

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

April 1, 2025

1:38 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Löki Tobin, Vice Chair
Senator Jesse Kiehl
Senator Bert Stedman
Senator Mike Shower

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION: AIDEA UPDATE ON MAJOR PROJECTS

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

RANDY RUARO, Executive Director
Alaska Industrial Development and Export Authority (AIDEA)
Anchorage, Alaska
POSITION STATEMENT: Presented AIDEA Update on Major Projects.

MATTHEW REXFORD, Tribal Administrator
Native Village of Kaktovik
Kaktovik, Alaska
POSITION STATEMENT: Participated in the presentation, AIDEA Update on Major Projects.

FRED SUN, Tribal President
Native Village of Shungnak
Shungnak, Alaska
POSITION STATEMENT: Participated in the presentation, AIDEA Update on Major Projects.

PJ SIMON, First Chief
Allakaket Tribe
Fairbanks, Alaska

POSITION STATEMENT: Participated in the presentation, AIDEA Update on Major Projects.

ACTION NARRATIVE

[1:38:08 PM](#)

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:38 p.m. Present at the call to order were Senators Kiehl, Stedman, and Chair Bjorkman. Senators Shower and Tobin arrived thereafter.

PRESENTATION: AIDEA UPDATE ON MAJOR PROJECTS

[1:38:54 PM](#)

CHAIR BJORKMAN announced the presentation AIDEA Update on Major Projects.

[1:39:20 PM](#)

RANDY RUARO, Executive Director, Alaska Industrial Development and Export Authority (AIDEA), Anchorage, Alaska, introduced himself.

[1:39:41 PM](#)

MR. RUARO advanced to slide 2 and discussed how AIDEA reflects several bedrock principles in the Alaska Constitution:

[Original punctuation provided.]

Constitutional Authority

Constitution of Alaska

Article VII - Health, Education, and Welfare

Section 1. Public Education. The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions.

Section 4. Public Health. The legislature shall provide for the promotion and protection of public health.

Section 5. Public Welfare. The legislature shall provide for public welfare.

Article VIII - Natural Resources

Section 1. Statement of Policy. It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.

Section 2. General Authority. The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

Article IX - Finance and Taxation

Section 11. Exceptions. The restrictions on contracting debt do not apply to debt incurred through the issuance of revenue bonds by a public enterprise or public corporation of the State or a political subdivision, when the only security is the revenues of the enterprise or corporation. The restrictions do not apply to indebtedness to be paid from special assessments on the benefited property, nor do they apply to refunding indebtedness of the State or its political subdivisions.

MR. RUARO stated that AIDEA reflects these constitutional provisions in its legislative intent and findings. These policies were adopted by the legislature and direct AIDEA to help develop Alaska's resources for the benefit of all Alaskans.

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MR. RUARO advanced to slide 3 and discussed AIDEA's mission and purpose:

[Original punctuation provided.]

AIDEA's Mission and Purpose

To promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing and investment.

AS 44.88.010. Legislative Finding and Policy.

(a) The legislature finds, determines, and declares that

(1) there exist areas of the state in which seasonal and nonseasonal unemployment exist;

(2) **this unemployment is a serious menace to the health, safety, and general welfare, not only to the people in those areas, but also to the people of the entire state;**

(3) the state lacks the basic manufacturing, industrial, export, small business, and business enterprises and the other facilities referred to in this subsection necessary to permit adequate development of its natural resources and the balanced growth of its economy;

(4) the establishment and expansion of industrial, manufacturing, export, small business, and business enterprises in Alaska and the other facilities referred to in this subsection **are essential to the development of the natural resources and the long-term economic growth of the state, and will directly and indirectly alleviate unemployment in the state;**

(11) it is in the state's interest to import private capital to create new economic activity which would not otherwise take place in the state.

