

SCOMM

124:6

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Majority Leader
House of Representatives
House District 34

JOINT HOUSE COMMITTEE on CONSTRUCTION OF A TRANSPORTATION/UTILITY CORRIDOR TO CONNECT ALASKA WITH THE REST OF NORTH AMERICA

February 20, 2001
10:30 a.m.-12:30 p.m.
House Finance Committee Room

AGENDA

- | | |
|------------|--|
| 10:30 a.m. | Call to order; introduction of participants, other legislators present. 10:30 a.m. (Gavel in Joint House Committee, including Yukon legislators: MLAs Mike McLarnon, Scott Kent and Cynthia Tucker.) |
| 10:30 a.m. | Bill Woolf, speaking for Senator Frank Murkowski from Washington, D.C. |
| 10:45 a.m. | Jim Kubitz, Alaska Railroad |
| 11:00 a.m. | Scott Kent, Yukon MLA, speaking for Premier Pat Duncan from Whitehorse, YT. |
| 11:15 a.m. | Dr. Milt Wiltse, Power Point presentation: East Central Alaska Geologic Resources and Access Corridors |
| 11:30 a.m. | Dr. Paul Metz, University of Alaska Fairbanks |
| 11:45 a.m. | Larry Bagnell, Yukon MP, from Ottawa, Ont. |
| 12 noon | Tom Brigham, speaking for (Alaska Department of Transportation and Public Facilities) Commissioner Joe Perkins |
| 12:15 p.m. | Colin Chapman, for Congressman Don Young, from Washington, DC. |
| 12:30 p.m. | Gavel out. |

