

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE
JANUARY 27, 2026
3:33 P.M.

MEMBERS PRESENT

Senator Scott Kawasaki, Chair
Senator Jesse Bjorkman, Vice Chair
Senator Bill Wielechowski
Senator Cathy Tilton
Senator Elvi Gray-Jackson (via teleconference)

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

OVERVIEW: ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA) UPDATE ON CURRENT PROJECTS AND EXTERNAL REPORT.

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

GEOFF JOHNS, Chief Investments Officer
Industrial Development and Export Authority (AIDEA)
Anchorage, Alaska

POSITION STATEMENT: Presented an update from AIDEA.

JEFFREY SAN JUAN, Infrastructure Development Program Manager
Alaska Industrial Development Export Authority (AIDEA)
Anchorage, Alaska

POSITION STATEMENT: Answered questions on the annual report.

KENT SULLIVAN, General Counsel
Industrial Development and Export Authority (AIDEA)
Anchorage, Alaska

POSITION STATEMENT: Answered questions on legal inquiries.

ACTION NARRATIVE

[3:33:24 PM](#)

CHAIR KAWASAKI called the Senate State Affairs Standing Committee meeting to order at 3:33 p.m. Present at the call to order were Senators Bjorkman, Wielechowski, Tilton and Chair Kawasaki. Senator Gray-Jackson joined via teleconference.

**OVERVIEW: ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
(AIDEA) UPDATE ON CURRENT PROJECTS AND EXTERNAL REPORT.**

[3:34:02 PM](#)

CHAIR KAWASAKI announced an overview from Alaska Industrial Development and Export Authority (AIDEA).

[3:34:53 PM](#)

GEOFF JOHNS, Chief Investments Officer, Industrial Development and Export Authority (AIDEA), Anchorage, Alaska, presented an update from AIDEA.

[3:35:50 PM](#)

MR. JOHNS moved to slide 6, About AIDEA, and stated that Alaska Industrial Development and Export Authority (AIDEA) is the State of Alaska's development finance authority. Its mission is to promote economic development, create and retain jobs within the state, and support in-state projects. Established by the legislature, AIDEA finances development projects and business lending, primarily using its own pledged resources, including a revolving fund and, when necessary, externally managed investments subject to its investment policies.

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MR. JOHNS moved to slide 7, Financial Toolbox, and stated that Alaska Industrial Development and Export Authority (AIDEA) uses two primary financing tools. The Loan Participation Program (LPP) allows AIDEA to purchase up to 90 percent of a loan, up to \$25 million, with 15-25-year terms. The program supports banks, extends repayment schedules, and lowers payments for Alaska businesses. The Direct Finance Program (AS 44.88.172) funds large infrastructure and long-term revenue-generating assets that fall outside conventional lending. Projects move through feasibility, due diligence, risk review, and board approval. AIDEA also issues conduit revenue bonds, where AIDEA acts only as a facilitator, plus smaller programs such as the Small Business Economic Development Fund (SBED).

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MR. JOHNS moved to slide 14, Small Business Economic Development (SBED), and stated that SBED supports startup and expansion projects that create long-term jobs in Alaska communities. In

December 2025, SBED was recapitalized to \$6 million using funds from AIDEA's revolving fund and the Rural Development Initiative Fund (RDIF). He said the funding is expected to support 25-30 loans and about 120 jobs, preventing a lending pause that could have lasted up to nine months.

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MR. JOHNS moved to slide 13, Rural Development Initiative Fund (RDIF), and stated that RDIF supports small businesses in remote Alaska communities with populations under 5,000 off the road system or 2,000 on the road system. He said statutory limits, geographic restrictions, lower loan caps, and higher interest rates make the program less utilized than SBED. Together, the programs hold over 60 loans, about \$14.5 million outstanding, an average loan of \$225,000, and 0 percent delinquency.

[3:41:39 PM](#)

MR. JOHNS moved to slide 17, Loan Participation Program Spotlight, and stated that since 1997, AIDEA has paid over \$520 million in total dividends to the state. The Board recently approved a \$17 million dividend for Fiscal Year 2025, payable in Fiscal Year 2027 due to a two-year lag, like the \$11 million paid this year from the Fiscal Year 2023 declaration. He said these dividends serve as a direct mechanism to transfer investment success to Alaska's general fund. Furthermore, AIDEA's net position grew by approximately \$69.5 million in Fiscal Year 2025, reaching roughly \$1.5 billion.