(b) It is declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a **public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state,** including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, export, small business, and business enterprises and the other facilities referred to in (a) of this section by creating the Alaska Industrial Development and Export Authority **with the powers, duties, and functions as provided in this chapter**

(c) It is further declared to be the policy of the state, in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose of the state, to accomplish the objectives set out in (b) of this

section through the provision of financial support to a federal, state, municipal, or private entity.

MR. RUARO stated that unemployment is considered a serious menace to Alaskans for various reasons, including the high cost of living, isolation, and the need to support one's family. AIDEA helps to promote and fund economic development and is primarily focused on resource development and export.

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MR. RUARO advanced to slide 4 and discussed AIDEA's financial highlights for fiscal year (FY) 2024:

[Original punctuation provided.]

AIDEA Fiscal Year 2024

Financial Highlights

- \$1.49 B Net Position
- \$52.8 M Increase in Net Position
- \$495 M AIDEA Dividends Approved Cumulative Total
- \$20 M AIDEA Dividend Approved for Payment in FY2026

[Slide 4 contains a bar chart titled "AIDEA net position" (with data spanning FY2020-FY2024) and a bar chart titled "AIDEA dividends declared" (with data spanning FY2022-2026).]

MR. RUARO said that roughly one third of the net asset position is in a loan portfolio to small and medium-sized businesses. Several million is in hard assets. The remainder is made up of the revolving fund and various investments. AIDEA reached its highest statutory net income in the organization's history in 2024. He surmised that AIDEA's income will continue to increase in upcoming years. He expressed a high degree of confidence in AIDEA's investments. He stated that a high return on investment benefits AIDEA as well as the state treasury and individual Alaskans. The FY2026 dividend is the highest in a decade. He surmised that AIDEA's fiscal returns will continue to improve, and the organization will experience significant growth in the coming years.

[1:45:20 PM](#)

MR. RUARO advanced to slide 5 and discussed AIDEA assets, projects, bonds, and loans. Slide 5 contains an infographic with AIDEA assets and projects alongside AIDEA bonds and loans funded. AIDEA has funded \$522,059,965 in bonds and \$488,107,252 in loans across the state.

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MR. RUARO advanced to slide 6 and discussed the Arctic National Wildlife Refuge (ANWR):

[Original punctuation provided.]

**Arctic National Wildlife Refuge (ANWR)
Section 1002 Area Leases**

SECTION 1002 AREA OIL AND GAS LEASES In 2017, Congress passed the "Tax Cuts and Jobs Act," which directed the Department of the Interior (DOI) to establish and manage a competitive oil and gas leasing program in the Arctic National Wildlife Refuge (ANWR). The Coastal Plain, often referred to as the 1002 Area, comprises 1.56 million acres within the 19.64 million-acre ANWR. AIDEA's leases cover 365,775 acres, legally acquired in January 2021.

Development of the 1002 Coastal Plain holds fi potential for economic growth. According to the Final Supplemental Environmental Impact Statement (SEIS), leasing and development could generate billions of dollars in revenue for local, state, and federal governments while creating thousands of jobs.

March 25, 2025 - Federal District Court Judge Gleason rules in favor of AIDEA in the case against the United States Department of Interior for wrongfully canceling its leases in the Alaska National Wildlife Refuge (ANWR).

"Today's ruling is about so much more than reinstating illegally canceled leases in ANWR; it is about upholding the rule of law in our country," said Governor Mike Dunleavy. "A rogue federal agency under the Biden administration should never have had the power to cancel legally obtained leases. Now the leasing program can move forward and could result in

more safe, secure energy production right here in Alaska. President Trump was right on ANWR as well."

[Slide 6 contains a map of ANWR lease lots.]

MR. RUARO briefly discussed the various lease lots in ANWR and the research AIDEA has done regarding the geology of the Coastal Plain. AIDEA's experts have expressed confidence that these areas contain billions of barrels of oil.

