

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

February 24, 2025

1:03 p.m.

MEMBERS PRESENT

Representative Robyn Niayuq Burke, Co-Chair
Representative Carolyn Hall
Representative Donna Mears
Representative Zack Fields
Representative Dan Saddler
Representative George Rauscher
Representative Julie Coulombe
Representative Bill Elam

MEMBERS ABSENT

Representative Maxine Dibert, Co-Chair

COMMITTEE CALENDAR

PRESENTATION(S) : ALASKA MINING INDUSTRY UPDATE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DEANTHA SKIBINSKI, Executive Director
Alaska Miners Association
Anchorage, Alaska

POSITION STATEMENT: Co-presented an update regarding the Alaska mining industry.

GRETA SCHUERCH, Senior Advisor, Government and External Affairs
Teck Alaska
Anchorage, Alaska

POSITION STATEMENT: Co-presented an update regarding the Alaska mining industry.

CHRIS ECKERT, Senior Environmental Coordinator
Donlin Gold

Anchorage, Alaska

POSITION STATEMENT: Co-presented an update regarding the Alaska mining industry.

BRONK JORGENSEN, Placer Miner

Fortymile River

Tok, Alaska

POSITION STATEMENT: Co-presented an update regarding the Alaska mining industry.

KAREN MATTHIAS, Executive Director

Alaska Metal Mines

Anchorage, Alaska

POSITION STATEMENT: Co-presented an update regarding the Alaska mining industry.

ACTION NARRATIVE

[1:03:18 PM](#)

CO-CHAIR BURKE called the House Resources Standing Committee meeting to order at 1:03 p.m. Representatives Fields, Rauscher, Saddler, Hall, Mears, Elam, and Burke were present at the call to order. Representative Coulombe arrived as the meeting was in progress.

PRESENTATION(S): Alaska Mining Industry Update

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CO-CHAIR BURKE announced that the first order of business would be an update of the Alaska mining industry.

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DEANTHA SKIBINSKI, Executive Director, Alaska Miners Association, co-presented an update regarding the mining industry in Alaska. She began her presentation by pointing out that the Alaska Miners Association and Alaska Metal Mines have a history of working closely together. She explained the involvement of both organizations in coal mining, early-stage exploration projects, midsize mining, placer mining, and industrial mining. She introduced the other presenters and provided an overview of the presentation, titled "Alaska Mining Industry Update, February 24, 2025" [hard copy included in the

committee packet]. She showed slide 2, titled "Overview" which read as follows [original punctuation provided]:

Mining in America -- Mining in Alaska

Operational excellence:

- Large-scale mining operation
- Mining project in development
- Placer mining operation

The benefits: healthy economy, healthy communities, healthy Alaskans

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MS. SKIBINSKI moved to slide 3 which showed a chart of timing for mine development; a snapshot of the President's executive order titled "Unleashing Alaska's Extraordinary Resource Potential; a photo labeled "The Importance of Domestic Mining for U.S. National Security;" and a photo depicting an employee testing the water.

She commented on the lengthy amount of time for permitting a mine in the United States and said there was a new emphasis on creating permitting efficiencies while still upholding the requirements of statutes and law and protecting people and the environment. She described the President's executive order signed in January which pointed out Alaska's potential for developing mineral resources.

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MS. SKIBINSKI drew the committee's attention to the presentation titled "Alaska's Mining Industry". She showed slide 1, "Alaska's Mining Industry, 2023 Benefits To Alaska," which read as follows [original punctuation provided]:

\$1.1 billion spent on goods and services with 450+ Alaska businesses

\$136 million in state government revenues for services like education, highways, and airports

\$50 million in local tax revenues to support services like libraries, schools, road maintenance, and public safety

\$235 million in royalty payments to Alaska Native Regional and Village Corporations across the state; totaling \$3.2 billion since 1989

Mines are the largest property taxpayers in Fairbanks, Juneau, and the Northwest Arctic Borough \$2.4 million to Alaska Mental Health Trust Authority to care for Alaskans' mental health needs

She briefly described some of the large-scale mining operations in the state, including those being operated as well as those in advanced exploration and development. She pointed out that the map did not show the over 300 placer mines in operation in Alaska.

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MS. SKIBINSKI showed slide 2, titled "Mining Jobs: Employing Alaskans Across The State!" which read as follows [original punctuation provided]:

- 90+ communities have mining industry employees 11,800 total jobs
- \$1.1 billion in wages statewide
- 72% average Alaska resident hire at the large producing mines

She referred to the map on slide 2 which showed communities in Alaska where mining employees lived and contributed to their communities, pointing out that mining supported 250 Alaska nonprofits, contributed \$5.7 million to the University of Alaska and vocational training, and \$1.1 million to civic, business, and industry organizations throughout Alaska.

