

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

April 17, 2023

2:21p.m.

**MEMBERS PRESENT**

Representative Tom McKay, Chair  
Representative George Rauscher, Vice Chair  
Representative Josiah Patkotak  
Representative Stanley Wright  
Representative Donna Mears  
Representative Maxine Dibert

**MEMBERS ABSENT**

Representative Kevin McCabe  
Representative Dan Saddler  
Representative Jennie Armstrong

**COMMITTEE CALENDAR**

PRESENTATION(S): ALASKA'S MINING POTENTIAL

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

BRETT WATSON, PhD, Assistant Professor of Applied and Natural  
Resource Economics  
Institute of Social and Economic Research  
University of Alaska Anchorage  
Anchorage, Alaska

**POSITION STATEMENT:** Co-offered the Alaska's Mining Potential  
presentation.

BOB LOEFFLER, PhD, Research Professor of Public Policy  
Institute of Social and Economic Research  
University of Alaska Anchorage  
Anchorage, Alaska

**POSITION STATEMENT:** Co-offered the Alaska's Mining Potential  
presentation.

**ACTION NARRATIVE**

[2:21:30 PM](#)

**CHAIR TOM MCKAY** called the House Resources Standing Committee meeting to order at 2:21 p.m. Representatives Wright, Patkotak, Mears, Dibert, and McKay were present at the call to order. Representative Rauscher arrived as the meeting was in progress.

**PRESENTATION(S): Alaska's Mining Potential**

[2:22:00 PM](#)

CHAIR MCKAY announced that the only order of business would be a presentation on Alaska's Mining Potential.

[2:23:07 PM](#)

BRETT WATSON, PhD, Assistant Professor of Applied and Natural Resource Economics, Institute of Social and Economic Research (ISER), University of Alaska Anchorage (UAA), co-offered the PowerPoint presentation, titled "Alaska's Mining Potential" [hardcopy included in the committee packet]. He began on slide 2, which provided disclosure statements to preface the rest of the presentation. He moved to slide 3, which explained three key points of the presentation.

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BOB LOEFFLER, PhD, Research Professor of Public Policy, Institute of Social and Economic Research, University of Alaska Anchorage, as co-presenter, read slide 4 of the Alaska's Mining Potential presentation, which displayed an image of a bucket used to convey the ratio of income/export money in Alaska. He moved to slide 5, which gave a more detailed list of important sectors of Alaska's economy. Slides 6-7 displayed a graph of Alaska's minerals as an export value. He moved to slide 8, which highlighted the wages, salaries, and jobs created by the mining industry in Alaska and on to slides 9-10, both of which emphasized the impact that the mining industry has on Alaska's Government revenue. He moved to slide 11, which gave a list of conclusions that might be drawn.

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REPRESENTATIVE MEARS asked how the mining industry could attract more local employees.

[2:31:33 PM](#)

DR. LOEFFLER explained that Alaska's large mine operations are employed by about 73 percent in-state employees.

DR. LOEFFLER resumed the presentation on slide 13, which explained how mining operations on Alaska Native Claims Settlement Act (ANCSA) lands provide revenue to Alaska Native corporations. He read from slide 14, which gave an overview of the specific types of mining operations currently occurring in Alaska.

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DR. WATSON continued the presentation on slide 15, which displayed a map that gave an overview of six of the largest currently active mining operations in Alaska. He moved to slide 16, which displayed a map that gave an overview of mining explorations and advanced mining projects in Alaska. He continued to slide 17, which displayed a map that detailed the number of placer mining permits issued to specific regions of Alaska in 2014. He continued to slide 18, which displayed a pie chart of minerals that are being extracted in Alaska's mines. Slide 19 explained what Alaska's minerals are used for in commercial production. He moved to slide 20, which gave a brief list of the future possibilities of mining in Alaska.

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DR. WATSON continued the presentation on slide 21, which outlined with a series of bullet points the process that a mine must go through from its inception to its actual operation. He continued through slides 22-26, each of which individually explained each point outlined on slide 21.