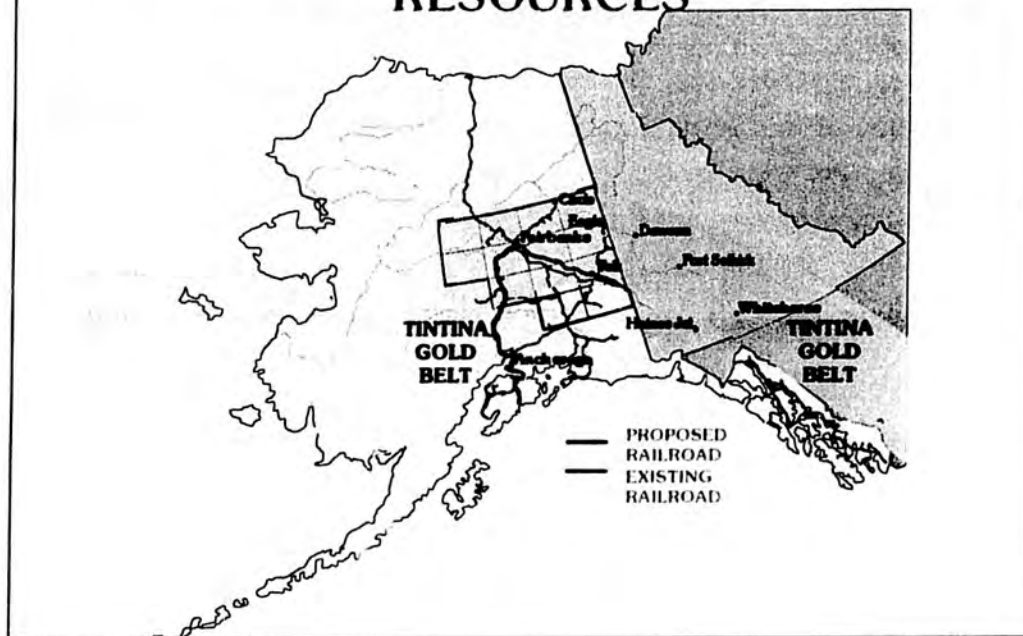
**EAST CENTRAL ALASKA GEOLOGIC
RESOURCES
AND
ACCESS CORRIDORS**

ALASKA DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS

JUNEAU, ALASKA

FEBRUARY 20, 2001

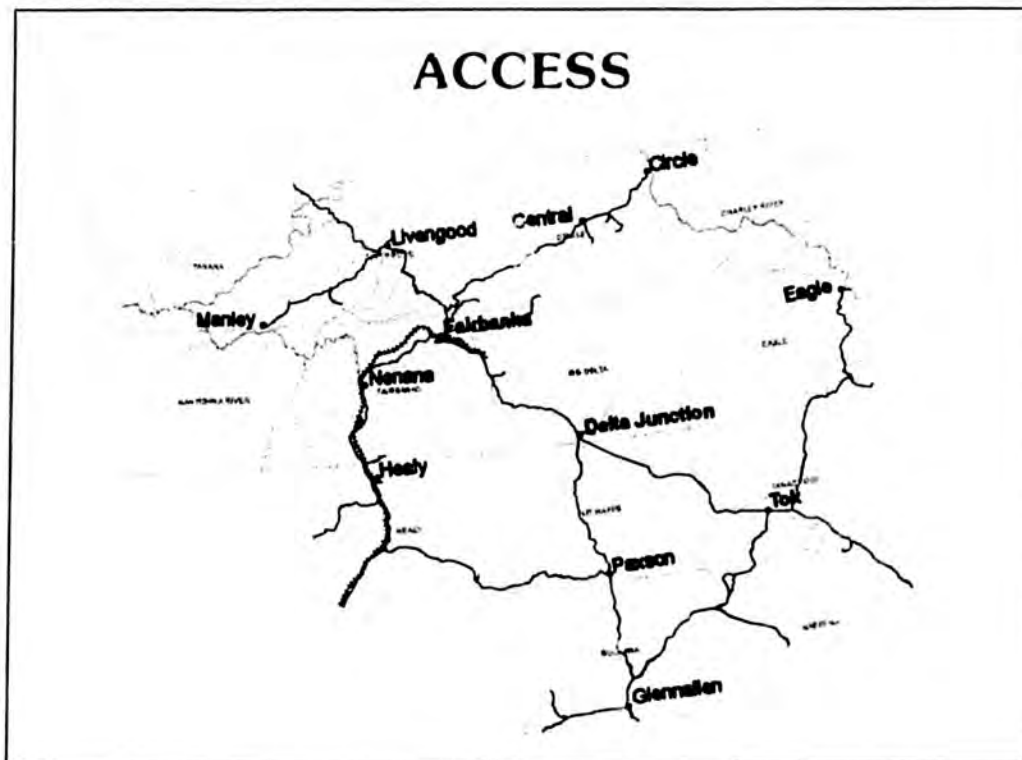
EAST CENTRAL ALASKA GEOLOGIC RESOURCES



East Central Alaska includes the central portion of a regional international United State - Canada mineral trend that informally has acquired the designation of "Tintina Gold Belt"

Gold is not the only mineral commodity within the "Gold Belt." This region also contains significant coal deposits, and copper, lead, zinc, nickel, and platinum group metal prospects.

The proposed extension of the Alaska Railroad is located within a highly mineralized portion of the Tintina Gold Belt.



The area shown in the following graphics represents about 78,000 square miles. As an indication of scale, it is about 100 miles (165 km) between Fairbanks and Delta Junction.

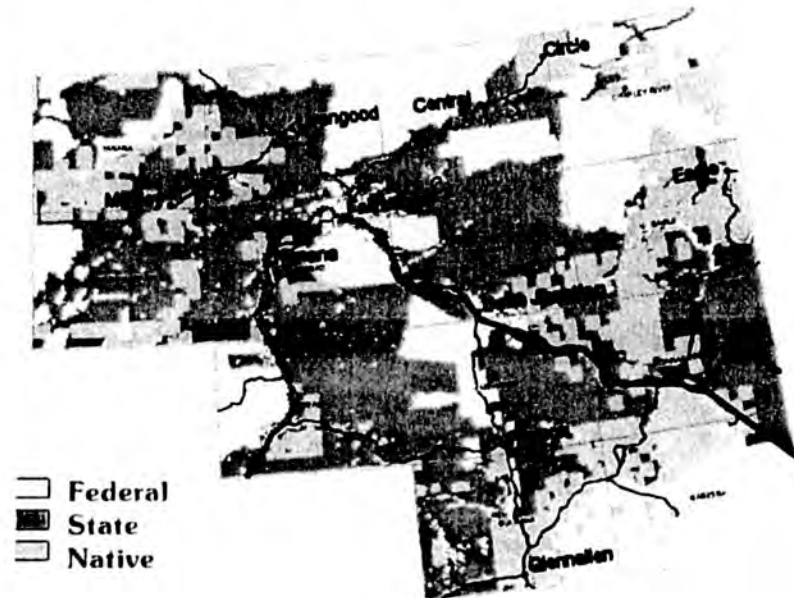
The existence of a road and railroad transportation network has been a significant positive factor in fostering mineral exploration and development in East-Central Alaska.

The Fairbanks commercial center; serviced by the Alaska Railroad, the Parks Highway, and the Alaska Highway; disburses equipment, supplies, and services to regional towns and villages that serve as staging areas for mineral exploration and development ventures.

Fairbanks is a world-scale mining center. Delta Junction is the terminal supply point for developing the recently discovered Pogo gold deposit. Tok serves the Fortymile and Delta mineral districts. The town of Healy supports the states largest active coal mine and is a local supply center for mineral exploration in the Bonnifield and Chulitna district.

A large percentage of East Central Alaska lies within fifty miles of an existing road.

