

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

February 24, 2025

3:30 p.m.

DRAFT

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Bill Wielechowski, Vice Chair
Senator Matt Claman
Senator Forrest Dunbar
Senator Scott Kawasaki
Senator Shelley Hughes
Senator Robert Myers

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 61

"An Act relating to an electronic product stewardship program; relating to collection, recycling, and disposal of electronic equipment; establishing the electronics recycling advisory council; and providing for an effective date."

- MOVED CSSB 61(RES) OUT OF COMMITTEE

PRESENTATION(S) : ALASKA MINING INDUSTRY UPDATE

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 61

SHORT TITLE: ELECTRONIC DEVICE RECYCLING

SPONSOR(S) : SENATOR(S) TOBIN

01/24/25	(S)	READ THE FIRST TIME - REFERRALS
01/24/25	(S)	RES, FIN
02/05/25	(S)	RES AT 3:30 PM BUTROVICH 205
02/05/25	(S)	Heard & Held
02/05/25	(S)	MINUTE(RES)
02/17/25	(S)	RES AT 3:30 PM BUTROVICH 205

02/17/25 (S) Heard & Held
02/17/25 (S) MINUTE (RES)
02/24/25 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

LOUIE FLORA, Staff
Senator Löki Tobin
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the committee substitute for SB 61 on behalf of the sponsor Senator Tobin.

REILLY KOSINSKI, Statewide Coordinator
Backhaul Alaska Program
Zender Environmental
Anchorage, Alaska

POSITION STATEMENT: Testified by invitation on SB 61.

ALYSSA MURPHY, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 61.

KAREN MATTHIAS, Executive Director
Alaska Metal Mines
Anchorage, Alaska

POSITION STATEMENT: Co-presented Alaska Mining Industry Update.

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

POSITION STATEMENT: Co-presented Alaska Mining Industry Update.

DEANTHA SKIBINSKI, Executive Director
Alaska Miners Association
Anchorage, Alaska

POSITION STATEMENT: Co-presented Alaska Mining Industry Update

CHRIS ECKERT, Senior Environmental Coordinator
Donlin Gold
Anchorage, Alaska

POSITION STATEMENT: Co-presented Alaska Mining Industry Update

BRONK JORGENSEN, Placer Miner, Fortymile Mining District
Chicken, Alaska

POSITION STATEMENT: Co-presented Alaska Mining Industry Update

ACTION NARRATIVE

[3:30:43 PM](#)

CHAIR GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Hughes, Dunbar, Myers, Wielechowski, Kawasaki, Claman and Chair Giessel.

SB 61-ELECTRONIC DEVICE RECYCLING

[3:31:32 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 61 "An Act relating to an electronic product stewardship program; relating to collection, recycling, and disposal of electronic equipment; establishing the electronics recycling advisory council; and providing for an effective date."

[3:31:54 PM](#)

CHAIR GIESSEL solicited a motion.

[3:31:58 PM](#)

SENATOR WIELECHOWSKI moved to adopt the committee substitute (CS) for SB 61, work order 34-LS0220\I, as the working document.

[3:32:08 PM](#)

CHAIR GIESSEL objected for purposes of discussion.

[3:32:17 PM](#)

LOUIE FLORA, Staff, Senator Löki Tobin, Alaska State Legislature, Juneau, Alaska, presented the committee substitute for SB 61 on behalf of the sponsor Senator Tobin.

[3:32:36 PM](#)

MR. FLORA presented the explanation of changes for the committee substitute for SB 61. He noted the changes reflected:

- feedback from testimony opposing SB 61
- request by a medical association requesting modification
- Senator Dunbar's amendment.

[Original punctuation provided.]

CSSB 61 (RES) explanation of changes - Version A to Version I

Page 10, lines 23-27: provides manufacturers of electronic devices the ability to propose a lower number of collection sites or collection events if they can demonstrate that a community has safe and adequate storage for recyclable electronic devices.

Page 14, line 15: delete penalty for people who knowingly mix electronic devices with landfill waste.

Page 17 line 3: Provides the council with the ability to meet virtually as well as in person.

Page 17, line 29: excludes medical devices regulated by the FDA from the electronics recycling program.

Page 19, line 25: removes microwave ovens from the list of items eligible for the electronics recycling program.

Page 20, line 12: removes "battery containing electronic" from the definition of "covered electronic device" or those devices that are part of the electronic recycling program.

MR. FLORA offered to answer questions. He noted that members of the Solid Waste Alaska Task Force were available to describe current and ongoing efforts in Alaska and that there was broad infrastructure in place and a lot of work currently being done.

[3:35:19 PM](#)

SENATOR CLAMAN asked why microwave ovens and battery-containing electronic devices had been removed from SB 61.

