars the department from charging additional land use fees for the use or construction of a trapping cabin.

Sec. 7 Conforming and technical changes to the definitions section.

Sec. 8 Repeals AS 38.95.075 (permits for the use of trapping cabins) to conform to the changes made in this bill and to remove the outdated August 1, 1984, reference point.

[1:44:30 PM](#)

REPRESENTATIVE MCCABE asked about page 4, line 9, regarding cabin use, and whether the term "trapping" included time spent at the cabin during the off-season to prepare the cabin and the area around the cabin.

MR. JEPSEN said the language could be more explicit in the bill to include those types of activities.

REPRESENTATIVE MCCABE questioned why language limiting cabin usage was included in the bill. He asked, for example, whether using the cabin to hunt for caribou would not be allowed under the terms of the bill.

MR. JEPSEN pointed out that cabins are on state land and HB 125 deals specifically with the use of cabins for trapping purposes.

REPRESENTATIVE SADDLER asked for clarification regarding the language giving the commissioner latitude in permitting cabins. He asked what criteria the commissioner would use to authorize uses other than trapping.

MR. JEPSEN referred the question to Ms. Colles.

[1:47:28 PM](#)

MS. COLLES said HB 125 provides flexibility for allowing other uses for the cabins.

REPRESENTATIVE SADDLER opined that the language gives the commissioner tremendous flexibility, perhaps even too much.

[1:48:34 PM](#)

CHAIR MCKAY announced that HB 125 was held over.

[1:48:57 PM](#)

The committee took an at-ease from 1:48 p.m. to 1:50 p.m.

**PRESENTATION(S): Alaska Mining Update**

[1:51:07 PM](#)

CHAIR MCKAY announced that the final order of business would be the Alaska Mining Update presentation.

[1:51:20 PM](#)

WAYNE HALL, Manager, Community and Public Relations, Teck Alaska, began the Alaska Mining Update presentation by discussing the values of the industry as well as the values of NANA Regional Corporation which owns the resource where the Red Dog Mine is located. He mentioned Inupiaq values and Alaska Tech values, and he emphasized the core value is employees' responsibility to each other in their safety culture and the importance of speaking up when something is wrong.

[1:53:23 PM](#)

KAREN MATTHIAS, Executive Director, Council of Alaska Producers (CAP), as co-presenter, began a PowerPoint presentation [hard copy included in the committee packet], titled "Mining Industry Update March 27, 2023," and drew attention to slide 2, "Overview," which read as follows [original punctuation provided]:

Global outlook: Increasing demand for responsibly sourced minerals

Alaska's Advantage:

- Environmental excellence
- Community benefits

The future: From mineral warehouse to mineral powerhouse

MS. MATTHIAS explained that she would cover the global outlook and the soaring demand for minerals in both the use of renewable

technologies and in energy storage. She emphasized the increasing non-partisan concern about U.S. over-dependence on mineral import as well as the agreement that more domestic production is needed. She pointed out that Alaska has tremendous mineral resource potential.

MS. MATTHIAS moved to slide 3, "New Technologies are More Mineral Intensive," which included: graphic representations of how mined minerals are used in the modern home; how cell phone technologies have driven the demand for an increasingly wider range of minerals; how electric vehicles have driven the demand for minerals; how many more minerals are used in modern conveniences; the enormous increase in demand for specific minerals just in electric vehicles; and a list of minerals found in Alaska. Alaska has the largest zinc and silver mines in the U.S. at the Greens Creek Mine and the Red Dog Mine.

MS. MATTHIAS moved to slide 4, "Growing Demand for Responsibly Sourced Minerals," which emphasizes the anticipated need for 3 billion tons of minerals and metals to deploy wind, solar, and geothermal power, and she spoke of the need for minerals which can be found in Alaska. She explained that Alaska has better health, safety, and environmental standards than other places in the world which makes Alaska more attractive for global business purposes. She talked about the many uses of cobalt and compared mining in Alaska to cobalt mines in the Democratic Republic of the Congo, referring to the unacceptable use of 40,000 children in those mines.