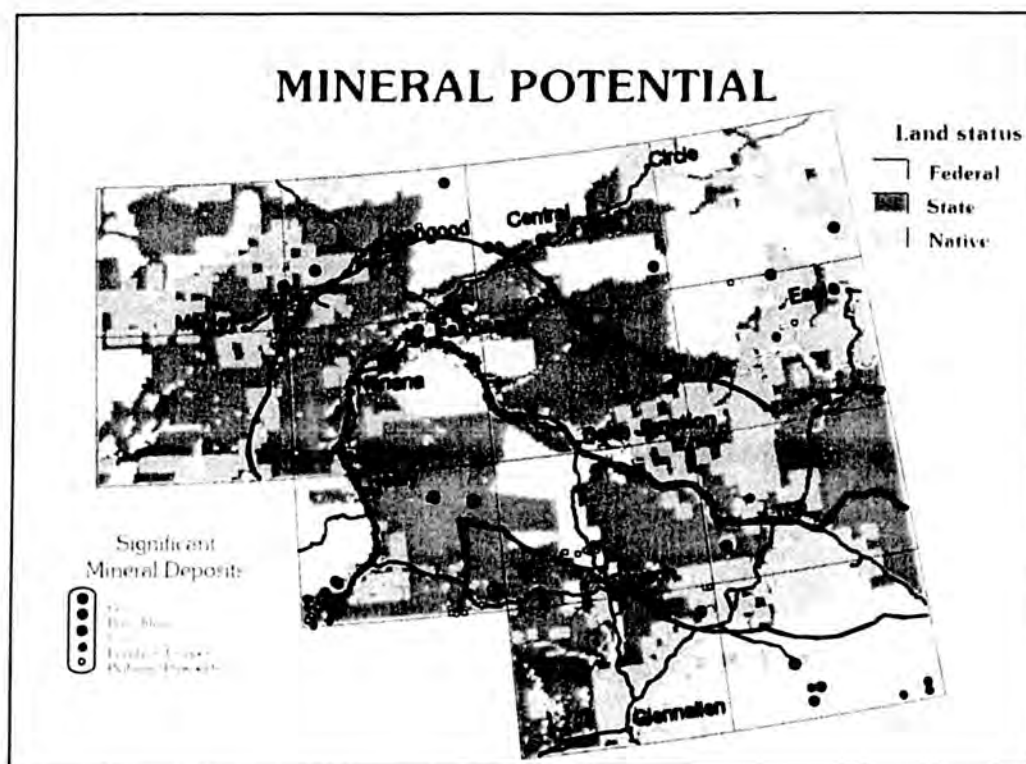
LAND OWNERSHIP



There are three major classes of land owners in Alaska: 1) the federal government; 2) the state of Alaska; and 3) Alaska Native Regional- and Village-Corporations. Other private land owners are a small minority when measured by acres in private fee-simple ownership.

The majority of known significant mineral deposits in East-Central Alaska are located on state or Native controlled land.

Much of the land selected by the state of Alaska and the Native Corporations was purposely chosen because of perceived high mineral potential. In spite of the existence of several known significant mineral deposits, these lands are under-explored. A fact amply demonstrated by the discovery of a gold deposit by sampling the road cuts of the Alaska Highway near Tetlin Junction last summer



A majority of the most valuable known mineral deposits of East-Central Alaska are located within fifty miles of the proposed or existing Alaska Railroad, e.g., Usibelli Coal Mine (1.4 billion tons), Fort Knox Gold Mine (6 million ounces), Pogo Prospect (5.2 million + ounces), True North Prospect (1.3 million ounces), Ryan Lode (0.8 million ounces).

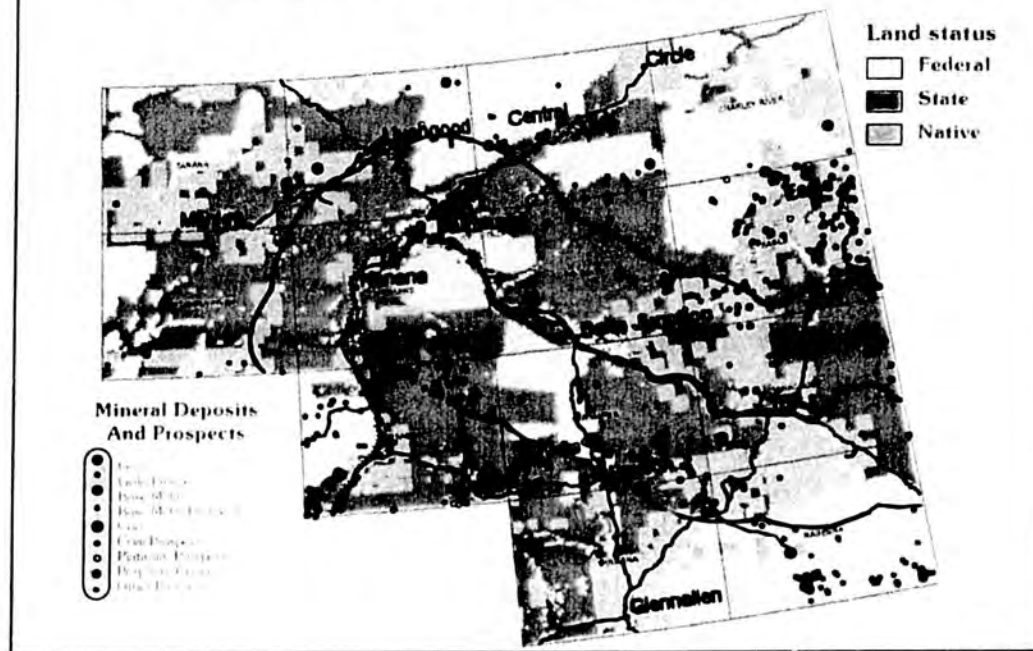
The region hosts several other significant prospects and mineral districts, e.g. the Bonnifield gold and massive sulfide copper-lead-zinc district east of Healy; the copper-lead-zinc Delta District southwest of Tok; the Richardson gold district northwest of Delta Junction.

There is growing interest in a series of nickel-copper-platinum group metal prospects north of Paxson.

There are brief references for some of these deposits in the appendices of the *Alaska Mineral Industry - 1999* annual report published by the Alaska Division of Geological and Geophysical Surveys.