[3:35:37 PM](#)

MR. FLORA explained that battery-containing devices was unclear and broad and so had been removed. He noted ongoing discussions about including vape devices, a growing problem, [in SB 61], and said they might require a separate bill. He said microwave ovens should not have been included in SB 61 because they were not recyclable.

[3:36:26 PM](#)

SENATOR MYERS asked why medical devices were removed from SB 61.

[3:36:36 PM](#)

MR. FLORA explained that medical associations in other states have sought to remove medical devices from similar legislation. He said he could provide a more detailed explanation.

[3:37:13 PM](#)

SENATOR MYERS affirmed that he would appreciate more explanation, noting the extensive amount of electronic equipment in medical settings.

[3:37:50 PM](#)

SENATOR HUGHES expressed interest in the invited testimony for SB 61.

[3:38:14 PM](#)

CHAIR GIESSEL announced invited testimony on SB 61.

[3:38:51 PM](#)

REILLY KOSINSKI, Statewide Coordinator, Backhaul Alaska Program, Zender Environmental, Anchorage, Alaska, introduced himself and began a presentation on the Backhaul Alaska Program. He said he intended the presentation to address the concerns about SB 61 expressed by the Consumer Technology Association (CTA). He moved to slide 2, addressing infrastructure questions about the backhaul program:

[Original punctuation provided.]

Existing Infrastructure

- Robust infrastructure exists for delivering goods to & from communities
- Many leveraging opportunities
- Backhaul Alaska and others have been developing efficiencies

[Slide 2 includes a map of Alaska showing the entire state and extending south along the Pacific west coast to northern California, illustrating current backhaul collections sites and routes and modes of transportation for items being shipped in to communities and having the potential to ship recycling bound items out.]

[3:40:17 PM](#)

MR. KOSINSKI moved to and narrated slide 3:

[Original punctuation provided.]

Waste Recycling in Alaska

At least 70% of communities already
Recycle ewaste

Have access to ewaste recycling services, or
Have access to collection events

[Slide 3 includes a map of Alaska showing communities that have been recycling e-waste for the past five years.]

[3:40:57 PM](#)

MR. KOSINSKI moved to slide 4 and said Backhaul Alaska was established in 2018 and has provided the operational aspects of recycling services described by Senate Bill 61, including training, conducting collection events and managing the logistics for around 100 communities. He said they handled not only e-waste but also other hard-to-manage waste streams. Despite being a small operation with limited resources, the program has efficiently removed significant amounts of waste from rural areas. He expressed strong interest in collaboration and partnerships to tackle statewide e-waste recycling efforts:

[Original punctuation provided.]

Backhaul Alaska

- Establishing Partnerships
- Bolstering Existing Infrastructure
- Providing Training
- Conducting Collection Events
- Assist Community Backhaul Efforts
- Managing Logistics
- Leveraging Funds
- Coordinating with Recyclers

[3:42:08 PM](#)

MR. KOSINSKI moved to and narrated slide 5. He observed that there were many organizations [in Alaska] that help with backhaul and recycling of hard to manage materials like e waste and many communities that individually manage their own e waste. He noted that there were established recyclers in the state in Anchorage, Fairbanks and Kodiak, that accepted e-waste along with the other products they recycle. He emphasized that there were many willing partners:

[Original punctuation provided.]

Other Ewaste Recycling Efforts

- Kawerak (Bering Straight Region)
- Maniilaq Association (NW Arctic Borough)
- KANA (Kodiak Island)
- AVCP/Donlin Gold/Delta Backhaul (Y-K Delta)
- Cook Inlet Keeper (Kenai Peninsula Borough)
- Prince of Wales Island Tribal Environmental Coalition
- Many individual community efforts
- Established recyclers who accept ewaste in Anchorage, Fairbanks, and Kodiak

[3:42:53 PM](#)

MR. KOSINSKI moved to and narrated slide 6:

[Original punctuation provided.]

Not Starting from Scratch

- A lot of progress has been made over 20+ years
- Many organizations are involved in ewaste recycling
- SB61 borne out of a multiyear stakeholder process
- Many experienced communities and organizations available to help

[Slide 6 includes a map of Alaska illustrating present e-waste recycling across the state and potential future sites.]

MR. KOSINSKI noted that the Solid Waste Alaska Taskforce (SWAT) did reach out and meet with the Consumer Technology Association (CTA), however CTA was completely opposed to [SB 61] from the outset, and uninterested in engaging further. He said SB 61 would allow for a more formalized program that all who are involved can build around, create one program to coordinate e-waste recycling and make it much more efficient.