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MR. JOHNS moved to slides 24 and 25, Ambler Access Project, and stated that the Ambler Access Project is a proposed 211-mile industrial road connecting the Dalton Highway to the Ambler Mining District. Designed to unlock copper, zinc, and critical minerals like gallium, the project is forecasted to create over 3,000 construction jobs and 140 annual operations jobs. Ambler Access Project is estimated to generate 193 million dollars for local communities and approximately 1 billion dollars for the state. Following the 2025 reinstatement of federal approvals, AIDEA is planning extensive field work, supported by over 100 million dollars in board-approved financing and a 30-million-dollar reimbursement commitment from Ambler Metals.

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CHAIR KAWASAKI referred to slide 24, Ambler Access Project and asked if the Ambler Mine Road was fully permitted.

[3:46:16 PM](#)

MR. JOHNS deferred the question to Mr. San Juan.

[3:46:31 PM](#)

JEFFREY SAN JUAN, Infrastructure Development Program Manager, Alaska Industrial Development Export Authority (AIDEA), Anchorage, Alaska, answered questions on the annual report. He responded that all federal permits have been secured, and the state permits are currently being finalized. The team anticipates having all necessary rights-of-way permits for both levels of government completed shortly.

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CHAIR KAWASAKI asked whether the 211-mile industrial road is open to the general public or is access restricted to specific commercial vehicles.

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MR. SAN JUAN replied that the permits state the road will remain a private industrial access road only.

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CHAIR KAWASAKI asked whether the Ambler Mine Road would operate similar to the private 40 mile Pogo Mine Road where permitted access is available.

MR. SAN JUAN replied that the Ambler Mine Road differs because the Pogo Mine Road includes a public segment, and the Pogo Mine Road will become fully public once the mine is completed.

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CHAIR KAWASAKI asked if Ambler Metals controls the road or right-of-way. He asked whether other companies could access the road for nearby projects, like shared road use among operators on the North Slope, or would it limit outside development.

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MR. SAN JUAN replied that the Ambler Road follows the model of the DeLong Mountain Transportation System (Red Dog), designed to serve multiple mines with shared access. AIDEA owns and manages the corridor, holds permits to provide access, and can contract with different operators. He said users pay to use the road, ensuring coordinated access and revenue under a single management structure.

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SENATOR BJORKMAN asked about the current position of NANA Regional Corporation on the Ambler Road, given its prior support and more recent opposition.

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MR. SAN JUAN responded that discussions with NANA Regional Corporation have resumed following right-of-way permits. He said efforts focus on securing a winter access agreement and rebuilding the relationship through increased outreach and engagement.

[3:53:03 PM](#)

MR. JOHNS moved to slides 26 and 27, West Susitna Access Project, and stated that the road aims to provide reliable, managed access to a resource-rich region, reduce logistics barriers, and encourage investment. As of July 2025, the project remains in early permitting with a Section 404 application to the U.S. Army Corps of Engineers. He said AIDEA plans an industrial toll road model, like the DeLong Mountain system, where users cover most construction and maintenance costs.

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MR. JOHNS moved to slides 22-23, 1002 Leases Alaska National Wildlife Reserve (ANWR), and stated that Section 1002 covers about 1.5 million acres in the ANWR designated for potential oil and gas development. He said AIDEA holds over 300,000 acres of federal coastal plain leases with 10-year terms from the 2021 Bureau of Land Management (BLM) lease sale. Following legal and administrative actions in 2025, AIDEA's leases were reinstated, and it paid nearly \$11 million, split 50/50 with the state, shifting to 70 percent state and 30 percent federal in FY2034. He said pre-development seismic permitting has begun, with 3D seismic work expected to start within a year.

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CHAIR KAWASAKI noted that in 2018, about 20 parcels were offered in the lease sale. AIDEA acquired several, while the remaining parcels went to private holders. He asked what became of those privately held leases.

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MR. JOHNS replied that when AIDEA's leases were canceled in mid-2020, the two private leaseholders returned their leases to BLM and likely received their bonus bid payments. He said AIDEA considers these leases to have significant resource potential and may seek board approval to bid on them in a future sale.

