

## CURRENT STATUS

December 2014

AIDEA has been conducting outreach to communities in the study area, continuing baseline environmental studies to support the permitting process, and conducting pre-application meetings with State agencies. AIDEA has selected a third-party contractor to assist the U.S. Army Corps of Engineers with preparation of an Environmental Impact Statement (EIS) under the Alaska National Interest Lands Conservation Act (ANILCA). Per ANILCA, consolidated permit applications for relevant federal agencies have been drafted and are expected to be submitted to the agencies by year end with the Notice of Intent to Prepare an EIS expected early in the new year.



*DeLong Mountain Transportation System Road*



## PROJECT DESCRIPTION

The Ambler Mining District Industrial Access Road (AMDIAR) project is a Roads to Resources project that proposes an approximately 200-mile industrial access road from the Dalton Highway to the Ambler Mining District in northwest Alaska. The Ambler Mining District has extensive mineral resources, including copper, silver, gold, lead and zinc. It has been characterized as one of the largest undeveloped copper-zinc mineral belts in the world. The area has been explored for decades, but development of the mineral resources has been limited due to a lack of transportation infrastructure for mine construction and operation.

The AMDIAR project could provide surface access to the Ambler Mining District and enable further exploration and development of the area's rich resources, providing for economic development in rural parts of northern Alaska. AIDEA is moving the project through the environmental review process with the goal of forming a Public-Private Partnership to finance, construct, operate and maintain the facility. The project design is modeled on AIDEA's successful DeLong Mountain Transportation System (DMTS), which includes an industrial access road from the Red Dog Mine to the DMTS port. AIDEA worked with private industry to develop the DMTS industrial access road and the costs of road construction were paid back through tolls on road use.



AMDIAR could provide access to the Ambler Mining District through Gates of the Arctic National Preserve making use of special provisions in ANILCA that allow this type of road to cross this preserve to reach the Ambler Mining District.