MS. MATTHIAS, in response to Chair McKay, explained how resources used in the production of minerals for clean technology, beginning with mining and continuing all the way through to the end use, nonetheless result in a lower carbon footprint than would be generated by fossil fuel technologies.

[1:59:16 PM](#)

MS. MATTHIAS moved to slide 5, "Is Recycling the Solution?" She addressed the general question of recycling and whether it could deal with the increase in demand for minerals; recycling is only a small part of the solution as the minerals produced through recycling only meet a portion of the demand. She moved to slide 6, "The US Dependency on Mineral Imports," and talked about minerals extracted and processed by Chile, Indonesia, Democratic Republic of Congo, China, and Australia, including copper, nickel, cobalt, rare earths, and lithium. She referred to an annual report by the U.S. Geological Survey which lists minerals

the country needs which are currently sourced from countries without secure supplies. She said the US has massive mineral resources but imports these minerals when they could be produced in the United States.

MS. MATTHIAS moved to slide 7, "Bipartisan Support for Domestic Mineral Development," which read as follows [original punctuation provided]:

President Biden: "We can't build a future that's made in America if we ourselves are dependent on China for the materials that power products of today and tomorrow." 02/22/2022

Senator Sullivan: "Alaska has the critical minerals the world needs now to support all of these new technologies and of course to support our nation's national defense. 02/07/2023

Senator Murkowski: "I've been working diligently to educate my colleagues and the administration about the vast potential of states like Alaska, and the importance of allowing us to use the resources that are in our own backyard." 06/23/2022

Representative Peltola: "Alaska has a long history of safe and productive mining that benefits our communities. The resources and critical minerals in our state will be essential to our country's renewable energy transition, and I believe that Alaska should lead the way to that transition by continuing our environmentally-sound mining practices." 03/24/2023

MS. MATTHIAS underscored the bipartisan support for continued development of mining in Alaska. Increasing domestic production would reduce our dependence on other countries and ensure the minerals are produced under the highest environmental, safety, and labor standards. She moved to slide 8, "Mining in Alaska: Part of the Solution," which shows a map of Alaska communities with mining industry employees and specifies three types of mining activities: large producing mines; projects in various permitting stages; and advanced exploration projects.

[2:04:13 PM](#)

DEANTHA SKIBINSKI, Executive Director, Alaska Miners Association (AMA), began her part of the presentation by positing that

Alaska is in an excellent position to further contribute to the mineral supply chain. She referred to slide 9, "Alaska's Advantage," which read as follows [original punctuation provided]:

Alaska's Advantage

- Strict environmental regulations
- Excellent track record
- Community benefits

MS. SKIBINSKI talked about Alaska's success in permitting mines in the state under strict environmental policies which are designed not just for operational success but also for closure and reclamation of the land. Safety standards are strict, and a culture of safety has led to an excellent track record. She moved to slide 10, "Strict Operational Oversight," which read as follows [original punctuation provided]:

Alaska: the best mine monitoring system in the world

- Water quality monitoring
- Bottom-to-top comprehensive biomonitoring
- 3rd party audits

MS. SKIBINSKI explained that mines are inspected multiple times a year and the mines must report hundreds of actions to prove compliance. She moved to slide 11, "Red Dog Improved Water Quality," and discussed zinc levels in water improved through the process of mining.

[2:07:07 PM](#)

MS. SKIBINSKI, in response to Representative McCabe, referred to a report by the Environmental Protection Agency (EPA) and offered her understanding that environmentalists misuse the reported information. She then deferred to Mr. Hall.

[2:09:20 PM](#)

MR. HALL offered information regarding different reporting standards that result from varying ore body composition among mines.