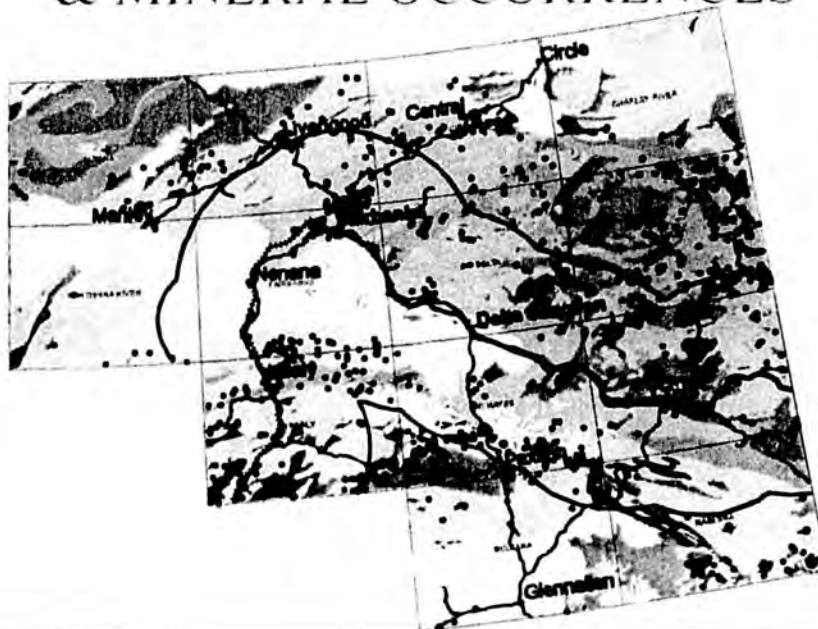
Using a non-quantitative definition of "significant," there are about thirty significant mineral deposits or prospects within the existing and proposed 100-mile wide rail-belt corridor.

EXPLORATION & DEVELOPMENT



In addition to these "significant" deposits, there are scores of lode gold, base metal massive sulfide, copper porphyry, and nickel-copper-PGM, tungsten, and tin prospects within the rail-belt corridor and many others surrounding the corridor.

GEOLOGIC FRAMEWORK & MINERAL OCCURRENCES



Placer gold deposits and districts have proved effective in identifying areas hosting significant lode deposits of several mineral commodities. If placer gold occurrences are added to the lode occurrences already shown, one gets a feel for just how widespread indications of mineralization are within East-Central Alaska.

Both lode and placer occurrences exist within a framework of varied and complex geology. By world standards, this geology is very poorly understood. We really have only crude initial hypotheses for most of the East-Central Alaska area. Most of this country has not been geologically mapped at scales useful for detailed mineral exploration.

Much of the geologic mapping that does exist is derived from regional scale (4 mile to the inch) maps that were generated from field data collected between 1950 and 1975.

RECENT GEOPHYSICAL SURVEYS & CANDIDATE TRACTS



Beginning in 1993, the state of Alaska has sustained an annual airborne-geophysical/geological ground-truth geologic mapping program in an effort to improve the general knowledge of the geology and mineral resource potential of state lands.

The airborne-geophysical/geological mapping programs are centered on historical mining districts or on lands nominated by various members of the Alaska geological community because of their perceived high mineral potential.

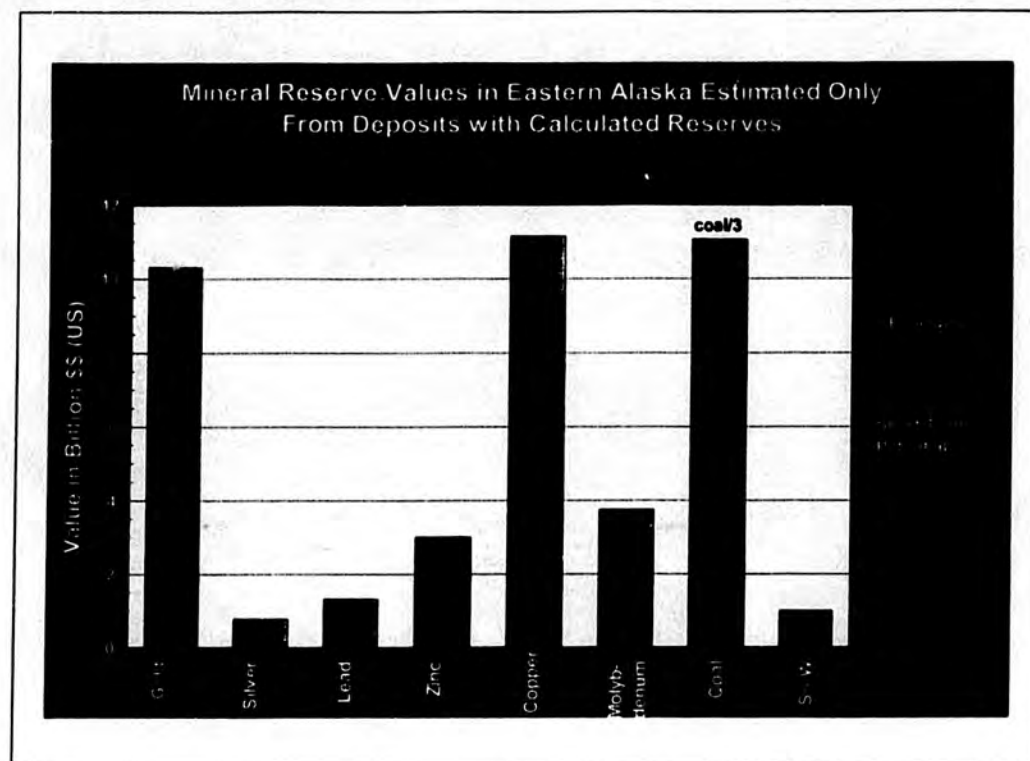
To date, nine tracts have been geophysically surveyed within East-Central Alaska. Modern ground-truth geologic maps at a scale of 1:63,360 (1 inch = 1 mile) are available for six of these tracts. The Fortymile mining district is currently being mapped.