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MR. RUARO advanced to slide 7 and continued discussing ANWR section 1002 area leases. Estimated State annual tax and royalty revenue is \$2,002,000. Slide 7 contains tables displaying annual government revenues and the direct and indirect effects, along with the estimated number of jobs. He noted the potential for thousands of jobs in ANWR.

[1:48:14 PM](#)

MATTHEW REXFORD, Tribal Administrator, Native Village of Kaktovik, Kaktovik, Alaska, introduced himself and advanced to slide 10. He briefly discussed his work history.

[1:48:29 PM](#)

SENATOR SHOWER joined the meeting.

MR. REXFORD continued his discussion of Slide 10:

[Original punctuation provided.]

Background

- Currently Tribal Administrator
- Formerly Kaktovik Iñupiat Corporation President
Testified extensively to Congress on opening the Coastal Plain to Oil & Gas Leasing
- Testified on the 2017 Tax Cuts and Jobs Act
- Testified to the Alaska Legislature on HJR 12 in 2021
- Thank you for allowing us to speak today on our continued support for Oil and Gas Leasing in the HOMELANDS of the Kaktovikmiut.
- Our people have lived here for thousands of years.
- Our position with respect to these lands need to be heard.

MR. REXFORD indicated that the Native Village of Kaktovik supports oil and gas exploration in the 1002 Coastal Plain area of ANWR.

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MR. REXFORD advanced to slide 9 and discussed the history of Kaktovik:

[Original punctuation provided.]

Our History

- Our community has been continually been caught between federal actions that impact our ability to realize our visions of a vibrant and sustainable future.
- The 1971 Alaska Native Claims Settlement Act of 1971 (ANCSA) was supposed to allow our Kaktovik Iñupiat Corporation (KIC) the economic freedoms to develop its lands to benefit our community.
- Quickly following ANCSA, the 1980 Alaska National Interest Lands Conservation Act (ANILCA) compromised KIC's ability to access and develop its lands by expanding the Arctic National Wildlife Refuge and surrounding us
- Kaktovik did not want to be an island in the middle of a Refuge but it happened anyway.
- Having lived in the Refuge since ANILCA I am here to tell you that life has been difficult, and after 44 years the federal management agency has not performed its duty to our community as required.

MR. REXFORD emphasized that the City of Kaktovik did not choose to be surrounded by ANWR. He stated that the federal government's treatment of the City of Kaktovik is paternalistic and patronizing. He asserted that the federal government's mission is to remove the residents of the City of Kaktovik from the land; however, this land belongs to the City of Kaktovik. He briefly discussed the progress the City of Kaktovik has made with respect to ANILCA; however, this progress does not meet the federal government's commitment to the community.

[1:52:00 PM](#)

CHARLES LAMPE, President, Kaktovik Iñupiat Corporation, Kaktovik, Alaska, introduced himself. He stated that the Iñupiat people are the only indigenous population on the Coastal Plain and within the boundaries of ANWR, where they own 92,000 acres of land. He expressed support for AIDEA and said he is looking forward to partnering to move AIDEA's leases forward. He expressed frustration that ANWR leases were canceled and stated that Iñupiat voices were silenced. He paraphrased Slide 16:

[Original punctuation provided.]

- The debate over opening ANWR to oil drilling gained national attention in 1980, when the Congress set aside less than 8 percent of the newly formed Refuge for potential oil and gas development.
 - These lands of ANWR became known as the 1002 Area, after Section 1002 of ANILCA.
 - Unstated in ANILCA is that these lands are home to the Kaktovikmiut.
- We have recognized that we are an 'inconvenient truth' because we are here - these are our homelands.
- We will not give up on our rights as indigenous people and the federal government has an obligation to us through the laws of ANCSA and ANILCA.
- AIDEA leases were legitimately obtained under the 2020 Coastal Plain Oil and Gas lease sale. Congratulations on resolution of the lawsuit.
- KIC was financially impacted in a meaningful way when Secretary Haaland arbitrarily cancelled the AIDEA leases.
- KIC needs the contracts, and our community needs the jobs that come with exploration. The operators of the leases need subsistence representatives, polar bear guards, cultural resource experts - this is what we can provide. These are important opportunities for our people.
- We understand that without a significant discovery these jobs could be ephemeral but people in Kaktovik need these opportunities to build resumes and to work with outside companies to grow their capabilities and capacities.