[3:44:50 PM](#)

MR. KOSINSKI moved to and narrated slide 7. He expressed pride in the Backhaul Alaska program's achievements but highlighted the challenge of limited funding, particularly with federal funding set to expire in the summer. He mentioned the possibility of additional funding sources for the next year or two but warned of the need to scale back operations if further funding isn't secured. He SB 61 was crucial for maintaining service levels and stability:

[Original punctuation provided.]

Need for Stable, Long-Term Funding

- Limited Community Funds for Backhaul & Recycling
- Organizations like Backhaul AK rely on Federal Grants
- Uncertainty is a barrier long term investment and planning
- SB61 would establish stable long-term funding

[3:46:00 PM](#)

MR. KOSINSKI moved to and narrated slide 8. He discussed the prevalence of extended producer responsibility (EPR) laws across the U.S.:

[Original punctuation provided.]

Big Picture

In the US...

- Over 140 PS Laws
- 33 States
- 20 Product Categories

Alaskans have already been paying in...
We should also receive some benefit

MR. KOSINSKI said there was no evidence that there has been an increase in product cost based on product stewardship programs. He argued that the costs of these programs were distributed among consumers or integrated into business operations. He said, instead, Alaskans have been funding other states' EPR programs without benefit.

[3:47:50 PM](#)

CHAIR GIESSEL removed objection; found no further objection and CSSB 61 was adopted as the working document.

CHAIR GIESSEL [concluded invited testimony on SB 62].

[3:48:04 PM](#)

CHAIR GIESSEL opened public testimony on SB 61.

[3:49:39 PM](#)

ALYSSA MURPHY, representing self, Anchorage, Alaska, said she was an Environmental Specialist for the state of Alaska and also served as the secretary for the recycling non-profit ReGroup on the Kenai Peninsula. She said ReGroup and Cook Inletkeeper work together to facilitate electronics recycling events annually. She emphasized the huge cost and burden [of these efforts] to the community. She advocated for SB 61 to shift the onus from end-users [exclusively].

[3:51:03 PM](#)

CHAIR GIESSEL closed public testimony on SB 61.

[3:51:07 PM](#)

CHAIR GIESSEL solicited a motion.

[3:51:14 PM](#)

SENATOR WIELECHOWSKI moved to report CSSB 61, work order 34-LS0220/I, from committee with individual recommendations and attached fiscal note(s).

[3:51:34 PM](#)

CHAIR GIESSEL found no objection and CSSB 61(RES) was reported from the Senate Resources Standing Committee.

[3:51:38 PM](#)

At ease.

PRESENTATION(S) : ALASKA MINING INDUSTRY UPDATE

[3:53:47 PM](#)

CHAIR GIESSEL reconvened the meeting and announced the presentation Alaska Mining Industry Update.

[3:54:21 PM](#)

KAREN MATTHIAS, Executive Director, Alaska Metal Mines, Anchorage, Alaska, introduced herself and said Alaska Metal Mines represented the six large metal mines in Alaska and some of the advanced development projects.

[3:54:31 PM](#)

GRETA SCHUERCH, Senior Advisor, Government and External Affairs, Teck Alaska, Anchorage, Alaska, introduced herself and said Teck Alaska was the operator of the Red Dog Mine.

[3:54:40 PM](#)

DEANTHA SKIBINSKI, Executive Director, Alaska Miners Association, Anchorage, Alaska, introduced herself and said Alaska Metal Mines (AKMM) members were also members of the Alaska Miners Association and the two work very closely together. She said the Alaska Miners Association included the one coal mine in Alaska as well as early-stage exploration projects, the placer mining community, mid-sized mines, and the vendors and contractors that provide goods and services to the mining industry. She said there were eight statewide branches [of the Alaska Miners Association] as far north as Nome and as far south as Ketchikan and Prince of Wales Island.

[3:55:12 PM](#)

MS. SKIBINSKI moved to slide 2 and emphasized the importance of domestic mineral production for economic and national security. She highlighted Alaska's suitability for mining due to its high standards of safety and environmental responsibility as well as the potential for mining to benefit Alaskan communities. She said three representatives from: a large-scale mining operation, a project in development and a placer mining operation would share their perspectives:

[Original punctuation provided.]

Overview

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

[3:55:54 PM](#)

MS. SKIBINSKI moved to slide 3, which contains four frames:

- A bar graph with the title: "The United States has the **second longest lead times in the world** for developing a new mine" the graph compared mining lead times for six nations.
- A photo titled, The Importance of Domestic Mining for U.S. National Security

- A title page for the presidential executive order issued January 20, 2025, titled Unleashing Alaska's Extraordinary Resource Potential
- A photo of a man kneeling in grasses beside a body of water, apparently writing on something in his hand

MS. SKIBINSKI highlighted the critical need for U.S. mining policy reform due to [U.S.] over-reliance on adversarial foreign countries for minerals. She reported that, even if a sharp policy shift to attract investment were to occur, the U.S. faces a significant challenge with long permitting timelines, averaging 29 years to open a new mine, placing it second to last globally. She said there was some progress, with policymakers recognizing the urgency and advocating for regulatory efficiencies while maintaining environmental and safety standards. She highlighted a January executive order specifically addressing Alaska's resource potential as a positive step, positioning Alaska as a key jurisdiction for mineral and energy development.