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MR. JOHNS moved to slides 32 and 33, Red Dog Road and Port Delong Mountain Transportation System (DMTS), and stated that the DMTS is a 52-mile road and port system financed by AIDEA that enabled the Red Dog Mine in the Northwest Arctic Borough. DMTS includes a haul road, port, fuel storage, and utilities,

supporting roughly 500 direct and 1,100 indirect jobs. He said the mine generates over \$150 million in annual wages, more than half of local hires being NANA shareholders, \$300 million in borough revenue, \$50 million in the Village Improvement Fund since 2018, and over \$2 billion in royalties. He stated that total state taxes exceed \$1 billion. The mine's current life ends around 2031, though additional reserves on state land may extend operations.

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CHAIR KAWASAKI noted that slide 32 says there are about 1,000 NANA shareholders. He asked what percentage of the Red Dog Mine's workforce is local or Alaska-based.

[4:00:21 PM](#)

MR. JOHNS replied that he doesn't have the breakdown though he can get back to the committee with the information.

CHAIR KAWASAKI noted the touted economic impact of Red Dog and the projected benefits of Ambler. He asked if AIDEA board members would require Ambler Metals and others involved in the project to commit to local hiring.

[4:01:32 PM](#)

MR. SAN JUAN replied that for the Ambler project, the reported economic activity applies to the road, while most jobs come from the mines. Ambler Metals' partnership with NANA Regional Corporation includes a preferential hiring target for NANA shareholders. He said AIDEA does not set hiring preferences as a state agency.

[4:02:29 PM](#)

CHAIR KAWASAKI referenced slide 24, with a subsection titled "Road Construction and Operations," which lists 360 direct jobs for road construction and 81 annual jobs for operations and maintenance. He asked if there is a commitment to prioritize local or Alaskans for these positions.

[4:02:56 PM](#)

MR. SAN JUAN deferred the question to Mr. Sullivan.

[4:03:08 PM](#)

KENT SULLIVAN, General Counsel, Industrial Development and Export Authority (AIDEA), Anchorage, Alaska, answered questions on legal inquiries. He replied that AIDEA cannot require preferential hiring as a state entity. However, on lands owned by NANA Regional Corporation or Doyon Limited, those entities

may apply shareholder hiring preferences for work on their lands.

CHAIR KAWASAKI noted that AIDEA was created to diversify Alaska's economy and support in-state jobs. He asked whether that goal still guides AIDEA's decisions on loans, bonds, and other financing.

[4:05:21 PM](#)

MR. SULLIVAN replied yes. He said that job creation, workforce location, and company origin are key factors in AIDEA's evaluation of projects and financing decisions and remain a central part of its process.

[4:05:54 PM](#)

CHAIR KAWASAKI asked if AIDEA is unable to require or prioritize hiring Alaskans as a condition of loans, bonds, or other financing.

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MR. SULLIVAN replied that AIDEA may apply Alaska hire preferences in some contracts, though not shareholder preferences. AIDEA evaluates projects based on total job creation, wages, and the balance of in-state and out-of-state hires.

[4:08:02 PM](#)

SENATOR BJORKMAN asked Mr. San Juan if he could explain how the economics of the Red Dog Mine would change as operations move from the current site to state land.

[4:08:25 PM](#)

MR. San Juan replied that AIDEA has an agreement with Red Dog Mine, who in turn has a 50-year agreement, that started in 1990, with Teck Resources, that guarantees a minimum annual payment regardless of mine activity. He said additional revenue depends on zinc prices and shipment tonnage, ensuring continued payments through 2040.

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MR. JOHNS moved to slides 28-29, Interior Gas Utility, and stated that the Interior Gas Utility expands natural gas supply, storage, and distribution to lower energy costs in the Fairbanks and North Pole areas. AIDEA has provided \$139 million in support. LNG deliveries began in October 2025, with truck deliveries averaging about 70,000 gallons daily since December. He said the system serves around 3,600 customers over 230 miles and improves air quality by reducing particulate emissions.

[4:11:22 PM](#)

MR. JOHNS moved to slides 34-35, Ketchikan Shipyard, and stated that the shipyard is AIDEA-owned that supports the Alaska Marine Highway and other maritime work, keeping jobs and spending in-state. In September 2025, operations shifted to JAG Alaska, increasing activity and growing the workforce from about 15 to 150, with a strong project backlog. He said training programs are also expanding to address workforce shortages in maritime trades.