- We openly admit that oil is critical to our region. It is the tool that we used to bring us into modern society.
- ON THE FOLLOWING PAGES ARE SOME CURRENT BEST PRACTICES FOR NORTH SLOPE OIL AND GAS

MR. LAMPE briefly discussed the benefits a winter access trail would provide and expressed hope that this would be created under the new administration.

[1:56:16 PM](#)

CHAIR BJORKMAN asked whether Kaktovik Inupiat Corporation has any wells in production on private lands.

[1:56:32 PM](#)

MR. LAMPE replied no and said there are no active wells in the 1002 area or the Coastal Plain. He shared his understanding that the last well was drilled in the 1980s; however, that well did not go into production. He expressed hope that AIDEA's reinstated leases would result in production.

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CHAIR BJORKMAN asked about the role of royalty funds in the community - and what portion of those funds would be put towards building infrastructure to support the increased industrial activity in the region that would result from production.

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MR. LAMPE replied that the money received from oil industry infrastructure taxation is used to fund schools, health clinics, water and sewer, and updating older infrastructure. He expressed hope that the money received would also go towards these, as well as creating additional jobs for the community of Kaktovik and the state. He expressed hope that Kaktovik would be able to tie into other communities with road access. He opined that every rural community in Alaska has a right to have year-round access to other communities.

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SENATOR SHOWER commented that advocating for development would be critical to overcoming any opposition. He expressed hope that the City of Kaktovik would be communicating their support to Congress and those in the Lower 48.

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Senator Tobin joined the meeting.

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MR. LAMPE agreed. He shared that would be traveling to Washington DC next week to advocate for oil and gas development. He stated that during the past 4 years, the voices of the people of Kaktovik were overshadowed by NGOs, environmental groups, and other indigenous groups that do not have claim to or cultural history with the Coastal Plains or ANWR. He reiterated that the Inupiat people of Kaktovik are the only indigenous people that have survived and thrived in the 1002 Coastal Plains area. He commented that ANWR is vast and less than 8 percent is under development. The AIDEA leases are close to 2 percent. He said that the intention is to let others know that Kaktovik would like a seat at the table. He added that they depend on the land and the animals and would never endanger either; however, they need resources that can provide heating, fuel, education, and healthcare - which comes from taxation of oil revenue. He reiterated that the Inupiat people of Kaktovik want their voices to be heard. He expressed a willingness to work with AIDEA to advocate in Washington D.C.

MR. LAMPE shared about his experiences testifying before Congress on this issue. He emphasized the importance of hearing the voices of those indigenous to the land when deciding these issues.

[2:04:00 PM](#)

MR. RUARO advanced to slide 22 and discussed the Ambler Access Project. He stated that this is a mandatory access right guaranteed by federal law under the Alaska National Interest Lands Conservation Act (ANILCA).

[2:04:44 PM](#)

MR. RUARO advanced to slide 23 and discussed the DeLong Mountain Transportation System (DMTS):

[Original punctuation provided.]

DeLong Mountain Transportation System (DMTS)

Red Dog Mine (Northwest Arctic Borough)

- AIDEA-owned asset.
- AIDEA's return on investment: \$296 million
- In 1985, the Alaska Legislature, the Governor, and AIDEA agreed that some public support was needed to make Red Dog go forward. After many hearings, SB 279 and SB 280 were passed by the Legislature and signed into law.

