

**03/31/14
OPPORTUNITIES
FOR RESOURCE
DEVELOPMENT TO
ADDRESS
ECONOMIC
CHALLENGES TO
RURAL ALASKA**

<TARGET><BILL></BILL><SUBJECT>03-31-14 OPPORTUNITIES
FOR RESOURCE DEVELOPMENT TO ADDRESS ECONOMIC CHALLENGES
TO RURAL ALASKA</SUBJECT><COMM>SRES28</COMM></TARGET>

ALASKA STATE LEGISLATURE

Sen. Cathy Giessel, Chair
Sen. Fred Dyson, Vice Chair
Sen. Lesil McGuire
Sen. Anna Fairclough
Sen. Click Bishop
Sen. Peter Micciche
Sen. Hollis French



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Senate Resources Committee

Butrovich Room 205
Monday, March 31, 2014
3:30 p.m. - 5:00 p.m.

AGENDA

➤ Opportunities for Resource Development to Address Economic Challenges in Rural Alaska

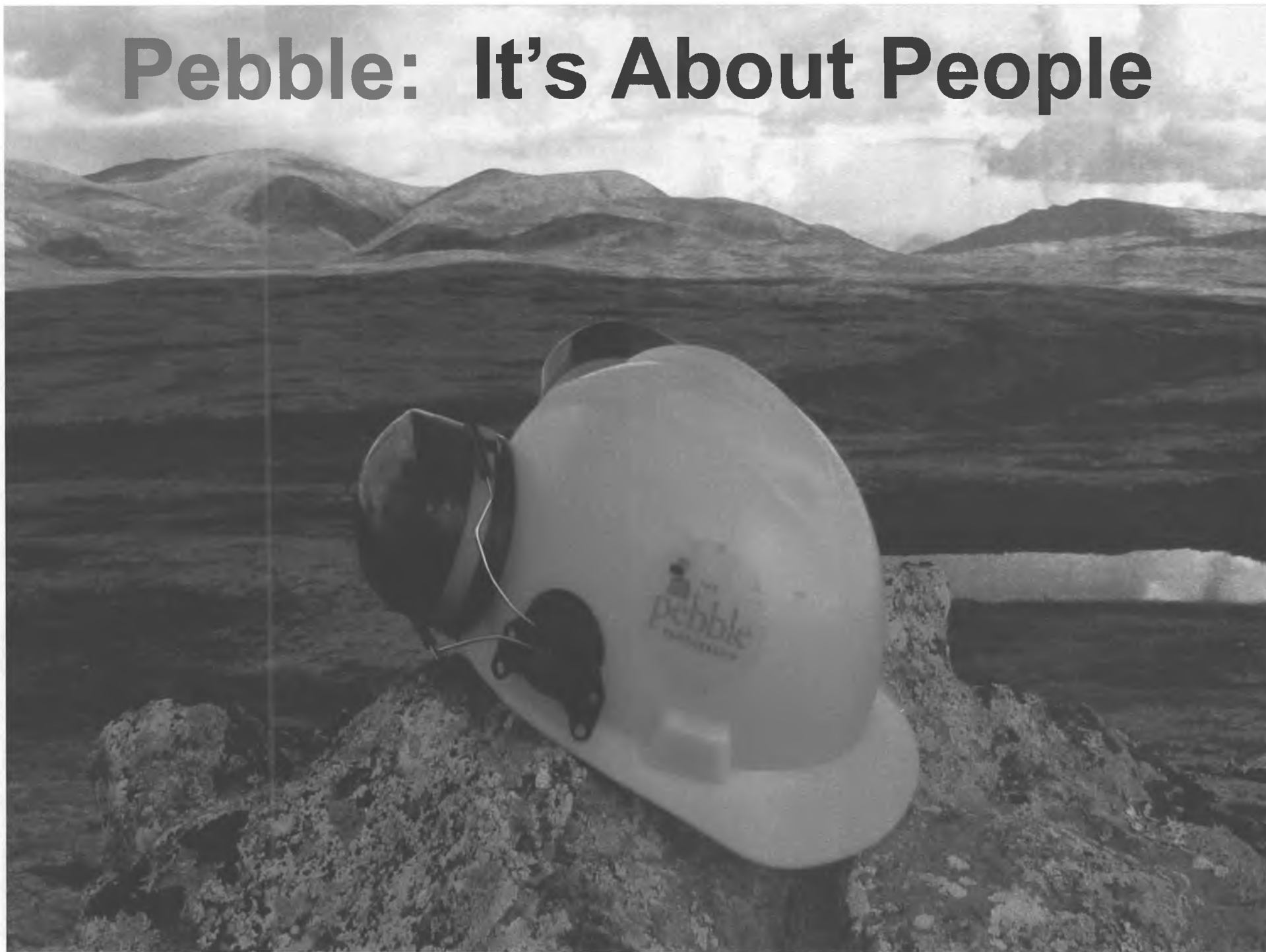
- "The Villages"
- John Shively, Chairman of the Board, Pebble Limited