[2:12:55 PM](#)

MS. SKIBINSKI moved to slide 12, "Fort Knox Restored Nearby Creek," and noted that Fort Knox had not operated in the area previously but joined with ADF&G to rehabilitate the area. The joint habitat restoration project exceeded goals for returned fish and game. It was an award-winning project. She moved on to photos on slide 13, "Greens Creek Improved Fish Passage," and spoke about the mine's mitigation measures to offset impacts of the mine development and to improve anadromous fish habitat around the mine. She said fish populations were improved by the work done on the weirs.

[2:15:21 PM](#)

MS. SKIBINSKI, referring to slide 14, "Reclamation and Closure," addressed what takes place after a mine closes. A mine's plan for reclamation after closure is mandated under AS 27.19 and is approved by the commissioner of DNR before operations are allowed to begin. In addition, the mine must provide financial assurance in the event that the reclamation obligations can't be performed.

MS. SKIBINSKI moved to slide 15, "True North - Kinross Alaska," with a photo of a meadow, a valley, and a stand of trees, with a quote from DNR Commissioner Corri Feige positing that the system of extracting commodities from the land and then remediating it for another use serves global markets and employs Alaskans. In response to Representative McCabe, she said there are five metal mines and one coal mine which are Alaska's six large mines. She emphasized that mining is done right in Alaska.

[2:18:42 PM](#)

MS. SKIBINSKI noted a map in the committee packet showing the mines throughout Alaska, and then referred back to the PowerPoint where she covered slides 16-21, outlining the benefits of mining, including local business contracts, support for schools, tax revenues for state services, money spent on goods and services, training opportunities and jobs for Alaskans, and Alaska Native and village corporations and their shareholders. She then turned to Ms. Matthias to continue the presentation.

[2:23:38 PM](#)

MS. MATTHIAS turned to slides 22-24 and spoke about how the royalties and taxes from state, federal, and ANCSA land become a portion of the income for the Alaska Mental Health Trust

Authority, the Alaska permanent fund, the state general fund (GF), and Native corporations, specifying that taxes are paid to the government; royalties are paid to the landowner. She pointed out that for Alaska to see more royalties, there needs to be more mining on state lands. She reviewed the various mining industry payments to the state in 2022, totaling \$130,875,958. She went into detail regarding these comparisons, discussing specific examples of how taxation contributes to the general funds of communities located near the large mines, subsequently helping fund local governments. In response to Representative McKay, she explained that since the taxes are based on a percentage, they do not need to be adjusted for inflation. She noted that larger mines pay a larger percentage. In response to Representatives McCabe and Patkotak, regarding mill rates, she spoke about the large expanse of Juneau to include the Greens Creek and Kensington mines, so the community benefits from those tax revenues.

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MR. HALL continued the PowerPoint at slide 25, "The future is built on materials," which illustrates the many uses for minerals, including applications in medicine, aerospace, fiber optics, digital devices, disease research, transportation, and even the food industry. He moved to slide 26, which has a map illustrating the places in Alaska with opportunities for mining. He showed slide 27, "Pathway to (mineral) prosperity," and emphasized that mines require a protracted timeline before becoming profitable. He said infrastructure is important and community support is key. He also emphasized the importance of earning trust. He gave examples of the benefits of partnerships between the state and the mining industry. Last, he emphasized the necessity for a stable fiscal and regulatory regime. In response to Representative McCabe, he said he thinks Alaska has done well in attracting and retaining candidates; the federal side of things seem to cause delay. He talked about expenditures over a decade as related to mines opening.

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MS. MATTHAIS, in response to Representative Rauscher, talked about the future of mining and a positive outlook.

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MR. HALL, in response to Representative Saddler, said that smaller exploration companies find the resources and then look

for larger or more experienced mining companies with which to partner. In response to a question from Representative Patkotak regarding the 404 Primacy rule, gave an example of shortening the permitting process by relying on state regulations rather than federal.

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REPRESENTATIVE ARMSTRONG requested that the committee be briefed at a later date on six advanced exploration projects that are in full or in part on state land. She said she would like to learn about the projects and look at how revenue forecasts may impact the state's future.

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#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:00 p.m.