- In 1986, AIDEA and Cominco (Teck) signed a 50-year agreement for the financing, construction, use, operation, and maintenance of the DMTS. Payments commenced on July 1, 1990, and the initial term will conclude on June 30, 2040.
- In 1987, funds for the road and port were \$180 million. (Part of the financing involved issuing \$130,250,000 in tax-exempt revenue bonds based on a 50-year agreement with Cominco (Teck))
- AIDEA expanded port facilities in 1997 by funding an additional \$85 million for port expansion and amended and reinstated the DMTS agreement.
- Project continues to yield significant dividends for NANA (royalty of \$255 million in 2021 and shares ~60 percent of the royalty with other Regional Corporations).
- Future opportunities also exist (Aktigirug prospect could be one of the largest undeveloped zinc deposits in the world).

[Slide 23 contains an infographic to illustrate the benefits from AIDEA's investment to the state and NWAB economy.]

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MR. RUARO advanced to slide 24 and discussed the West Susitna Access Project:

[Original punctuation provided.]

West Susitna Access Project

The West Susitna Access Project is more than a transportation initiative - it is a cornerstone of Alaska's future prosperity.

This 78-mile road project is located north of Anchorage and west of Wasilla and will provide access to many desired resources.

Potential Benefits

- Gold, copper, silver, coal, antimony, and other mineral resources.

- Opportunities for clean energy, including geothermal, solar, wind, carbon capture and sequestration, and biomass resources.
- More than 700,000 acres available for harvest.
- Active energy exploration in the areas of the Susitna River, including Upper Cook Inlet, where active oil and gas producing fields exist in the study area.
- More than 65,000 acres of land has been identified for potential agricultural uses.
- Many opportunities for recreational access including snowmachining, fishing, hunting, boating, recreational mining, and use of cabins.

[Slide 24 contains a map of the West Susitna Access project.]

MR. RUARO briefly discussed the importance of antimony and stated that this presents an opportunity to on-shore the production of antimony and potentially also manufacturing ammunition in-state. He said there is potential for this project to have returns that are close to those of the Red Dog Mine.

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CHAIR BJORKMAN asked for information about the revenue stream for both the West Susitna Access Project and the Red Dog Mine.

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MR. RUARO briefly explained the method used to fund this type of project. Companies that plan to utilize the road sign debt service payment agreements. Repayment (using revenue generated from the mine) begins once the road is complete. Once repayment is complete, AIDEA continues to receive a toll or tariff for use of the road.

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CHAIR BJORKMAN asked whether the public has access to DMTS.

[2:09:35 PM](#)

MR. RUARO shared his understanding that the public has partial access. He noted that there are significant restrictions.

[2:10:02 PM](#)

CHAIR BJORKMAN asked whether the public would have access to the West Susitna Access Project Road.

[2:10:08 PM](#)

MR. RUARO replied yes. He explained that this road is intended to be open to public access for recreation. He noted Borough property and potential housing developments as well as millions of acres of state land running along the road as it travels west. He reiterated that there will be opportunity for public use of the road.

[2:10:52 PM](#)

SENATOR TOBIN asked about the dates of the upcoming public comment period.

[2:11:17 PM](#)

MR. RUARO shared his understanding that the public notice in question is for the Department of Transportation and Public Facilities (DOTPF) section of the road, which falls under a separate public process. He said that he does not have this information but could provide it.

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SENATOR TOBIN asked about AIDEA's public process.

[2:11:59 PM](#)

MR. RUARO answered that AIDEA's process begins with filing for a permit. This is followed by the public process with the federal permitting agency (Army Corp of Engineers). He briefly described the National Environmental Policy Act (NEPA) process. AIDEA is currently engaging with the public in stakeholder meetings, which will continue.

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SENATOR TOBIN shared that she has heard concerns regarding the timeliness of AIDEA's notice to stakeholders. She asked for more detailed information about the notification and engagement process. She emphasized the importance of ensuring that all voices are heard.