There are 4441 square miles of airborne-geophysical surveys represented by the gray polygons shown in this figure

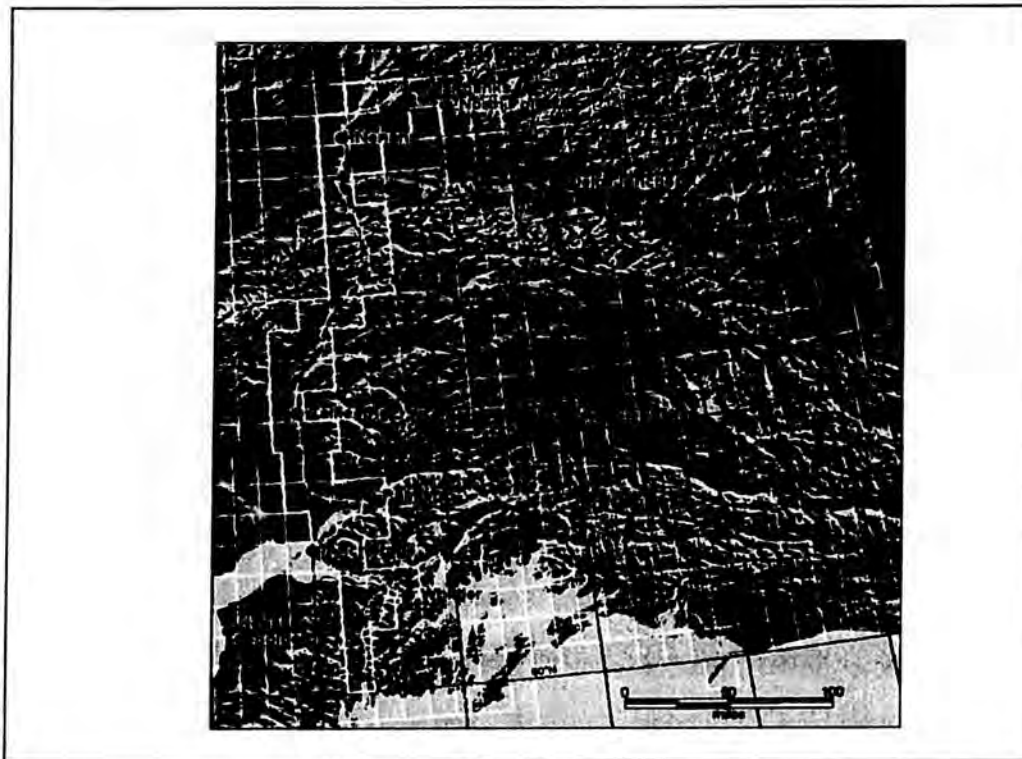
These new geophysical and geological data have catalyzed a tremendous private sector investment in mineral exploration and development within East-Central Alaska.

In addition to the nine tracts already surveyed, the proposed rail-belt corridor includes all or portions of eight additional candidate areas: Steese, Salcha, southeastern-Pogo, Sixty-mile Butte, Ladue River, Delta, Mentasta Pass, Broxson Gulch, and Bonnifield.

Completing the remaining surveys is contingent upon special annual appropriations.



From a global perspective, the Tintina Gold Belt has recently been recognized by the mineral industry as an "emergent district." That is, a region in which additions to reserves are expected to follow regularly with continued exploration. This is a young exploration region with a limited knowledge base. There is still a lot of room for success.



There is no doubt that the general corridor of the proposed extension of the Alaska Railroad passes within less than fifty miles of many significant mineral deposits. A useful and responsible next step in developing the railroad extension would be to conduct a full technical corridor analysis in order to optimize the alignment for the extension. Because the corridor for the railroad approximately coincides with the corridor for the proposed natural gas pipeline from Fairbanks to the Yukon border, one analysis could serve both projects for the Alaska portion of the railroad and pipeline.

DNR has submitted a proposed gas line supplemental project that includes some preliminary aspects of a true corridor analysis. DGGs has also worked with the NASA through the Alaska SAR Facility at the University of Alaska Geophysical Institute to acquire a detailed digital elevation terrain model for this corridor. That terrain model will probably be completed by next October. A true corridor analysis requires many layers of data beginning with corridor-wide engineering geology data at a scale of at least 1 inch=1 mile, definitive land status, geologic hazards assessment, and more information on construction materials and other geologic resources. Corridor analyses are routinely conducted for major construction projects in the Lower-48 to maximize project efficiency and minimize adverse impacts. We could benefit from following this strategy in Alaska.

The existing Alaska Railroad and railroad extension would intersect a road network providing access to about 78,000 square miles of land.

Much of that land is in nominal control of the state of Alaska or Native Corporations.

Much of the land within East-Central Alaska that is state or native corporate land was selected because of its perceived high mineral potential.

The validity of the perception of mineral wealth in East Central Alaska is being demonstrated by new discoveries resulting from an improving geologic database and private sector investment in mineral exploration.

Gold is currently the commodity of greatest interest, but East Central Alaska has potential for copper, lead, zinc, nickel, tungsten, tin, and platinum group elements.

A full technical corridor assessment of the region through which the Alaska Railroad extension would pass is a logical and beneficial next step to guide the development of this international project.