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GRETA SCHUERCH, Senior Advisor, Government and External Affairs, Teck Alaska, presented an update regarding the Red Dog Mine as part of the Alaska Mining Industry Update. She explained that the NANA Regional Corporation is the landowner, Teck is the operator, and the Red Dog Mine is the world's largest producer of zinc. She moved to slide 5, titled "Red Dog Operations" with a slide showing the mine's location on a map of Alaska. The slide read as follows [original punctuation provided]:

Red Dog Operations

- NANA is the landowner
- Teck is the operator

World Class Operation

- World's Largest Zinc Producer

Red Dog Deposits

- Main (mined out)
- Aggaluk (2010 start)
- Qanaiyaq (2017 start)

Current Life of Mine 2031

- Aktigirug deposit could extend mine life (State of Alaska resource)

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MS. SCHUERCH showed slide 7, titled "Red Dog Subsistence Committee, Protecting Subsistence and the Environment," and slide 8, titled "Protecting Subsistence and the Environment Through Co-design and collaboration." The slides read as follows [original punctuation provided]:

Formed as part of the 1982 NANA/Cominco (Teck) Operating Agreement
Four hunters and Elders represent each of the nearby communities of Noatak and Kivalina

Red Dog Operations and the Committee co-designed a process and protocols to adapt to marine mammal hunting activities to minimize interference.

She stated that a committee dedicated to protecting subsistence and the environment had been formed in 1982 to work with the Red Dog Mine. She pointed out that the subsistence committee became a model for subsistence committees and has been used by other resource development companies.

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CHRIS ECKERT, Senior Environmental Coordinator, Donlin Gold, presented an update regarding the Donlin Gold project. He displayed slide 9, titled "Project Overview," which showed a map of the area highlighting transportation routes. He described Donlin Gold as a primary gold mine, estimated to produce over a million ounces of gold a year for 27 years after the mine is in operation. The project requirements included a 315-mile pipeline from Cook Inlet to provide power. Supplies would be shipped 200 miles by barge up the Kuskokwim River to the site. He moved to slide 10, titled "Aquatic Resources Monitoring," which showed photos of the water monitoring program overseen by Alaska Department of Fish & Game (ADF&G). He explained the

purpose of the research was to examine the effects of barge traffic on rainbow trout. He showed slide 10, titled "Snow Gulch Restoration Project," which depicted a restoration project. He described the pilot project which converted the fines ponds of a previous placer mine in order to restore fish populations. He displayed slide 12, titled "Kuskokwim River Fisheries Projects, Salmon Smolt Monitoring - George River Fish Weir." He described the project which partnered Donlin with the village of Napaimute to monitor salmon outmigration.

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MR. ECKERT responded to a question from Representative Rauscher by describing how the project's screw trap worked.

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MR. ECKERT addressed a question posed by Representative Fields by providing an overview of the types of energy generation Donlin has considered. He stated that one of Donlin's goals was to help the local villages get away from diesel generators.

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MR. ECKERT responded to several questions by Representative Elam. He described the advanced engineering and the permitting process undertaken by Donlin. He discussed the stages of the permitting and stated that some of the permits were on appeal. He explained that the products from the mine were known as Dore bars which would be approximately 80 percent gold and include silver and other impurities. The refinery site had not been determined.

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MR. ECKERT responded to a question from Representative Saddler regarding the expense for permitting by explaining that he did not have those numbers available at that time.

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BRONK JORGENSEN, Placer Miner, Fortymile River, provided an update regarding reclamation for family-operated placer mining. He showed slide 13, titled "Placer mining in Fortymile Mining District," which depicted the current reclamation methods compared to previous operations. He explained that the word "placer" means "free," and that placer mining is where the gold

nuggets for jewelry come from. He described the history of the Fortymile Mines. He pointed out that chemicals are not involved and that the mines use gravity and water. The past 20 years have brought changes to the reclamation process. The photo on the right illustrated the three-tiered pond system which resulted in a 100 percent recycle system. He displayed slide 14 which illustrated the reclamation process on one section of the creek. He moved to slide 15 which depicted side by side photos of a portion of the creek before and after the reclamation process. He explained that there were fish in the creek both in the past and in the present.

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MR. JORGENSEN addressed several questions posed by Representative Fields regarding the requirements of placer mining reclamation. He explained that the banks needed to be stabilized, regrowth provided for, and that the streams must have good fish habitat. Placer miners do all their own reclamation.

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MR. JORGENSEN responded to a question from Representative Saddler regarding the financial aspects of placer mining and whether it involves outside money by stating that the Fortymile Mine was a family operation. A person or group would pay all costs because banks do not loan to placer miners. He described placer mining as profitable after the initial investment in heavy equipment. However, most placer miners he knows make a living but do not have "get rich" experiences.

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MR. JORGENSEN answered Representative Elam's question regarding reworking old tailings. He said it was common to rework old tailings because modern sluice boxes use better technology and can catch gold the old timers missed. In addition, the past mines were dug by hand, so newer mines can dig deeper for the gold.