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MR. RUARO acknowledged her request.

[2:13:11 PM](#)

SENATOR SHOWER said he has attended meetings where AIDEA has been actively engaged with the public and answering questions.

[2:14:11 PM](#)

MR. RUARO advanced to slide 25 and discussed the Ambler Road Project:

[Original punctuation provided.]

Access to Opportunities

Estimated Total Tax and Royalty Revenue \$1,144,785,127

Potential Benefits

Mine Construction

- 2,777 direct jobs with \$286 million in wages annually
- 2,034 additional indirect and induced jobs with \$108 million in wages annually

Mining Operations

- 495 direct jobs with \$72 million in wages annually
- 3,436 additional indirect and induced jobs with \$228 million in wages annually

Road Construction and Operations

- An annual average of 360 direct jobs over the road construction period
- Up to 81 direct annual jobs for road operations and maintenance over the life of the road

Government Revenue Generation

- \$393 million in mining license tax revenues
- \$524 million in corporate income taxes
- \$214 million in production royalties
- \$13 million in claim rents

MR. RUARO explained that Ambler Road would travel 200 miles from the Dalton Highway to the Ambler Mining District. This access route was guaranteed in ANILCA. He briefly discussed the history of the associated mining sites and offered examples to illustrate the resources in each.

[2:17:06 PM](#)

FRED SUN, Tribal President, Native Village of Shungnak, Shungnak, Alaska, advanced to slide 26 and gave an overview of the community of Shungnak:

Shungnak, on the west bank of the Kobuk River, was originally located 10 miles further upstream at Kobuk until river erosion and flooding forced the village to

relocate. Issingnak is the Iñupiat word for jade, which is found throughout the neighboring hills. Shungnak is an Iñupiat village where subsistence is an important part of the economy.

Native Village of Shungnak:

- Incorporated in 1967
- 15 miles from the proposed Ambler Access Road
- Population in 2020: 272
- Median Household Income: \$76,667
- In the Northwest Arctic Borough

MR. SUN emphasized the need for jobs. He stated that many tribal members are moving away from the community due to the high cost of living and lack of job opportunities. There are over 600 enrolled tribal members; however, only 270 tribal members are currently living in Shungnak.

[2:18:35 PM](#)

MR. SUN emphasized the importance of resource development, noting that the Red Dog Mine has been the largest employer of Shungnak shareholders for 40 years. Many shareholders were employed at Bornite during exploration. He briefly discussed these jobs. He stated that the younger generations are eager to learn, especially when this leads to guaranteed jobs. Royalties from resource development support community infrastructure (e.g. schools and village public safety officers (VPSOs)). He explained that this money goes from the mine to the Northwest Arctic Borough and then to the community.

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MR. SUN said the Ambler access road inspired hope that there could one day be a road to Shungnak, as the village is only 15 miles away from the proposed road location. He listed the various costs that would be lowered as a result of road connection, including construction supplies and fuel costs. He briefly discussed the process and challenges related to housing construction. The cost of fuel (both heating and vehicle) is \$10 per gallon. He emphasized the burden of the high cost of living and discussed how this impacts the subsistence lifestyle. He shared a story about a well-known elder who relayed the need to adapt and move forward in order to provide opportunities for future generations. He pointed to high suicide rates in the region and emphasized the importance of creating opportunities for future generations. He shared that his sons work at the Red

Dog Mine and expressed gratitude for the opportunities and sense of confidence this has given them. He acknowledged that there is limited work at the Red Dog Mine and said additional opportunities are needed so that others in the community can share these benefits.

[2:24:28 PM](#)

PJ SIMON, First Chief, Allakaket Tribe, Fairbanks, Alaska, advanced to slide 27 and discussed the Allakaket community:

[Original punctuation provided.]

Allakaket is on the south bank of the Koyukuk River, southwest of its junction with the Alatna River, approximately 190 air miles northwest of Fairbanks and 57 miles upriver from Hughes. The village of Alatna is located directly across the river.