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Scott Kent

Deputy Caucus Chair

Deputy House Leader

Deputy Chair of the Committee of the Whole House

MLA - Riverside

Yukon Liberal Party



Scott Kent was elected as the MLA for Riverside in the general election on April 17, 2000.

Mr. Kent has been a Whitehorse resident since 1973. He attended Selkirk Elementary School and F.H. Collins Secondary School as well as the University of Calgary.

He has been the president of the Yukon Broomball Association since 1997 and is the president of the Whitehorse Flag Football League. He is part owner of a local business and a holding company.

He was most recently the sales and purchasing manager for Whitehorse Distributors, where he worked for the past 10 years.

E-mail: scott.kent@gov.yk.ca

Mike McLarnon

Deputy Speaker

Chair of the Committee of the Whole House

MLA - Whitehorse Centre

Yukon Liberal Party



Mike McLarnon was elected as the MLA for Whitehorse Centre in the general election on April 17, 2000.

Mr. McLarnon is a life-long Yukon resident, born and raised in downtown Whitehorse. He is a former board member of the Yukon Sourdough Rendezvous Society, the Tourism Industry Association and Heritage North.

He is a winner of the Conference Board of Canada "Award of Excellence for Youth Employment" and was a host for the Yukon Pavilion at Expo '86.

He was most recently the owner and operator of the Whitehorse Airport Gift Shop and all visitor services at Parks Canada's S.S. Klondike.

He is married to Jeannette McLarnon.

E-mail: mike.mclarnon@gov.yk.ca

Cynthia Tucker

***Government House Leader
Caucus Chair***

***MLA - Mount Lorne
Yukon Liberal Party***



Cynthia Tucker was elected as the MLA for Mount Lorne in the general election on April 17, 2000.

Ms Tucker has been a property manager for commercial, residential and special-use facilities and a small business owner.

She has experience in mediation and negotiation, conflict resolution training, land use planning and zoning and urban land economics. She was a member of the Yukon Horseman's Association and the Yukon Agricultural Association, a Canadian Ranger and a founding member of the Carcross Ranger Patrol.

She was most recently the manager of the Whitehorse Housing Authority and the Chair of the Hamlet of Mount Lorne Council. She was a board member of the Association of Yukon Communities and the Community Training Trust Fund.

Ms Tucker, who is married to Harry Kern, lives in the Robinson subdivision outside of Whitehorse.

E-mail: cynthia.tucker@gov.yk.ca



State of Alaska Legislature

* please distribute * → Lou Caputo

Please enter my testimony into the record to the

HFIN Committee in regard to the
(Committee Name)

Transp. Corridor to No. Am. on 2-20-01
(Bill/Subject) (date)

I AM VERY MUCH AGAINST THE PROPOSE ROUTE
OF THE RAILROAD EXTENSION WHERE IT LEAVES
THE AK HWY CORRIDOR AND FOLLOWS THE LADUE
RIVER. THAT INVADDES SENSITIVE WILDLIFE,
HABITAT THAT IS USED BY 2 CARRIBOU
HERDS, MOOSE + OTHER WILDLIFE. IF YOU
HAVE TO HAVE A RAILROAD, FOLLOW THE AK HWY
ALL THE WAY THRU AK + CA

SIGNED AL KEECH
(PLEASE PRINT)

POB 362 TOK, AK 99780
ADDRESS AND PHONE NUMBER

I HAVE NOT HEARD ONE WORD SAID ABOUT
WILDLIFE OR HABITAT SPOKEN. ???

Northwest Alaska Transportation Plan

Tom Brigham
Planning Director
Alaska Department of
Transportation

Vision Statement

- ◆ Multi-modal: air, land & water
- ◆ Community/resident needs, and
- ◆ Mineral/energy needs
- ◆ 20-year horizon
- ◆ Extensive public participation
- ◆ Tied to implementation plan

Regional Boundary



Two Related, but Different Efforts

- ◆ Part 1: Community and resident transportation
- ◆ Part 2: Resource Transportation

Community Transportation Analysis

- ◆ Conducted by DOT staff
- ◆ Focused on:
 - ◆ aviation
 - ◆ inter-community roads and trails
 - ◆ riverine and coastal freight



Community Transportation Analysis Update

- ◆ Public meetings in villages Nov 00-Feb 01 arranged and conducted through regional non-profit corporations
- ◆ Focused on:
 - ◆ local needs
 - ◆ local concerns with RTA



Resource Transportation Analysis

- ◆ Prepared by CH2M-Hill and subcontractors
- ◆ Focused on:
 - ◆ understanding of road/rail/marine options for accessing and transporting energy and mineral resources
 - ◆ how to make these commodities viable on world markets



RTA Consultant Team

- ◆ CH2M-Hill - Project Consultant
 - ◆ Sandwell Inc. - international mineral/coal transport engineers
 - ◆ HDR Alaska - environmental and land status
 - ◆ Northern Economics - economics
 - ◆ Army COE and AIDEA are working closely on RTA

RTA Funding and Timelines

- ◆ Phase I - Data gathering and alternatives identification - nearing completion
- ◆ Phase II-A Alternatives Review and Shortlisting - 12 months
- ◆ Phase II-B Select Final Alternative and prepare implementation plan - 6 months

RTA Timeline



Phase I
Sep. 2000

Phase II-A
Mar. 2001

Phase II-B
Mar. 2002



✕
Data & develop
list of alternatives

✕
Detailed review
of alternatives

✕
Final alternative
refine implementation.