Partnership

- Deputy Commissioner Ed Fogels, Department of Natural Resources

➤ HJR 30 Izembek Land Exchange

Pebble: It's About People



Alaska Jobs

Construction

- 4,725 (1-5 years)

Production

- 2,890 (25 years)





Alaska Economic Contributions

Construction 1 – 5 years

- \$400M (annually)

Production 25 years

- \$1.14B - \$1.43B (annually)

Potential Subsequent Development

- \$2.14B - \$2.36B (annually)





Potential Revenue State of Alaska

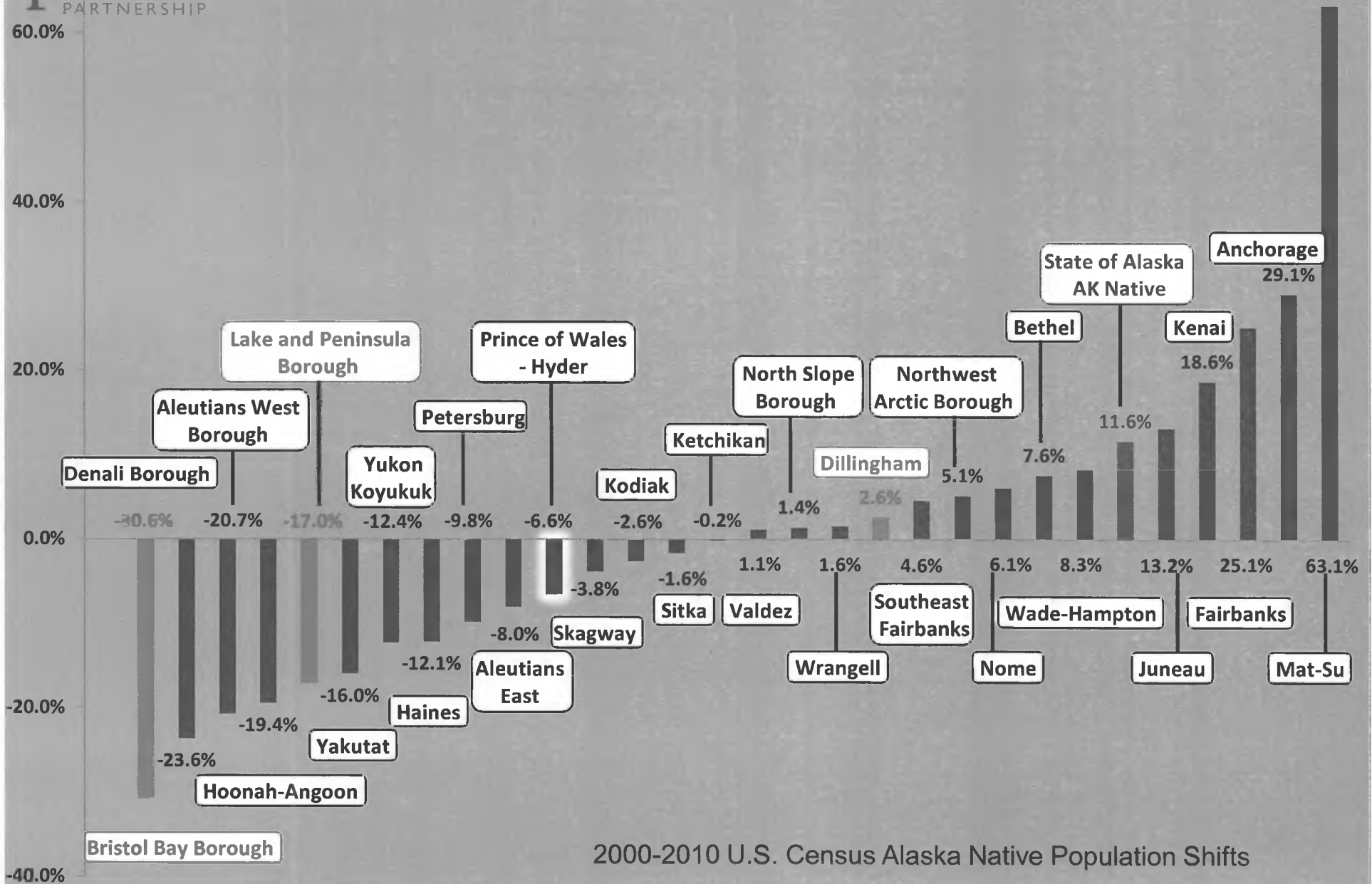
State Taxes:
\$115m-151m

25-year
cumulative:
\$2,875m-\$3,775m

State Royalty:
\$21m-\$29m

25-year
cumulative:
\$525m-\$725m

Migrating Communities

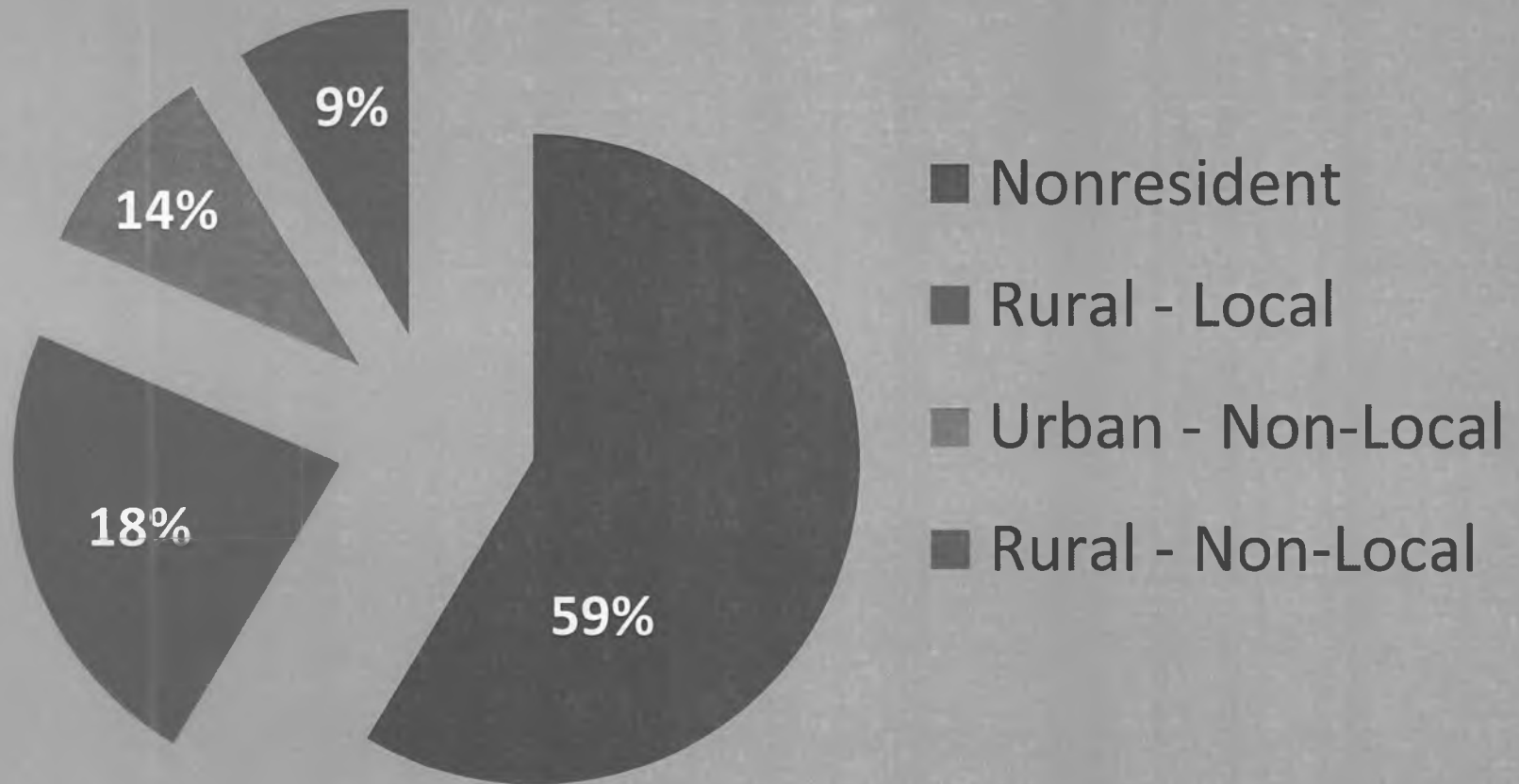




"We just need to be able to have some sort of economy in the villages because we have all these young men falling through the cracks."