- Village of Allakaket:
- Incorporated in 1975
- 34 miles from the proposed Ambler Access Road
- Population in 2020: 177
- Median Household Income: \$25,000
- Unorganized Borough

MR. SIMON shared about the Village of Allakaket's process of coming to a position of support for the Ambler Road Project. He shared that, prior to mining in the region, the median income was \$12,000. He listed the various mining operations in the area surrounding Allakaket. He emphasized the importance of providing youth with opportunities and shared that the village has lost many youths to suicide due to a lack of opportunity. He pointed out that all the available training programs are federally funded and noted a lack of state-funded training programs. He commented that this project would provide work for young Alaskans. He shared about his experience finding work and supporting his family and surmised that the Ambler Road Project would increase access to opportunities. He briefly discussed the education levels of villagers and how the need for education impacts villagers' employment opportunities.

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MR. SIMON emphasized that the Village of Allakaket fought the idea of land and resource development for many years. He said that it is difficult to request help when others are not familiar with life in the region. He invited the committee to

visit Allakaket to gain a better understanding of village life. There is no water or sewer in Allakaket, which results in illness. He pointed out that some who live in Allakaket are US military veterans. He emphasized that the Village of Allakaket is seeking greater independence and self-sufficiency. He expressed appreciation for the support Allakaket has received from AIDEA. He commented that one tactic of environmental groups involves pitting Alaska Native groups and individuals against each other and opined that this is not very effective. He briefly discussed the role he plays in his community and the variety of jobs this includes on a given day. He reiterated that Allakaket supports development and emphasized the importance of providing opportunities for youth and creating better citizens. He shared an April Fool's Day joke.

[2:32:27 PM](#)

CHAIR BJORKMAN commented on the importance of speaking the truth about situations, even if others take offense. He opined that this creates an opportunity for education and can create greater understanding. He noted that there are state facilities for training around the state. He asked if there are specific trades that Allakaket residents are interested in that are not available at the nearby training facilities.

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MR. SIMON replied that Allakaket residents are more interested in drillers helper, Class B CDL, Class A CDL training, culinary arts, first aid and CPR, etc. He briefly discussed the village's location in relation to various mining projects and suggested that the state create a mobile training unit in Allakaket or nearby, so that residents do not have to travel to Kotzebue or for training.

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SENATOR TOBIN noted that mobile training was previously offered; however, that program is no longer funded. She opined that it is a great idea to consider ways to continue to invest in quality programs that have helped people across the state become successful and self-determinate.

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MR. SUN commented that Shungnak benefits from the training facility in Kotzebue, which conforms to the needs of the Red Dog Mine. He listed several trainings that are available and made possible by the Red Dog Mine. He expressed hope that this same opportunity could be shared by the residents of Allakaket.

[2:38:11 PM](#)

CHAIR BJORKMAN noted the change in attitudes toward development of natural resources and some surrounding land. With respect to the road projects, he asked whether the communities of Allakaket and Shungnak would support or oppose having an open access road, which would allow for further land development.

[2:39:27 PM](#)

MR. SUN replied that the Village of Shungnak supports an industrial access road (with allowable commercial use to bring goods and services to the community) and does not support a public access road. He noted that support for the road has grown as a result of increased education.

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MR. SIMON replied that the Tribe of Allakaket supports development with the understanding that it would be a private road. He acknowledged that the road would take many years to build; however, it would create immediate opportunities for young people. He briefly discussed the training programs available through the Yukon-Koyukuk School District. He said he cannot say with certainty that the residents of Allakaket would prefer a closed or open use road.