[3:57:13 PM](#)

MS. SKIBINSKI moved to slide 4, a map of Alaska showing the locations of mining activity in the state:

- Advanced Exploration Projects
- Producing Mines
- Community with Mining Industry Employees

MS. SKIBINSKI provided an overview of mining operations and projects in Alaska, noting that there were about 300 placer mining operations in the state, which were not included on the map. She highlighted the Fort Knox and Pogo gold mines in the interior, Usibelli Coal Mine in Healy, and Mahn Cho in Tetlin. Southeast Alaska operations include the Kensington gold mine and Greens Creek. Upcoming projects include Donlin Gold and the Pebble Project. Advanced exploration projects such as the Upper Kobuk Mineral Projects, Graphite Creek, Livengood, Golden Summit, Palmer, and Niblack are also discussed. She emphasized the significant presence of mining industry employees in over 95 Alaska communities, particularly in rural areas with limited job opportunities.

[3:59:38 PM](#)

SENATOR MYERS noted the 300 placer mines in Alaska and said he associated placer mining with gold. He asked whether placer mining was used for other minerals.

[3:59:55 PM](#)

MS. SKIBINSKI answered that there had been platinum placer mines in the past and she could get back to the committee about whether there was current platinum placer mining. She said gold was the object of placer mining.

[4:00:17 PM](#)

MS. SCHUERCH began a presentation on Red Dog Mine operations. She said the mine was located about 600 miles north of Anchorage, approximately 100 miles north of the Arctic Circle, 90 miles north of Kotzebue, which is the hub of the NANA Region. She said the NANA Region shares the same geographic boundaries as the Northwest Arctic Borough.

[4:00:46 PM](#)

MS. SCHUERCH moved to and narrated slide 6:

[Original punctuation provided.]

**Red Dog Operations
World's Largest Zinc Producer**

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)
- Aqqaluk (2010 start)
- Qanaiyaq (2017 start)

Current Life of Mine 2031

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

[4:02:18 PM](#)

SENATOR WIELECHOWSKI asked whether the Red Dog Mine would be closing in 2031.

[4:02:23 PM](#)

MS. SCHUERCH said Teck had an Advance Exploration Project on state lands. She said they were working with NANA and other

partners around the region toward mine life extension efforts in the hope that the Red Dog Mine would not shut down in 2031. She said five more years of exploration were required prior to deciding whether the deposits were economic to develop. If they are, she said, the hope would be to enter an agreement with NANA to use the existing infrastructure and facilities located on NANA lands, including the mill and the DeLong Mountain Transportation System that connects the mine to the port site.

[4:03:21 PM](#)

MS. SCHUERCH moved to slide 7 and highlighted the environmental and subsistence protections in place at Red Dog since its operations began. She said the subsistence committee, established under a 1982 agreement between NANA and Cominco, provided oversight to include consideration for various aspects [of mine operations] including shipping seasons, caribou migration, and marine mammal migrations. Comprised of hunters and elders from nearby communities like Noatak and Kivalina, the committee focuses on developing policies that incorporate local and traditional knowledge to ensure sustainable operations:

[Original punctuation provided.]

**Red Dog Subsistence Committee
Protecting Subsistence and the Environment**

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

[Slide 7 is a photo of the Red Dog Mine with caribou on the foreground slope. There is also an inset photo of ten men posing outdoors. The photo is labeled, First Committee.]

[4:04:49 PM](#)

CHAIR GIESSEL noted the significance of the subsistence protection committee.

[4:05:25 PM](#)

MS. SCHUERCH mentioned that other projects around the state have followed the example set by the Red Dog Mine to implement Oversight committees.

[4:06:06 PM](#)

MS. SCHUERCH moved to slide 8 and explained that the port site, located 52 miles from the mine site, operates with a short 100-day shipping season. During this time, fuel is replenished, freight barges are used for construction supplies, and concentrate stored over the winter is transported to market. Operations must balance with the local Inupiat people's subsistence hunts. The subsistence committee advises on this balance. She told about a recent time when Red Dog management deferred to the committee's recommendation to delay operations, showing respect for the community's subsistence hunting needs. She expressed appreciation for this collaborative approach and its recognition as an effective model in Alaska:

[Original punctuation provided.]

**Protecting Subsistence and the Environment
Through Co-design and collaboration**

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

[Slide 8 includes inset photos of a fuel barge, a freight barge, concentrate loading, and marine wildlife.]