RTA Vision

- "Provide a long-term strategic assessment of the value of surface transportation access to concentrations of petroleum, natural gas, coal and mineral deposits in the Northwest and Arctic Region.
- Suggest a system design, routing, and partnered financing structure which would make such a system economically feasible for industry and the state, compatible with the social and environmental values of the people of Alaska."

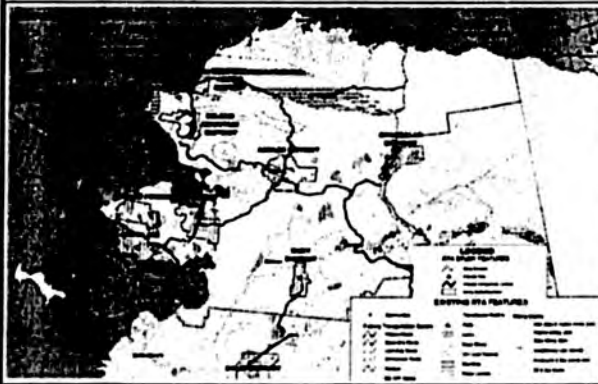
Resource Transportation Analysis Phase I-Program Definition

- ◆ Collect existing studies,
- ◆ interview industry representatives and local leaders,
- ◆ identify potential mineral/ energy resource sites,
- ◆ identify potential transport corridors and
- ◆ identify potential port sites

Resource Transportation Analysis Phase I (continued)

- ◆ Develop preliminary program requirements,
- ◆ identify a "long-list" of alternative solutions
- ◆ define regional transportation goals and objectives to assist in evaluating options and constraints

STUDY AREA AND CORRIDORS



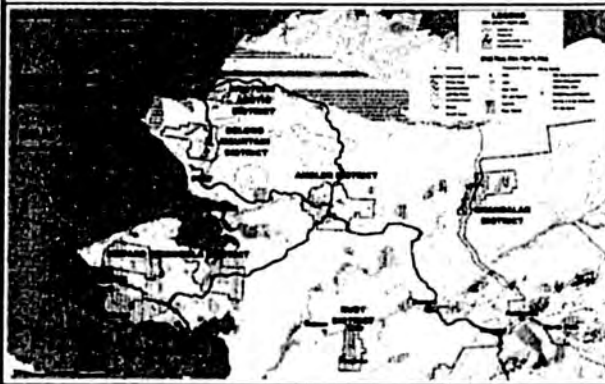
Resource Transportation Analysis Phase I (continued)

- ◆ Produce a Phase I RTA Report
 - ◆ Executive Summary
 - ◆ 1. Introduction
 - ◆ 2. Existing & Potential Resource Developments
 - ◆ 3. Existing & Potential Tidewater Ports
 - ◆ 4. Overland Transportation
 - ◆ 5. Existing Links
 - ◆ 6. Mapping of Potential Corridors
 - ◆ 7. Initiatives for Resource Transportation

Resource Transportation Analysis Phase I (continued)

- ◆ Produce a Phase I RTA Report (continued)
 - ◆ 8. Marine Transportation
 - ◆ 9. Development Schedules
 - ◆ 10. Project Constraints
 - ◆ 11. Selection Process
 - ◆ 12. Information Gaps
 - ◆ 13. Conclusions
 - ◆ 14. Recommendations for Next Phase

WESTERN ARCTIC DISTRICT



Corridor Advantages and Challenges: Western Arctic to DeLong Mountains Transportation System (DMTS)

- ◆ Advantages:
 - Relatively Short Corridor – 114 miles
 - Links to Existing Port Facility
- ◆ Challenges:
 - Lack of Capacity at DMTS Port

Corridor Advantages and Challenges:
Western Arctic to Seward Peninsula,
Northern Route

◆ Advantages:

- Deeper Water Port Site with Longer Ice-free Season
- Complements Ambler Development
- Access to NPRA Resources

Corridor Advantages and Challenges:
Western Arctic to Seward Peninsula,
Northern Route

◆ Challenges:

- Overall Length of Corridor – 616 miles
- 129 Miles through CSU's
- Presence of the Western Arctic Caribou Herd
- Crossing the Brooks Range
- Need for Port Development
- Major River Crossings: Colville, Noatak and Kobuk River Crossings

Corridor Advantages and Challenges:
Western Arctic to Seward Peninsula,
Southern Route

◆ Advantages:

- Deeper Water Port Site with Longer Ice-free Season
- Complements Ambler Development

◆ Challenges:

- Overall Length of Corridor – 636 miles
- 136 Miles through CSU's
- Need for Port Development
- Major River Crossings: Noatak and Kobuk Rivers

Corridor Advantages and Challenges:
Western Arctic to Nenana
Northern Route (to South-central)

◆ Advantages:

- Link to Alaska Railroad
- Access to Deepwater, Ice-free Port
- Access to NPRA Resources

Corridor Advantages and Challenges:
Western Arctic to Nenana
Northern Route (to South-central)

◆ Challenges:

- Overall Length of Corridor – 733 miles
- Local Access & Subsistence Issues
- 66 miles through CSU's
- Western Arctic Caribou Herd
- Crossing the Brooks Range Major River Crossings:
Colville, Noatak, Kobuk, Koyukuk, and Yukon Rivers

