

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 3, 2025

1:01 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) : MINERALS AND MINING OVERVIEW~ DEPARTMENT OF
NATURAL RESOURCES

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JENNIFER ATHEY, Operations Manager
Division of Geological and Geophysical Surveys
Alaska Department of Natural Resources
Fairbanks, Alaska

POSITION STATEMENT: Co-presented a Department of Natural
Resources minerals and mining overview.

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

POSITION STATEMENT: Co-presented a Department of Natural
Resources minerals and mining overview.

KATE HARPER, Associate Director
Office of Project Management and Permitting
Alaska Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Co-presented a Department of Natural Resources minerals and mining overview.

JOHN CROWTHER, Deputy Commissioner
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the Department of Natural Resources minerals and mining overview.

ACTION NARRATIVE

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CO-CHAIR BURKE called the House Resources Standing Committee meeting to order at 1:01 p.m. Representatives Hall, Mears, Saddler, Rauscher, Coulombe, Elam, and Burke were present at the call to order. Representative Fields arrived as the meeting was in progress.

PRESENTATION(S): Minerals and Mining Overview, Department of Natural Resources

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CO-CHAIR BURKE announced that the first order of business would be a presentation by three divisions of the Department of Natural Resources: the Division of Geological and Geophysical Surveys; the Division of Mining, Land, and Water; and the Office of Project Management and Permitting.

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JENNIFER ATHEY, Operations Manager, Division of Geological and Geophysical Surveys, Alaska Department of Natural Resources, co-presented a Department of Natural Resources (DNR) overview of minerals and mining [hard copy included in the committee packet]. She showed slide 2, titled "DGGS Minerals and Mining Overview," which read as follows [original punctuation provided]:

- Tracking the mineral industry in 2024
 - Eight operating mines: seven lode, one coal

- About 150 placer gold mines
- About 65 exploration projects
- 80 active sand and gravel operations

- Geologic mapping to survey mineral potential
 - Major effort to map Interior Alaska began in federal FY2019
 - Modern interpretation of geology and mineral potential

- New airborne geophysical surveys stimulate exploration
 - Geophysical data "sees" below vegetation and thin surface sediments

- Enhancing Alaska's geological database
 - Quality of DGGS's Alaska geological database rated number one in U.S. by Fraser Institute's 2023 Annual Survey of Mining

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MS. ATHEY, in response to a question from Representative Elam, described how to access the Alaska Division of Geological and Geophysical Surveys (DGGS) geological database online.

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MS. ATHEY moved to slide 3, titled "2024 Alaska Mineral Industry Highlights," which read as follows [original punctuation provided]:

- Total estimated value of Alaska's mineral industry was (estimated) \$4.5 billion (exploration and development expenditures plus the estimated first market value of the commodities produced)
- Red Dog is the largest critical mineral mine in the United States and the second largest silver producing mine in the United States
- Greens Creek is the largest silver producing mine in the United States
- Fort Knox is the fourth largest gold mine in the United States • Gold replaced zinc as the top metal produced

Alaska's mineral resources compared globally
17% coal

7.4% zinc
7% gold
1.7% lead
7% silver
12.4% copper
16% molybdenum

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MS. ATHEY, in response to a question from Representative Saddler, expanded on the method for determining the 4.5-billion-dollar figure on Slide 2. Regarding the representative's question about the purity of Alaska's minerals, she explained that the division used a method for valuing minerals used in other states. She acknowledged that the calculations do not incorporate the amount of money spent by the mine on development and production. She pointed out that Alaska minerals have a high-level value when compared with the industry as a whole.

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MS. ATHEY continued her discussion of slide 3, drawing the committee's attention to statistics showing the Red Dog as the largest mine of critical minerals in the United States and Greens Creek as the largest silver producing mine in the United States.

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MS. ATHEY responded to a question from Representative Elam regarding incentivizing the export of coal and other minerals. She explained that her expertise related to the geology and mineral assets of Alaska.

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MS. ATHEY advanced to slide 4, titled "2024 Alaska Mineral Industry Values," which broke down the 2024 production value by mineral types including zinc, lead, gold, silver, copper, coal, and industrial minerals. The slide also showed a chart comparing exploration expenditures since 1998.

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MS. ATHEY, in answer to a question from Representative Saddler, explained that the production information presented on slide 4 represented the amount of concentrate produced. She proceeded

to slide 5, titled, "Alaska Mine Development Pyramid," which showed a pyramid representing mines and exploration projects over time. The slide read as follows [original punctuation provided]:

- Significant investment needed to move a project up the pyramid
- Large number of mineral exploration projects needed to overcome low odds of an eventual mine developing

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Due to technical difficulties, the committee took a brief at-ease at 1:22 p.m.

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MS. ATHEY described the process of mining development, beginning with initial exploration of multiple projects. The chart followed projects through the various states, which underscored the relatively small number of projects that end up being permitted and begin operating.

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MS. ATHEY responded to a question from Representative Elam regarding why it would take up to 20 years to go from exploration to operation of a mine. She posited that it depends on such factors as luck and the need of a specific commodity, pointing out that critical minerals move through the process faster. Asked to clarify regarding "luck," she suggested that even with all the best information and technology available, it also takes a bit of luck.

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CHRISTY COLLES, Director, Division of Mining, Land, and Water, Alaska Department of Natural Resources, addressed a question posed by Representative Coulombe regarding how long it takes for a permit to be issued. She also discussed the reasons exploration spending varied as illustrated on the chart on slide 4.

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MS. ATHEY moved to slide 6, titled "2024 Alaska Mines Production Summary" and slide 7, titled "2024 Exploration by Deposit Type."