[4:08:32 PM](#)

CHAIR GIESSEL asked whether there was observably more open sea as the climate changed.

[4:08:41 PM](#)

MS. SCHUERCH said, in general, the arctic was experiencing that, but there are variations from region to region and from year to year. She said the changes were being monitored by the subsistence committee and by the operation as they make decisions.

[4:09:35 PM](#)

CHAIR GIESSEL asked whether the barges and concentrate vessels encounter increased traffic through the Bering Strait. She asked whether it seemed busier with foreign vessels.

[4:09:55 PM](#)

MS. SCHUERCH said she would follow up with an answer for the committee.

[4:10:36 PM](#)

CHRIS ECKERT, Senior Environmental Coordinator, Donlin Gold, Anchorage, Alaska, introduced himself and moved to slide 9, a satellite photo providing the Project Overview for Donlin Gold. The image covers the area from Pitkas Point in the west to Cook Inlet in the east and from Takotna in the north to Port Allsworth in the south.

[4:11:17 PM](#)

MR. ECKERT noted [Donlin Gold's] preference to hire within the Calista region. He said Donlin also formed a subsistence committee similar to that at the Red Dog mine and that the newly formed committee was looking to the experience of the Red Dog subsistence committee to guide them as they move forward.

[4:13:02 PM](#)

SENATOR WIELECHOWSKI noted the natural gas pipeline and asked whether Donlin had LNG permits or gas sales contract or prospects for acquiring gas.

[4:13:20 PM](#)

MR. ECKERT said Donlin had right of way permits for the gas pipeline but did not have gas sale contracts in place. He said Donlin would be giving a presentation to the House Energy Committee with more details on the natural gas pipeline.

[4:13:56 PM](#)

MR. ECKERT moved to slide 10, Aquatic Resources Monitoring, consisting of photos of stream monitoring activity. He explained that Donlin was conducting environmental monitoring activities in the Crooked Creek drainage, which included quarterly baseline samples to assess water conditions before discharge. They were also monitoring to determine the impact of barge traffic on the Kuskokwim River, particularly on the rainbow smelt, by modeling wake zones to prevent erosion during spawning. He said they were also sampling the rainbow smelt to establish a baseline for future monitoring of potential impacts from barge activity. He said these efforts aimed to maintain the overall health of the river and its ecosystem.

[4:15:18 PM](#)

MR. ECKERT moved to slide 11, Snow Gulch Restoration Project, consisting of a photo of a pond-like body of water, surrounded by grasses and trees. He said Donlin had a wetlands impact mitigation plan to comply with the core permit for the project. He said the photo was a fines pond from a historic placer mine which Donlin increased from two to five acres and altered the

slope angle of the pond to provide good rearing habitat for salmon smolt. He highlighted the outlet of the pond and described the expectation that natural discharge channels would form, influenced by beaver activity and ensuring dynamic and natural habitat changes. He described the plan to restore Snow Gulch Creek from a straight-line channel to a more natural sinuous curve, providing more habitat for salmon. He said Donlin would monitor these efforts to make sure the plan was working before proceeding to another 200 acres.

[4:16:54 PM](#)

MR. ECKERT moved to slide 12, Kuskokwim River Fisheries Projects Salmon Smolt Monitoring - George River Fish Weir. The slide included several pictures of salmon smolt collection activity. He said the smolt monitoring project was a community project designed to resolve a gap in the data for the escapement and survivability of salmon smolts in the Kuskokwim River. The hope is to help discover challenges to the salmon population and the reasons for the decline. He emphasized that Donlin's role was to work with the village of Napamiute by providing technical support and some fisheries consultants to build up the local knowledge so that then [the community] can handle it. He emphasized that Donlin did not intend to steward the project indefinitely.

[4:19:15 PM](#)

CHAIR GIESSEL commented that Alaska Department of Fish and Game (ADF&G) would benefit from the data Donlin would be collecting.

[4:19:26 PM](#)

MR. ECKERT said there was currently no program to monitor salmon smolt escapement on the Kuskokwim River. He said there would be collaboration with ADF&G biologists to gain a wholistic understanding of salmon in the Kuskokwim.

[4:19:54 PM](#)

CHAIR GIESSEL noted community benefits and asked how the [ANCSA]7(i) revenue sharing would be affected by Donlin shifting its mining activity from Native Corporation lands to state land.

[4:20:30 PM](#)

MR. ECKERT said the royalties that Calista earned from the gold would be part of the 7(i) revenues. He did not know what the projected royalty would be.

[4:21:03 PM](#)

SENATOR DUNBAR asked when the mine was expected to open.