[2:42:30 PM](#)

CHAIR BJORKMAN noted public tension around using public funds to build infrastructure that only certain Alaskans can use. He questioned the appropriateness of using public funds in this way, particularly when the area is made up of public lands (both state and federal) and private property. He opined that the ANILCA provisions apply to all Alaskans. He briefly discussed the Public Land Survey System (PLSS) and reiterated his concern about using public funds in a way that does not benefit everyone. He noted that there are complex factors related to AIDEA projects and opined that these need to be carefully considered.

[2:45:43 PM](#)

MR. SUN shared his understanding that public funds were used to construct the Dalton Highway; therefore, public access was later granted. He shared his understanding that the Ambler Access Road Project would be constructed using private investment dollars and therefore public use would not be granted.

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MR. SIMON stated that he is not a scholar of the Alaska Constitution; rather, he is advocating on behalf of the future

generations in his community. He expressed understanding of Senator Bjorkman's concerns; however, he pointed out that state funds would be used to provide infrastructure for a mining company (which would provide many jobs). He pointed out that compromises are always made and shared that he is a shareholder in Doyon Limited but is not able to access certain roads in Prudhoe Bay. He reiterated his understanding of the concerns and expressed his hope that the state of Alaska would invest in the training of Alaskans. He emphasized the importance of building up the Alaskan workforce (rather than depending on out-of-state workers).

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MR. RUARO returned to the topic of accessible training and stated that AIDEA is working through the available funding options to create a solution. He listed several potential funding sources and offered an example of a successful training program in rural Alaska.

[2:50:02 PM](#)

SENATOR KIEHL asked about the plan for the road once the mines have closed.

[2:50:29 PM](#)

MR. RUARO replied that there may be significant tailings to clear, and this will take time. The road would still be needed during this process. He surmised that the road will always be needed and opined that, if there came a time when the road was not needed, the ultimate decision about the road should be left to the local communities (with some input from the state). He pointed out that AIDEA's investment would be repaid several times by then.

[2:51:28 PM](#)

SENATOR KIEHL pointed out that the road would require roughly 80 workers to maintain, which requires paying workers, maintaining equipment, and purchasing fuel. He asked if the local communities would be expected to take over these responsibilities.

[2:51:48 PM](#)

MR. RUARO said the decision would lie with the villages. He added that a maintenance fund could be created (paid into by the mines) and this could be used once the mines close. He stated that AIDEA believes the road will be in use for many, many decades.

[2:52:52 PM](#)

SENATOR KIEHL pointed out the potential for market challenges resulting in mine closures. He shared his understanding that there is no agreement in place to address those circumstances and expressed concern. He offered the AIDEA Skagway Ore Terminal (SOT) as an example, emphasizing that a lack of planning can result in negative consequences for Alaskans.

[2:53:50 PM](#)

MR. RUARO clarified that AIDEA's tenant left SOT in disarray. He explained that AIDEA offered the Borough \$50,000 for clean up; however, the offer was rejected by the then-Borough Manager. He expressed a willingness to make the offer again to the new Borough Manager. He explained that AIDEA was placed in a bad position with the SOT tenant, who filed for bankruptcy. He said AIDEA received recovery through Canadian court and offered to provide those funds to the Skagway Borough. He emphasized that AIDEA would like to work with the Borough to clean up the facility and suggested several ways this could occur. He stated that federal permits require the creation of a reclamation fund, which would be available for future use.

[2:55:33 PM](#)

SENATOR KIEHL said that he does not know why the Skagway Borough turned down AIDEA's offer. He noted that the offer was \$50,000 and the cleanup cost was millions of dollars.

[2:55:54 PM](#)

MR. RUARO expressed his appreciation to the committee for hearing testimony from local voices. He said these projects are some of the largest in state history and AIDEA is focused on the end results such as job creation and economic development for the surrounding communities. He opined that this benefits Alaska.

[2:56:35 PM](#)

MR. SUN shared a video of a Shungnak village meeting that emphasized the importance of resource development as a way to enhance quality of life and ensure the success of future generations.

[2:58:31 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 2:58 p.m.