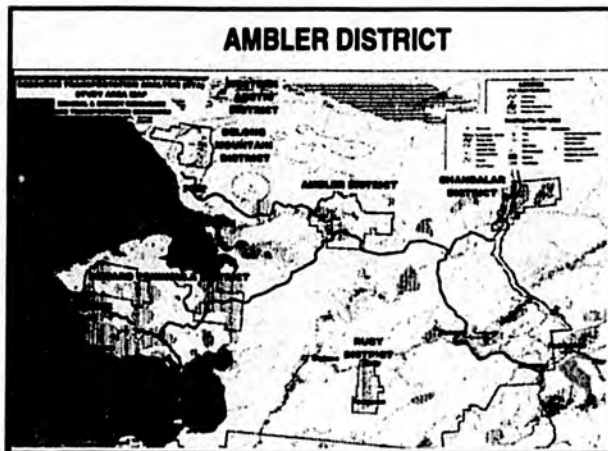
Corridor Advantages and Challenges:
Western Arctic to Nenana
Southern Route (to South-central)

◆ Advantages:

- Link to Alaska Railroad
- Access to Deepwater, Ice-free Port

◆ Challenges:

- Overall Length of Corridor – 753 miles
- Local access & Subsistence
- 81 miles through CSU's
- Major River Crossings: Noatak, Kobuk, Koyukuk and
Yukon Rivers



Corridor Advantages and Challenges:
Ambler to DMTS

- ◆ Advantages:
 - Links to Existing Port Facility
 - Shortest Route to Tidewater – 243 Miles
- ◆ Challenges:
 - 75 Miles through CSU
 - Noatak River Crossing
 - Lack of Capacity at DMTS

Corridor Advantages and Challenges:
Ambler to Seward Peninsula

- ◆ Advantages:
 - Deeper Water Port Site with Longer Ice-free Season
- ◆ Challenges:
 - 63 Miles through a CSU
 - Need for Port Development
 - Major Crossing of the Kobuk River

Corridor Advantages and Challenges: **Ambler to Dalton Highway**

◆ **Advantages:**

- Link to Existing Highway
- Relatively Short Corridor – 211 miles

◆ **Challenges:**

- Local Access & Subsistence Issues with a Surface Connection to the Dalton Highway
- 14 Miles through a CSU
- Major Crossing of the Kobuk

Corridor Advantages and Challenges: **Ambler to Nenana (to South-central)**

◆ **Advantages:**

- Link to Alaska Railroad
- Access to Deepwater, Ice-free Port

◆ **Challenges:**

- Overall Length of Corridor – 397 miles
- Local Access & Subsistence Issues
- 6 Miles through a CSU
- Major River Crossings: Kobuk, Koyukuk and Yukon Rivers

NORTHERN BROOKS RANGE



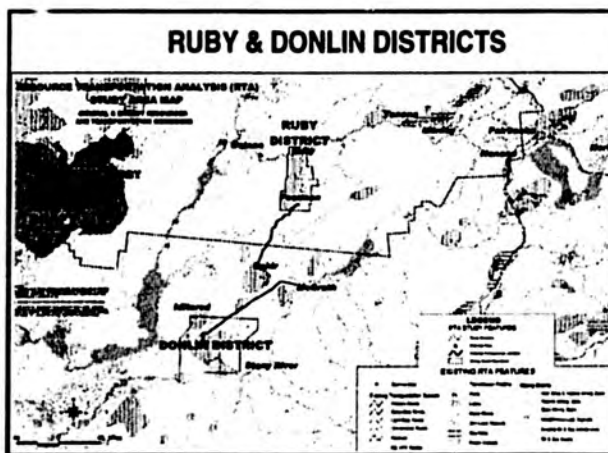
Corridor Advantages and Challenges: **Northern Brooks Range to Dalton Highway**

◆ **Advantages:**

- Link to Existing Highway
- Access to NPRA Resources

◆ **Challenges:**

- Local Access & Subsistence Issues
- Major Crossing of the Colville River



Corridor Advantages and Challenges: **Donlin to Manley (to South-central)**

◆ **Advantages:**

- Links the Donlin District to the Yukon River and the Highway System

◆ **Challenges:**

- Yukon River Connection (dual modes of transportation)

**Resource Transportation Analysis
Phase IIA-Evaluation of
Transportation Options**

- ◆ Refine selected alternatives,
- ◆ develop preliminary cost estimates,
- ◆ identify project constraints ,
- ◆ develop a preliminary schedule,
- ◆ conduct a market evaluation and
- ◆ perform an economic feasibility analysis

**Resource Transportation Analysis
Phase IIB-Regional Transportation
System Master Plan**

- ◆ Develop regional transportation system master plan,
- ◆ estimate contribution to economic development,
- ◆ develop a financial plan ,
- ◆ define public and private sector tasks and
- ◆ produce the Resource Transportation Analysis component of the Northwest Alaska Transportation Plan

Project Funding-I

- ◆ DOT&PF will select and prioritize project needs for which it has direct responsibility.
- ◆ While all DOT&PF related projects will be identified it is important to realize that not all projects will move quickly to construction.
- ◆ Highest priority projects in each category will be constructed first.
- ◆ DOT&PF will favor joint funding opportunities for any projects identified in the plan.

Project Funding-II

- ◆ Some identified projects will not be eligible for DOT&PF funds.
- ◆ This plan will help bring them to the attention of agencies or organizations that can fund them.

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How to Reach Us

- ◆ Toll Free Voice 1-888-Plan DOT
- ◆ Toll Free Fax 1-888-Plan FAX
- ◆ Internet <http://www.dot.state.ak.us>
- ◆ Email first_last@dot.state.ak.us
or
planning_comments@dot.state.ak.us

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