[4:21:16 PM](#)

MR. ECKERT said the federal permitting was completed in 2018. He said there were appeals filed by various environmental groups for the permits that were issued and he anticipated that the appeals would take another two years to complete. Following the appeals and the results of ongoing drilling to firm up the ore body and the mine plan, he said the project sanctioning and investment decision would follow. After that would be two to three years of advanced engineering and three to four years of construction. He said the mine would operate for 27 years before closure.

[4:22:21 PM](#)

SENATOR DUNBAR concluded that it would be about eight to ten years before gold would be produced on-site.

[4:22:36 PM](#)

MR. ECKERT affirmed his conclusion, provided the [project sanction] decision was to proceed.

[4:22:49 PM](#)

SENATOR DUNBAR noted that if Red Dog stops producing from their current lands in 2031, there will be a gap of a couple of years when there will be a significant dip in the 7(i) funds. He hoped [affected entities] were anticipating [the gap] as they plan their budgets.

[4:23:33 PM](#)

BRONK JORGENSEN, Placer Miner, Fortymile Mining District, Chicken, Alaska, introduced himself and said reclamation for family placer mining operations was very challenging. He compared placer mining with large hard rock mining operations. He explained that "placer" means "free" and placer mining was the source of gold nuggets, where hard rock mines must grind up the rock [to free the gold]. He said placer mining was currently done the same way it was done a few hundred years ago.

MR. JORGENSEN said over the last 20 years, reclamation and stream restoration has become a changing and unpredictable part of placer mining, due to changes in the regulatory environment. But, he said placer miners have been able to manage it and set some standards over time that will help things move forward.

MR. JORGENSEN referred to slide 13: Placer mining in Fortymile Mining District and said the two aerial photos were of Franklin Gulch in the Fortymile Mining District between Tok and Eagle. He

emphasized that Franklin was where gold was first discovered in 1886, 10 years before the Klondike discovery in the Yukon. The creek was extensively hand mined by the old timers up until the 1930s when a flood took out most of the handmade dams on the creek. He described the operations of placer mining and concurrent preparations for reclamation visible in each aerial photograph.

[4:28:08 PM](#)

MR. JORGENSEN moved to slide 14, a satellite image of Franklin Creek with extensive highlighting. He said he included the image to demonstrate how complicated it can get when government agencies get involved and start turning your mining operation into a science project.

[4:28:45 PM](#)

MR. JORGENSEN moved to slide 15, two photos depicting during and after conditions of a reclaimed creek. He said in the left photo, the banks had been sloped and overburden respread with dirt, trees, shrubs, and any material set aside to help stabilize them. He pointed out the effort to reconstruct the stream channel.

MR. JORGENSEN noted that the photo on the right illustrated that [the banks] were regrowing and the stream was re-established. He said the government engineers would like to make this more difficult than it is. He quoted his brother's approach to stream bank reclamation, "Just build it like a beaver: mix rocks, logs, sticks and dirt of all different sizes around and get them placed in there, and Mother Nature will regrow it." He said that was a success in this Gulch; there were fish before [placer mining], during, and there were fish there now.

[4:30:39 PM](#)

SENATOR MYERS asked how many years elapsed between the two pictures on slide 15.

[4:30:50 PM](#)

MR. JORGENSEN said the picture on the left was taken late in the fall as evidenced by the low water volume in the creek. He said the main work was done late in the fall and redivert [the stream] so in the spring, before any fish are present, the new channel is established. He said the time between the two photos was about three years.

[4:31:19 PM](#)

SENATOR KAWASAKI noted that placer mining began on Franklin Creek in the late 1800s. He observed that there had likely been no studies on anadromous fish during that time and asked for confirmation that there were fish there presently.

[4:31:37 PM](#)

MR. JORGENSEN answered that there were no salmon in the Fortymile Mining District. He said there were graylings, whitefish, and some other fry. He said the Bureau of Land Management (BLM) did an extensive study on the creek because of the mining activity and found an amazing [number] of fish.

[4:32:15 PM](#)

SENATOR KAWASAKI described the mining license fee structure, which varied based on the net income of the mine. For net incomes below \$50,000, the rate is three percent. Between \$50,000 and \$100,000, it's a \$1,500 flat fee plus five percent; Over \$100,000, the fee includes a \$4,000 fixed amount plus seven percent of the excess. He asked what Mr. Jorgensen thought of those fees, which were developed in the 1950s.

[4:33:10 PM](#)

MR. JORGENSEN said he pays the tax and felt it was a fair and reasonable tax. He opined that it did not overburden small placer miners. He said placer mining was a challenging business. He clarified that all mines in [Alaska] pay the state mining license tax. He said the Fortymile Mining District was on federal property and did not pay state rents or royalties, but they do pay the mining tax. He opined that everyone who was pulling minerals out of the state should pay and that [the formula] developed and in use was a good metric.