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DR. WATSON moved to slide 27, which displayed a "hierarchy of needs" that a mine is required to have to succeed. He continued to slide 28, with two maps of Alaska, each of which displayed the potential of current and proposed mine projects in the state. He moved through slides 29-30, each of which displayed the previous "hierarchy of needs" that was shown on slide 27, this time with added information to relate the image to Alaska's current situation in mining development.

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REPRESENTATIVE RAUSCHER asked whether there were any requirements lower on a mine's "hierarchy of needs" that might surpass a requirement higher on the pyramid.

[2:46:05 PM](#)

DR. LOEFFLER replied that it would be possible for some of the items displayed lower on the pyramid to trump any one above it.

[2:46:33 PM](#)

DR. WATSON used the Pebble Mine and the Donlin Gold Mine as examples of mines that were stopped by permitting before they were allowed to begin an exploration stage.

[2:47:31 PM](#)

REPRESENTATIVE RAUSCHER clarified that he was trying to qualify the term "less likely" in the context of the pyramid.

[2:48:06 PM](#)

DR. WATSON resumed the presentation on slide 31, which explained a series of future possibilities for Alaska's Mining industry. He continued to slide 32, which further elaborated on the future possibilities of Alaska's mining industry by comparing the previous slide's information to the previous pyramid display. He moved through slides 33-34, each described three possible scenarios that could result from the previous pyramid display.

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DR. WATSON continued to slide 35, which displayed the results of the study modeled around the previously mentioned three possible scenarios that could result from the previous pyramid display. He moved to slide 36, which outlined the possibilities for mining employment in each scenario, and slide 37, which described the critical mineral supply that Alaska controls.

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DR. WATSON moved through slides 38-39, which displayed a plot graph that outlined the economic importance of each valuable mineral in Alaska. He continued to slide 40, which explained what commercial products could be produced by Alaska's previously mentioned critical minerals. He moved to slide 41, which further explained the results of the scenarios posed in

the study in terms of how much energy or how many critical minerals could be produced. He moved to slide 42, which displayed a pie graph of the minerals that Alaska could produce in the next 20 years, and slide 43, which outlined the key take-aways from the study by emphasizing the impact of Alaska's mining industry.

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DR. LOEFFLER continued the presentation on slide 44, which explained the potential avenues the legislature could take to enable further mining projects in Alaska, and slide 45, which displayed a map of current proposed infrastructure projects that could enable further mining development in Alaska. He moved to slide 46, which explained the potential avenues that executive agencies in Alaska could take to enable further mining projects in Alaska. Slide 47 displayed a graph that outlined the average time it takes for a project's environmental impact statement (EIS) to be completed. He moved to slide 48, which displayed a graph that detailed the National Environmental Policy Act of 1969 (NEPA) reviews that have taken far longer than expected.

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DR. LOEFFLER continued to slide 49, which further emphasized the importance of maintaining an efficient permitting regime that protects the environment while issuing predictable and consistent permits for projects. He moved to slide 50, which gave a brief overview of the previously mentioned potential avenues that could be taken to enable mining projects in Alaska.

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CHAIR MCKAY asked which two projects are most pertinent for the legislature to direct its efforts.

[3:07:23 PM](#)

DR. LOEFFLER replied that the Donlin Mine project is critical for Alaska and said that the Graphite Creek Project outside of Nome is also an important prospect for the state.

[3:08:42 PM](#)

REPRESENTATIVE MEARS shared her understanding of the process of infrastructure development with regard to a mine and asked whether there was anything she was missing in her understanding.

[3:09:11 PM](#)

DR. LOEFFLER confirmed Representative Mears' understanding is correct and explained the timeline to accomplish any of the projects in the state is extremely slow; he blamed the long timeline on Alaska's rigorous permitting process.

[3:11:04 PM](#)

REPRESENTATIVE MEARS provided her background as an environmental engineer and asked whether there were any specific recommendations to allow for mining projects to move forward faster in Alaska.

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DR. LOEFFLER replied that the most important thing is to streamline the federal environmental review process and said that Alaska's executive agencies could direct more resources toward mining as they had historically.

[3:12:11 PM](#)

CHAIR MCKAY made closing comments and thanked the presenters for their time.

[3:13:00 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:13 p.m.