Slide 6 showed a map of Alaska indicating the locations of specific mines and the minerals produced by those mines and slide 7 showed a pie chart illustrating exploration by deposit type.

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MS. ATHEY presented slide 8, titled "Mineral Assessment Geologic Mapping," which illustrated geologic mapping in Alaska and read as follows [original punctuation provided]:

- Large map area across eastern Interior Alaska
- 16,662 square miles
- 1,980 person days
- Mixed compilation and six years of new mapping
- Funded by State of Alaska and U.S. Geological Survey (USGS) Earth Mapping Resources Initiative (Earth MRI) and STATEMAP programs
- Multi-year goal of a cohesive digital bedrock geologic map at a scale useful for industry exploration

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MS. ATHEY responded to several questions from Representative Fields. She explained that the United States Geological Survey (USGS) served an advisory role but did not work in the field with the Alaska DGGs. Regarding whether USGS employees had been laid off by Elon Musk's Department of Governmental Efficiency (DOGE), she said she did not know the answer to that question.

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MS. ATHEY responded to a question from Representative Rauscher by directing attention to slide 9, titled "Mineral Assessment Geophysics." She explained that the data came from an electromagnetic process which could do assessments from 200 to 500 feet below the surface. She continued with details of the slide which read as follows [original punctuation provided]:

- Measures different properties of the earth from an aircraft
- Used for geologic mapping and targeting mineralization
- Data collection in Interior, Southwest Alaska, and Seward Peninsula
- Funded by State of Alaska and USGS Earth MRI program

- Reduced cost of data collection through industry partnerships

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MS. ATHEY moved to slide 10, titled "Serving Geologic Data to the Public." She provided specific details while she talked through the points on the slide, which read as follows [original punctuation provided]:

- 30 terabytes of digital geologic information served from the DGGS website in 2024
- Annual Alaska's Mineral Industry reports and presentations
- Exploration Geochemistry app receives 42,000-plus views per year
- Four mineral-related geologic maps published in 2024
- Two geophysical surveys published in 2024

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MS. COLLES described the work of DNR's Division of Mining, Land, and Water, calling the committee's attention to Slide 11, titled, "DMLW Mining Section Overview," which read as follows [original punctuation provided]:

- Mineral Property Management Unit
 - Manage 40,114 mining claims for mineral exploration and development
 - 51 offshore and 65 mining leases
- APMA (Application for Permits to Mine in Alaska) Unit
 - 717 APMAs for hard rock exploration and placer mining
 - Approval of plans of operations for upland, offshore, and millsite leases
- Large Mines Unit
 - Oversees statewide reclamation requirements and large mines
- Coal Permitting and Compliance Unit
 - 30 Coal Leases
- Abandoned Mine Lands Unit

- Regulates reclamation and removes hazards from past mining operations

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MS. COLLES, in response to a question from Representative Rauscher, acknowledged that the state of Alaska received money each year from the Abandoned Mines Claims Act of 1977, but explained that she did not have the exact numbers.

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KATE HARPER, Associate Director, Office of Project Management and Permitting, Alaska Department of Natural Resources, co-presented the Department of Natural Resources minerals and mining overview. She described the work of the Office of Project Management and Permitting (OPMP), calling the committee's attention to slide 11 and slide 12, titled "OPMP Mining Overview," which read as follows [original punctuation provided]:

- OPMP provides a coordination framework for advanced exploration and mining projects
 - Multi-agency permit coordination through the Large Mine Permitting Team (LMPT) model to achieve defensible, transparent, and timely permit decisions
 - OPMP coordinator to serve as the main point of contact and facilitate communication between regulators and applicants
 - Identify and resolve issues quickly
- Coordinated engagement under the National Environmental Policy Act (NEPA) review process:
 - OPMP represents the State of Alaska as a formal cooperating agency
 - OPMP coordinates the state agencies' review and delivers a consolidated State of Alaska position to assist the lead federal agency
- Directed resources through coordination agreements
 - OPMP coordination is an optional service
 - Each project elects to enter into coordination by signing a memorandum of understanding
 - Annual financial agreements are developed based on the project scope of work
 - OPMP and other state agencies are reimbursed for time spent on eligible activities

- Projects with OPMP coordination agreements:
 - Exploration: Arctic Deposit, Anarraaq-Aktigirug Extension Project, Graphite One Project, Johnson Tract Project, Livengood Gold Project, Niblack Project, Palmer Project, Pebble Project
 - Permitted, not yet constructed: Donlin Gold Project
 - Operating Mines: Fort Knox Gold Mine, Gil Mine, Greens Creek Mine, Kensington Gold Mine, Mahn Choh Project, Pogo Mine, Red Dog Mine

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MS. HARPER in response to a question from Representative Coulombe regarding the department budget, explained that she would follow-up with that information.

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JOHN CROWTHER, Deputy Commissioner, Department of Natural Resources, addressed Representative Coulombe's budget questions, pointing out the high number of coordination agreements. He noted that those projects have variable amounts of work associated with them from year to year. While the number of coordination agreements usually is associated with increased revenue, that can vary due to work loads. He acknowledges the pause on projects because of changes at the federal level but predicted a return in activity. He explained that when entities opted in to coordinated permitting, they agreed to incur costs and obligations associated with that permitting work, so the state would not be burdened with those costs. That is reflected in the reimbursable services and receipt authority line of the budget.

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MS. COLLES answered a question from Representative Rauscher regarding the abandoned mine projects and how they are funded. She pointed out a list of sites that qualify for dollars received from the federal government.

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ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 1:58 p.m.