[4:34:03 PM](#)

SENATOR KAWASAKI noted that the fees were developed around 60 years ago.

[4:34:31 PM](#)

SENATOR KAWASAKI asked what percentage of the people employed by Mr. Jorgensen were [Alaska] residents and what percentage of the employees were seasonal.

[4:34:53 PM](#)

MR. JORGENSEN said his business also did mine service work, so his typical payroll was five to twelve employees and 90-95 percent were local; currently he had six full-time employees, three of whom were Alaska native.

[4:35:35 PM](#)

CHAIR GIESSEL thanked Mr. Jorgenson for his presentation. She appreciated the opportunity to hear the placer mining perspective.

CHAIR GIESSEL asked Ms. Schuerch how much Red Dog contributed to the [ANCSA] 7(i) [revenue sharing].

[4:36:13 PM](#)

MS. SCHUERCH answered that a portion of the upcoming presentation specifically addressed the Red Dog contribution to 7(i).

[4:36:32 PM](#)

MS. MATTHIAS moved to slide 19:

[Original punctuation provided.]

Alaska NATIVE CORPORATIONS

All Alaska Native Corporations benefit from mining through 7(i) and (j) royalty sharing payments

\$3.2 billion
in total royalty
payments since 1989

\$235 million
in royalty payments to Alaska
Native Corporations in 2023

[Slide 19 includes a map of Alaska illustrating the regions of the twelve Native Corporations.]

MS. MATTHIAS explained the ANCSA requirement for revenue sharing of mineral or timber development on native land, specifically section 7(i), which mandated that 50 percent of royalties to Native Corporations must be distributed among the 12 regional corporations, and that 50 percent of each regional corporation's share must be allocated to village corporations. She noted that oil development was minimal on [Arctic Slope Regional Corporation] (ASRC) lands. She emphasized that Red Dog, a significant contributor since 1989, provided \$3.2 billion to NANA, with \$235 million in 2023. The total is sometimes reported differently due to the split of payments, with NANA receiving \$112 million after distributing 70 percent to the other 12 corporations.

[4:38:26 PM](#)

SENATOR DUNBAR commented that 7(i) funds were very useful to village corporations and to regional corporations. He recalled recent controversy over whether to include carbon storage in the accounting for timber development. He said \$235 million was a lot of money, but that when it was divided up so much, it paled in comparison with the [ANCSA] 8(a) program, which was hundreds of millions per regional corporation. He noted that the corporations were now \$1 billion or \$multi billion revenue companies and while it was concerning that the [Red Dog] money might go away, perhaps it was not catastrophic to the corporations. He invited comments.

[4:39:21 PM](#)

MS. MATTHIAS said the Institute for Social and Economic Research (ISER) at University of Alaska Anchorage (UAA) found that two-thirds of Alaska Native village corporations heavily relied on the 7(j) share for their survival, and that it was existential for some villages to receive them. She also said for some regional corporations, early in their development when investments didn't go as well as they would have liked, the 7(i) share was one of their biggest forms of revenue.

[4:40:18 PM](#)

SENATOR DUNBAR appreciated the attention to the village corporations. He said 7(i) funds were a unique funding source and many of the small villages did not have the personnel to compete for Alaska Industrial Development and Export Authority (AIDEA) contracts. He concluded that the loss of [Red Dog revenues] was concerning for them.

[4:40:49 PM](#)

MS. SCHUERCH underscored the importance of 7(i) and 7(j) shares across Alaska. She acknowledged significant planning by the native corporations in preparation for the anticipated fiscal cliff.

MS. SCHUERCH pointed out that February 25th, 2025, was Juneau Mining Day and there would be a panel with representatives from NANA and the Bristol Bay Native Corporation speaking about 7(i) and 7(j) sharing. She encouraged the committee to attend.

[4:42:23 PM](#)

MS. MATTHIAS moved to slide 16:

[Original punctuation provided.]

Jobs and Training for Alaskans

11,000	Total Jobs
\$1.1 billion	Annual Wages
72 Percent	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

[Slide 16 includes an inset photo of a poster promoting an Underground Mine Training Camp.]

MS. MATTHIAS said the mining industry in Alaska, per the August 2024 study by McKinley Research Group, supported 11,800 jobs with a payroll exceeding \$1 billion in 2023. Jobs included direct, indirect, and induced employment. She said the mining industry invests \$1.5 million in vocational programs to train Alaskans, offering high-paying jobs averaging \$122,000 annually, double the state average. She said people employed in the mining industry contributed significantly to local economies, with 90+ communities benefiting. She noted ongoing challenges including a tight labor market and housing issues, particularly in Southeast Alaska, which affected industry and communities.