**Mary Jane Nielsen
President and CEO of the Alaska Peninsula Corp.**

Bristol Bay Fisheries – Drift Net

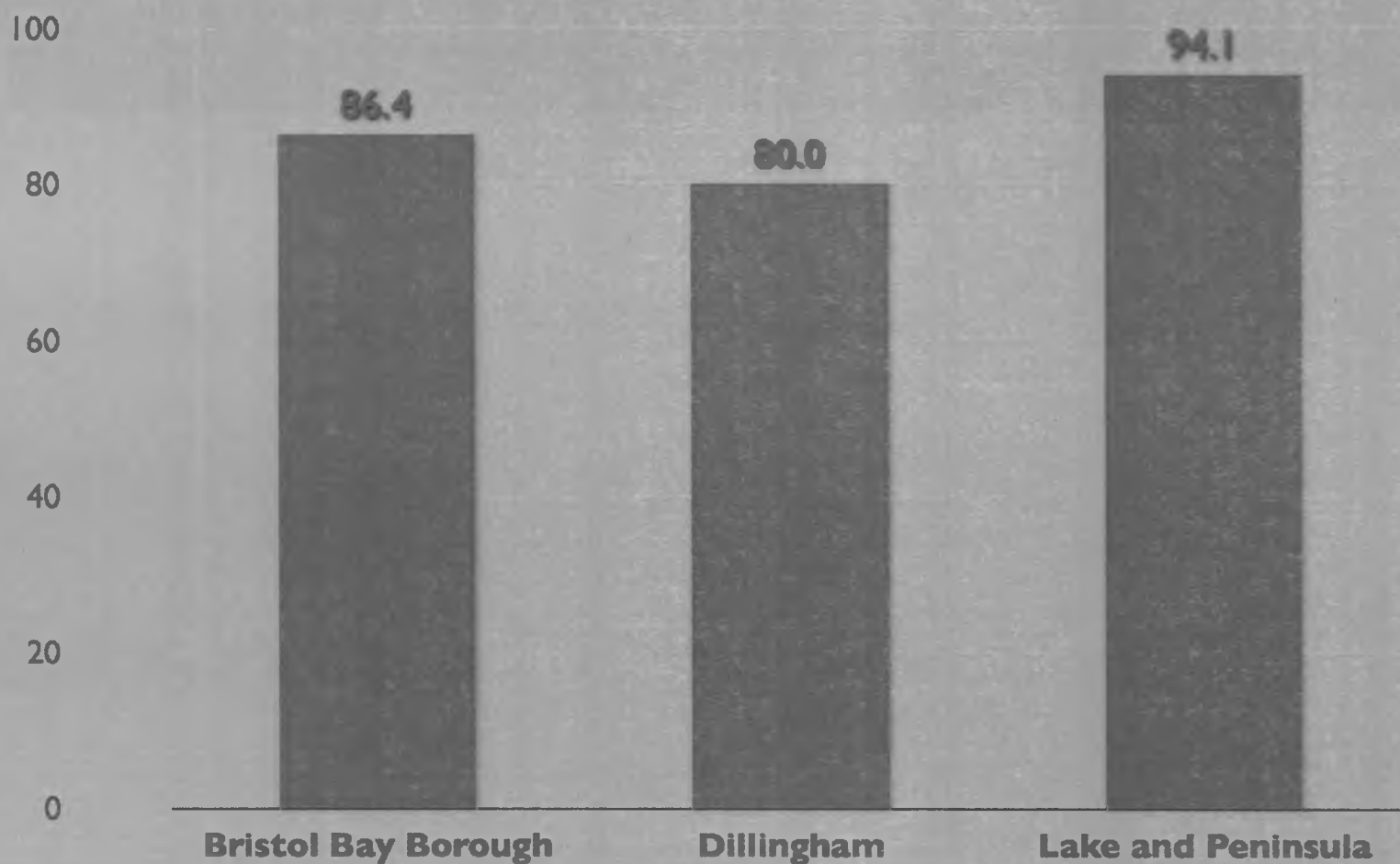


2009

- 1,610 registered drift net permits
 - 59% non-Alaskans

Seafood Processing Workforce

Percent Nonresident Workers





Schools are closing

Ivanof Bay - 2003
South Naknek - 2004
Pedro Bay - 2011
Nelson Lagoon - 2013
Clark's Point - 2013
Chignik Bay - 2013

Chignik Bay School January 11, 2014

Stakeholder Visions

“...subsistence way of life with jobs for our community.”

Elder
Daniel Roehl
Kokhonak



“....jobs for our children and grandchildren.”