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MR. JOHNS moved to slides 30-31, Alyeschem: Powering Alaska's Future with Innovation and Opportunity, and stated that the Alyeschem North Slope plant is a first-of-its-kind public-private project near Deadhorse, Alaska. He said the plant is producing about 750 barrels per day of methanol and 1,300-1,400 barrels of ultra-low sulfur diesel. The plant will replace imports, lower costs, reduce logistics risks, and support oil production. He said AIDEA is providing up to \$70 million in financing, converting to a long-term loan with royalty-style payments. The project remains on schedule, with completion expected in early 2027.

[4:15:05 PM](#)

MR. JOHNS moved to slide 36, HEX Furie: A Year of Strategic Success in 2025 and stated that AIDEA has recently closed and funded a \$50 million revolving credit facility to support Cook Inlet gas production by Hex/Fury Operating Alaska. The effort aims to grow supply from about 7.5 percent to over 10 percent, with potential for 15 percent, while increasing Alaska-based employment.

[4:16:41 PM](#)

MR. JOHNS noted that AIDEA owns the FedEx MRO facility at Ted Stevens Anchorage International Airport, a revenue-generating asset leased since 1995. The facility produces about \$1.7 million annually, supports 50-60 skilled jobs, and recently received a \$3 million roof upgrade to maintain the facility.

[4:17:34 PM](#)

MR. JOHNS stated that AIDEA owns a U.S. Coast Guard facility at Joint Base Elmendorf-Richardson that generates over \$1 million annually, which is fixed through 2043. The project was completed ahead of schedule and under budget, created about 80 construction jobs, and supports over 100 Coast Guard positions.

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MR. JOHNS discussed a few projects that are not represented in the annual report. He said AIDEA financed \$8.5 million toward a \$45 million Alaska Blood Bank facility in Anchorage, supporting about 130 construction jobs and 230 total jobs, and provided relief during COVID-19 to maintain services. He said AIDEA also supported development at Icy Strait Point through a \$30+ million financing package, helping expand tourism infrastructure, attract about 500,000 annual visitors, and support local employment in Hoonah.

[4:20:11 PM](#)

MR. JOHNS stated that was the conclusion of the annual report and moved on to the executive summary.

[4:20:47 PM](#)

MR. SULLIVAN stated that the Ambler Access Project involves a 211-mile private industrial road crossing NANA Regional Corporation and Doyon Limited lands, where protection of subsistence use requires private access. He said multiple stakeholders, including mining companies and regional corporations, expect shared ownership or governance rather than a single owner. The West Susitna project differs with plans for a public road. He said as a state entity, AIDEA cannot apply shareholder hiring preferences, though Request for Proposals (RFP) may include preference for Alaska-based companies.

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SENATOR BJORKMAN mentioned concerns about wildlife impacts by Ambler Road. He asked if there was a study released at the end of 2025 indicating the Ambler Road would have minimal impact on nearby caribou herds.

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MR. SULLIVAN replied that is correct. He said he was speaking to the concerns that NANA and Doyon have raised about potential impacts to wildlife along Ambler Road.

[4:25:24 PM](#)

MR. SAN JUAN responded that in October through November 2025, AIDEA released a study by Dr. Matthew Cronin on the Ambler Road's impact on the Western Arctic Caribou herd. He said the study found the herd's primary migration occurs north and west of the road, so the road does not intersect its regular fall migration. Some caribou may occasionally cross, though declines are largely attributed to predation and severe weather, not existing roads. He said the report also confirmed that the DeLong Mountain Transport System does not affect regular migration or herd decline.

[4:28:10 PM](#)

CHAIR KAWASAKI referenced slide 13 of the annual report and stated that the Rural Development Initiative Fund (RDIF) serves small communities, under 5,000 off the road system or under 2,000 on it. He said given the transfer of \$3 million to the Small Business Economic Development Fund (S-BED), he asked if RDIF still has sufficient funding, or if this was a strategic reallocation.

[4:29:04 PM](#)

MR. JOHNS replied that in early 2025, the SBED program had under \$300,000 in cash and over \$1.5 million in loan demand, risking a lending pause. To address this, funds were reallocated, \$3 million from AIDEA's revolving fund and about \$3 million from the less-utilized RDIF, bringing SBED to roughly \$6 million.