[4:47:12 PM](#)

SENATOR MYERS discussed his concern that [Alaskan] ownership of mining businesses was important as was hiring Alaskans for mining positions. He related a constituent's difficulty in securing capital to develop an antimony mine. He noted that small scale mining operations faced financing difficulty broadly.

[4:48:07 PM](#)

MS. SKIBINSKI concurred and highlighted the challenge of accessing capital for small miners, noting that traditional financing is often unavailable due to the high risk and uncertainty of profitability in small-scale mining projects. She mentioned a current focus on antimony, with significant interest in military-grade antimony, particularly a high-profile project in Northern Idaho and discussions about reserves in Fairbanks and the West Susitna area. She offered to assist the constituent whose story Senator Myers related.

[4:49:40 PM](#)

SENATOR MYERS expressed appreciation for her offer. He noted the importance of keeping wages in the state and said it was also important to local economies to keep [mine/business] ownership in the state. He said if capital was an issue, it may be something warranting consideration.

[4:50:25 PM](#)

SENATOR KAWASAKI said that the Department of Labor published a recent report which said non-residents accounted for more than half of the mining worker increase over the last three years. He acknowledged that different areas had different rates of non-resident hire. He said solutions to housing challenges had proven elusive and asked what could be done by the legislature to ensure that residents were hired first.

[4:51:46 PM](#)

MS. MATTHIAS answered that the mining industry in Alaska saw a 0.5 percent increase in non-resident workforce over the past year, with non-resident workers comprising six percent of the mining and oil industry workforce combined, compared to seven percent non-resident employment in local and state government. She said challenges [to hiring mine workers] include remote operations, rotational shifts, and the need for workers to commute long distances. She said Juneau's mines were the largest private sector employers and were finding it necessary to implement creative recruitment strategies. Efforts include collaborations with UAS, the Juneau School District, and Alaska Resource Education (ARE) to raise local awareness and provide incentives like stipends and job guarantees. She noted that there's a struggle in all industries to fill positions.

[4:55:21 PM](#)

MS. MATTHIAS moved to and narrated slide 17:

[Original punctuation provided.]

STATE GOVERNMENT REVENUES

**\$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

[4:55:48 PM](#)

MS. MATTHIAS moved to and narrated slide 18. She noted that mining entities were the largest single taxpayers in each of the three major boroughs in Alaska, contributing significantly to economic stability in those communities:

[Original punctuation provided.]

LOCAL GOVERNMENT REVENUES

**\$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
\$200,000 to all other local jurisdictions

[4:56:12 PM](#)

MS. MATTHIAS returned to slide 17. She emphasized that Alaska's mining industry pays various taxes and fees beyond the mining license tax, notably mines paid corporate income tax, rents, royalties, and contribute to state agencies including the Alaska Railroad and the Alaska Mental Health Trust. Additionally, the mining license tax is a percentage applied to net income exceeding \$100,000, so the big mines were paying in the millions. She observed that Alaska's corporate income tax remains consistently high at 9.4 percent, unaffected by inflation, suggesting stability in the state's revenue collection despite fluctuating market conditions.

[4:58:09 PM](#)

SENATOR CLAMAN asked how many [mining entities] were paying corporate tax versus those which were non-taxable entities, for example LLCs or S corporations.

[4:58:26 PM](#)

MS. MATTHIAS said all the [large] mines paid [state] corporate taxes and none were S corporations. She said she did not know about placer mines.

[4:58:43 PM](#)

SENATOR DUNBAR observed that placer mines probably were LLCs or S corporations. He pointed out that \$6 million in Corporate Income tax, [reported on slide 17] implied that the mines made

only \$60 million. He said that did not seem possible given that wages were \$1.1 billion, and it had been reported that billions of dollars in gold were produced. He asked why the [net revenue and corporate tax] numbers were so small.

[4:59:22 PM](#)

MS. MATTHIAS said the net benefit study by the Institute for Social and Economic Research (ISER) covered a five-year average to mitigate fluctuations in commodity prices, inflation and operating costs and the differences between fiscal years and calendar years. She said [the data for the presentation] was from the year 2023 during which there were lower prices, especially for zinc and lead, inflation pressure was strong and there were higher operating costs for many mines. There were also one-time impacts of refiling fiscal year 2024 [taxes], which she pointed out was 2023 [calendar year] data. She said the numbers for 2024 were not yet available and it may be difficult to obtain meaningful numbers until we have moved beyond the pandemic years.

[5:01:39 PM](#)

CHAIR GIESSEL thanked all the presenters. She particularly commended the three women leading the presentation. She pointed out that in the 1960's they would not have been allowed at the table, because it was not believed then that women could comprehend complex issues.

[5:02:29 PM](#)

There being no further business to come before the committee, Chair Giessel adjourned the Senate Resources Standing Committee meeting at 5:02 p.m.