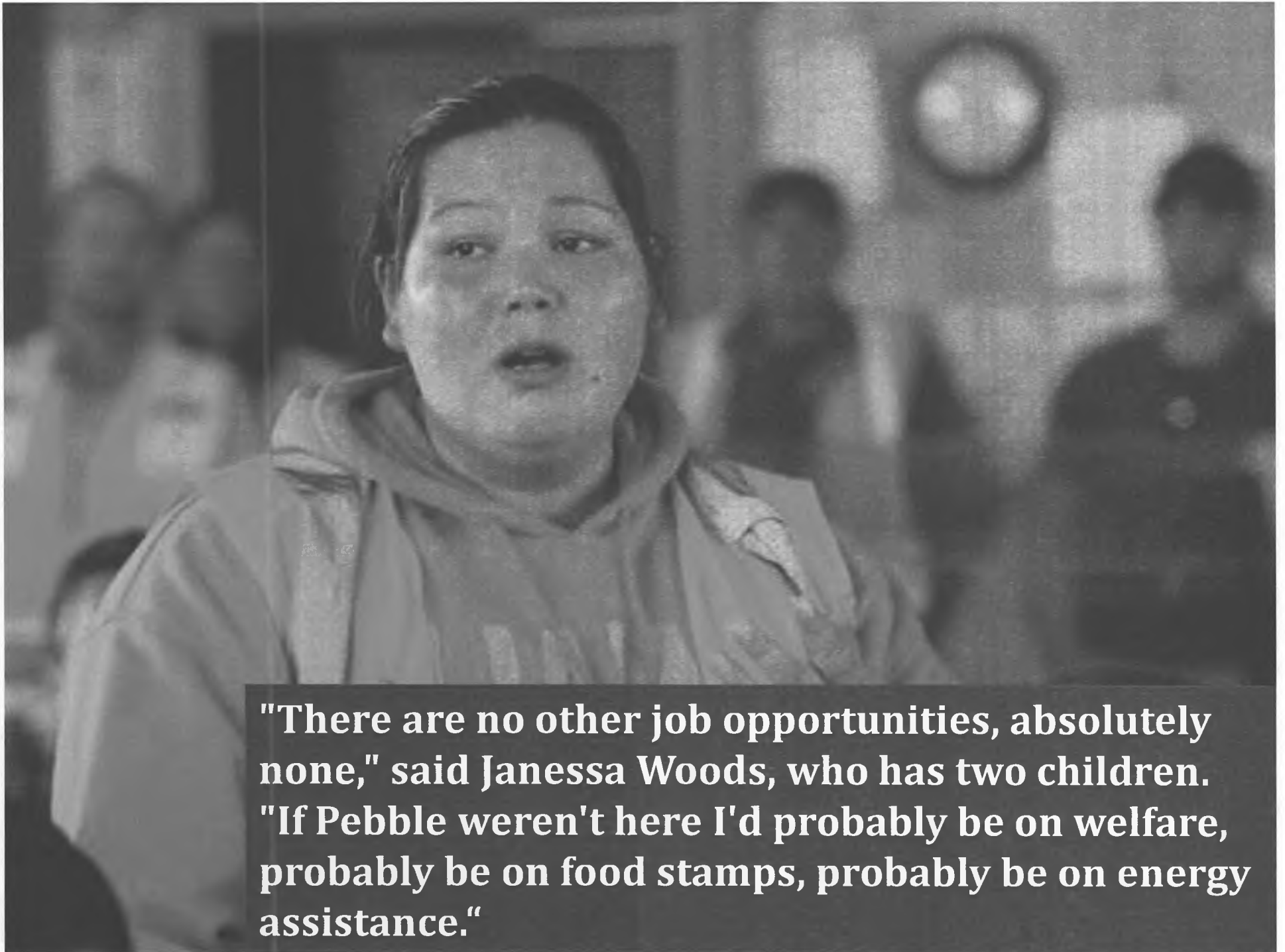
Elder
Ruth Monsen
Naknek



“...help our young people with training, education and better jobs.”

Elder
Myrtle Anelon
Iliamna





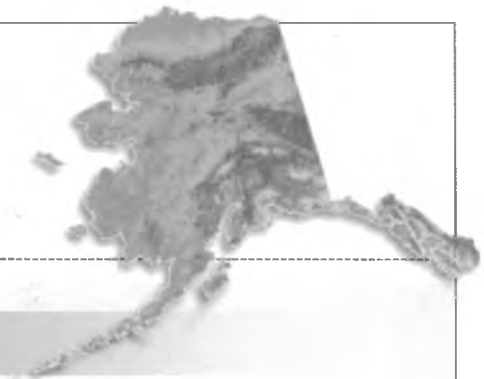
"There are no other job opportunities, absolutely none," said Janessa Woods, who has two children. "If Pebble weren't here I'd probably be on welfare, probably be on food stamps, probably be on energy assistance."

**A Single Job Can Change A Life.
A Thousand Jobs Can Change A Future.**



Alaska *as a* Storehouse

Hydrocarbons



North Slope

USGS estimates that Alaska's North Slope has more oil than any other Arctic nation

- **OIL:** Est. 40 billion barrels of conventional oil (*USGS & BOEMRE*)
- **GAS:** Est. over 200 trillion cubic feet of conventional natural gas (*USGS*)
- Alaska has world-class unconventional resources, including tens of billions of barrels of heavy oil, shale oil, and viscous oil, and hundreds of trillions of cubic feet of shale gas, tight gas, and gas hydrates
 - Positive methane hydrate test production

Cook Inlet

USGS estimates that significant undiscovered volumes of hydrocarbons remain to be found in the Cook Inlet:

- 19 trillion cubic feet of natural gas
- 600 million barrels of oil
- 46 million barrels of natural gas liquids

Compared to most basins, Alaska is relatively underexplored, with 500 exploration wells on the North Slope, compared to Wyoming's 19,000.



Alaska *as a* Storehouse

Strategic & Critical Minerals



The State of Alaska Ranks in the *Top Ten in the World* for Important Minerals, Including:

- **Coal:** 17% of the world's coal; *2nd most in the world*
- **Copper:** 3.5% of the world's copper; *10th most in the world*
- **Lead:** 3% of the world's lead; *7th most in the world*
- **Gold:** 8% of the world's gold; *5th most in the world*
- **Zinc:** 3.7% of the world's zinc; *7th most in the world*
- **Silver:** 1.5% of the world's silver; *9th most in the world*

USGS estimates

According to the USGS, Alaska has over 70 occurrences of Rare Earth Elements (REE).