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KAREN MATTHIAS, Executive Director, Alaska Metal Mines, began her presentation by describing the difference between reclamation of placer mines and large mining operations. She explained that before a large mine was permitted by the Alaska

Department of Natural Resources (DNR), the reclamation plans had to be set up and financial assurance provided by the companies, so if the company was unable to do the reclamation, the state would step in. She displayed slide 16, titled "Jobs and Training for Alaskans," which read as follows [original punctuation provided]:

- 11,800 - Total Jobs
- \$1.1 billion - Annual Wages
- 72% - Average # of AK residents employed at the 6 large mines
- 90+ - Communities where mining employees live
- \$1.5 million - Invested in UA and vocational programs

She stated that the numbers are from a 2023 report by the McKinley Research Group. She reviewed the data and added anecdotal information.

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MS. MATTHIAS responded to a question from Representative Mears regarding the number of Alaska hires. She pointed out the changes due to the pandemic and said there was a half percent increase in non-resident workers. She also explained that mining tended to be seasonal employment, so it was harder to fill those jobs with Alaskans.

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MS. MATTHIAS answered a question from Representative Fields regarding the emphasis on training. She pointed out that was one of the ways the mining industry encouraged Alaska-hire. She observed that the cost and availability of housing has been detrimental to encouraging workers to move to Alaska for work. She stated that six percent of the non-resident Alaska work force was employed by mining and oil and seven percent employed by state and local governments.

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MS. MATTHIAS referred Representative Elam to the Alaska Department of Labor website for statistics concerning non-resident workers in Alaska.

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MS. MATTHIAS addressed several questions posed by Representative Saddler regarding ownership of Alaska mines. She summarized the regulations that came into effect after the stock market crash of 1929 when the Securities and Exchange Commission (SEC) was established. Because the SEC was risk-averse, regulations were put in place which did not exist in other countries such as Canada. As a result, the headquarters for mining companies are often in Canada or other countries. However, if a company is mining in Alaska, it must be registered in Alaska and is subject to state regulations and environmental laws.

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MS. MATTHIAS moved to slide 17, titled "State Government Revenues," which read as follows [original punctuation provided]:

- \$136 million to State of Alaska
- \$53 million in Mining License Tax
- \$6 million in Corporate Income Tax
- \$16 million in rents and royalties
- \$30 million net to AIDEA for DeLong Mountain Regional Transportation System
- \$15 million to Alaska Railroad (coal, sand & gravel)
- \$17 million in material sales, other fees and taxes

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MS. MATTHIAS emphasized the importance of mines to specific regions of Alaska. She presented slide 18, titled "Local Government Revenues," which read as follows [original punctuation provided]:

- \$49.8 million to local governments
- \$34.8 million to Northwest Arctic Borough
- \$10.6 million to Fairbanks North Star Borough
- \$4.2 million to City and Borough of Juneau, Alaska
- \$200,000 to all other local jurisdictions

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MS. MATTHIAS moved to slide 19, titled "Alaska Native Corporations," which showed a map of Alaska with the location of the 12 regional corporations. She pointed out that Alaska was unique because of the revenue sharing provisions under the Alaska Native Settlement Act. These provisions stipulated that 70 percent of royalties received from subsurface mineral

development or timber on Alaska native land must be shared among the 12 regional corporations. Additionally, 50 percent of the money received by the regional corporations must be shared with the village corporations. Since 1989, there have been \$3.2 billion in total royalty payments, and in 2023 there were \$235 million in royalty payments to Alaska Native Corporations.

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MS. MATTHIAS, in response to a question from Representative Saddler clarified that these numbers referred to mining rather than oil, and most of that revenue came from the Red Dog Mine.

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MS. MATTHIAS proceeded with slide 20 which showed the impact of mining on the Alaska economy. The slide stated that "\$1.1 billion [is] spent on goods and services with 450+ Alaska businesses in 2023." She provided specific examples from Alaska communities of the types of goods and services could be attributed to the development and operations of the mines.

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MS. MATTHIAS, in response to a question from Representative Rauscher regarding mine reclamation, explained that each mine area has distinct flora to replicate. She added that the financial assurance keeps up with changing times and is reassessed at least every five years.

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MS. MATTHIAS addressed a question from Representative Fields regarding funds which were frozen because of President Trump's executive orders.

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MS. SKIBINSKI commented on the issue of frozen funding and encouraged the committee members to contact Washington.

[2:09:00 PM](#)

MS. SKIBINSKI responded to a question from Representative Saddler regarding whether DNR has sufficient resources and whether it is properly staffed. She explained that during the past 10 years staffing has been reduced, and there are vacant

positions at DNR and more resources in the regulatory department would be very beneficial.

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MS. SKIBINSKI, in response to questions from Representative Fields, Representative Raucher, and Representative Saddler described the employment challenges being experienced by both DNR and the private sector. She touched on the differences in wage scales and benefit packages offered by private and public sector employers.

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ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:13 p.m.