[4:31:28 PM](#)

MR. JOHNS moved to the Impacts of AIDEA Executive Summary report, slide 3, AIDEA's History and purpose. He stated that Northern Economics and legislation state that AIDEA finances high-risk, long-term projects that private capital avoids in Alaska, addressing challenges like distance and small markets. He said the legislature designed AIDEA to absorb development risk, while the Permanent Fund serves as a long-term wealth fund. He read the following quotes from Dave Rose:

[Original punctuation provided.]

"The Permanent Fund is a Trust Fund for the People of Alaska... AIDEA was established to help finance Alaska development projects...which are often very risky and sometimes fail completely."

"We could create a Development Bank out of [AIDEA] rather than [creating] one using the Permanent Fund. [AIDEA] would become a shield, absorbing the risk of state lending and deflecting the political pressure created by the 'loan crazies.'"

Mr. JOHNS stated that in the report Mr. Wohlforth explained that AIDEA dividends help reduce reliance on the Permanent Fund by supporting the state's general fund. AIDEA serves as both a financing tool and an economic driver, returning a portion of its success through recurring dividends.

[4:34:02 PM](#)

MR. JOHNS moved to slides 4 and 5 and stated that the report concludes that, based on the Impact Analysis and Planning

(IMPLAN) economic model, AIDEA has generated over \$60 billion in cumulative economic output for Alaska (in 2022 dollars) from 1987 to 2025. He said most of this impact comes from long-term operations, about \$28 billion in direct output and \$25 billion in indirect and induced effects, while construction contributes a smaller share. This demonstrates that AIDEA's value lies not in one-time construction stimulus but in sustained economic activity that supports ongoing jobs and payroll. He said using IMPLAN, Northern Economics calculated total output as the sum of direct, indirect, and induced effects. Despite some data limitations, including partial business reporting, the study concludes that AIDEA functions as a development tool that also provides recurring fiscal support to the state.

[4:36:43 PM](#)

CHAIR KAWASAKI stated that the committee has been waiting for the Northern Economics Report from AIDEA. He noted that the committee received 16 pages of the report. He asked when AIDEA intends to hand over the rest of the report and why the document is being held.

[4:37:07 PM](#)

MR. JOHNS replied that he provided extensive feedback to Northern Economics, which was shared with AIDEA's executive director. The executive director chose to review the full report. He said delays in communication were due to health-related issues on both sides. Now that the executive summary has been approved for release, the full report is expected to follow soon.

[4:38:07 PM](#)

CHAIR KAWASAKI asked what "quite quickly" means.

MR. JOHNS replied that as of January 15, Northern Economics reported they were awaiting final input from AIDEA senior staff and expected completion by the end of the month.

CHAIR KAWASAKI asked if the report would be available by the end of January.

MR. JOHNS replied that is correct.

[4:38:48 PM](#)

SENATOR BJORKMAN expressed concerns about AIDEA's use of public funds and its dividend practices, noting that some reallocations were vetoed last year and higher education funds were used for state expenditures. He asked whether AIDEA has considered the long-term impacts of expanding its dividend if those education

funds are not restored. He challenged claims that certain AIDEA funds are not "public," particularly regarding potential restrictions on public access to projects like the Ambler Road.

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MR. JOHNS deferred the question Mr. Sullivan.

[4:41:04 PM](#)

MR. SULLIVAN replied that there is no legal requirement that a road built with public funds become public. Alaska precedent, such as the Dalton Highway, shows that roads constructed with public funding can still carry private designations and regulations.

[4:42:24 PM](#)

SENATOR BJORKMAN stated that last year, the legislature planned to use an expanded AIDEA dividend to fund part of the budget, but the governor vetoed it and higher education funds were used instead. He asked whether AIDEA has considered the risk of increased pressure to expand its dividend in the future if those education funds are not restored.

[4:43:02 PM](#)

MR. SULLIVAN replied that he doesn't know and will report back to the committee with an answer.

[4:43:15 PM](#)

SENATOR BJORKMAN stated that he strongly disagrees with the practice of using public funds to build roads that are not accessible to the public. He argued that such roads in Alaska should stay open to everyone. He emphasized the importance of equal access across public lands and referenced the principle of section-line easements, from Thomas Jefferson, as a model for ensuring access.

[4:46:10 PM](#)

There being no further business to come before the committee, Chair Kawasaki adjourned the Senate State Affairs Standing Committee meeting at 4:46 p.m.