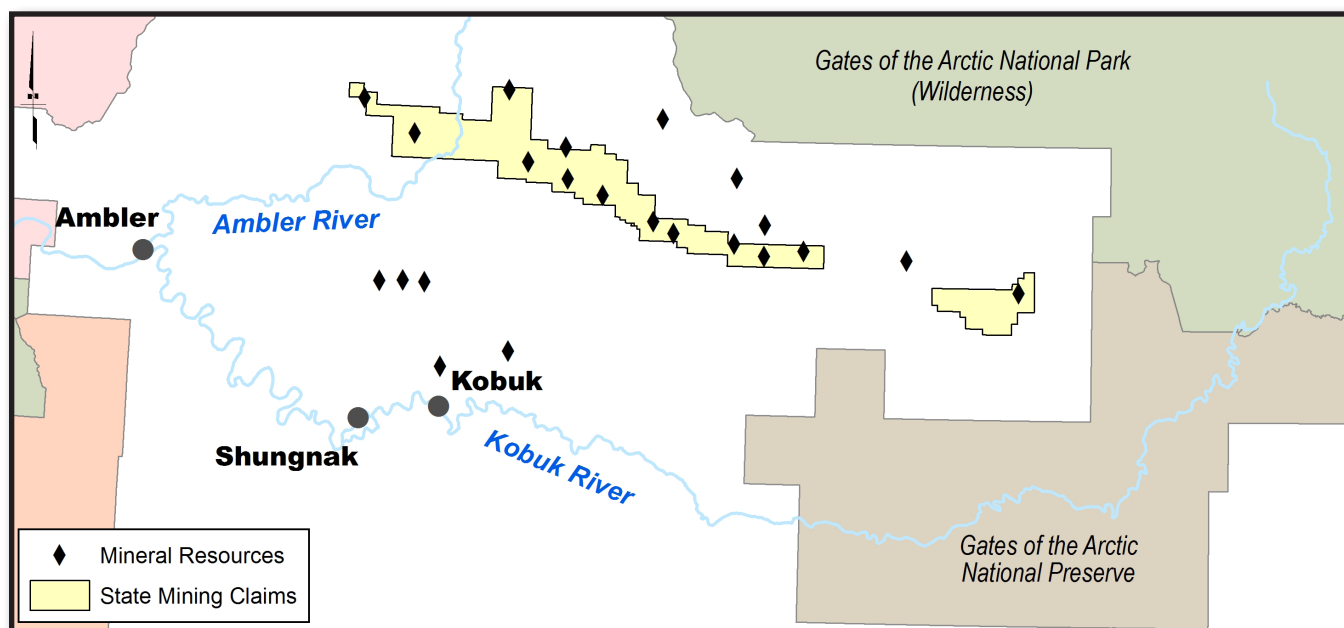
## BUDGET/FINANCE

AIDEA, as a development finance authority, would develop the access road as a public-private partnership in which AIDEA funds and bonds would be used in conjunction with private capital for the construction and operation of the road. As with the Delong Mountain Transportation System, mines using the road to haul ore to market would pay a user fee that would pay back the financing used for the road's development and construction. The industrial access road would initially be developed as a seasonal pioneer road and would be upgraded to a year round road once activity in the mining district reaches a level to support it. The cost to construct the pioneer road phase of the project is approximately \$230 million.

## PROJECT/ ECONOMIC BENEFITS

Development of AMDIAR could allow private industry to develop a 75-mile long area of high mineral resources. Over the life of the project, multiple mines would likely be developed in the area. Benefits from the project include:

- Job and business opportunities for rural residents in north-central and northwest Alaska
- An annual average of 300 jobs over the road construction period
- A total payroll of up to \$120 million for the road construction workforce
- Up to 20 full-time jobs for road operations and maintenance over the life of the road
- Increased employment and wages from mine construction and operations in the Ambler Mining District
- Economic benefits from just one proposed mine (Arctic) include:
  - 400 direct jobs over two years for mine construction
  - \$100 million in wages for mine construction workers
  - 500 long-term direct jobs for mine operations
  - \$46 million per year in mine workforce wages
  - 1,000 direct, indirect and induced jobs with \$79 million in wages annually
  - \$115 million in mining license tax revenues to the State
  - \$158 million in corporate income taxes to the State
  - \$58 million in production royalties to the State



*Ambler Mining District*

## TRANSFER FROM DOT&PF TO AIDEA

The Alaska Department of Transportation & Public Facilities (DOT&PF) initiated the AMDIAR project under the State's Roads to Resources program. The Ambler Mining District was specifically selected by the State of Alaska under the Statehood Act, due to the rich mineral resources known to be in the district. Although exploration of the area has occurred periodically over decades, mineral resources in the district were stranded from development due to a lack of transportation infrastructure. Landowners and mining interests in the district were interested in finding a way to provide the transportation infrastructure needed to promote development of the area's resources.

DOT&PF initiated outreach to the communities in the study area as part of the reconnaissance studies of the project. The most frequent concern expressed throughout the corridor was a concern that construction of a road would mean an influx of hunters and fisherman that would increase pressure on subsistence resources throughout the area. Communities also expressed concerns about the potential for a road to result in non-local people bringing alcohol and drugs into the communities.

In response to this primary concern, the project was assigned to AIDEA to develop as a controlled-access industrial road. Development of an industrial road through a public-private partnership (P3) allows the access needed to make resource development possible, improving the regional economy and job opportunities, while limiting the use of the road and the potential effects of increased public access.

AIDEA operates very differently than the DOT&PF and many people in the communities have commented favorably on that. AIDEA works in a much more collaborative process with communities and local landowners. AIDEA has to work differently than DOT&PF – because AIDEA does not have the power of eminent domain and Alaska Statutes require AIDEA to receive resolutions of support from local regulatory or advisory bodies in the vicinity of a project.

AIDEA has to negotiate land access rights with landowners – AIDEA can not condemn their land. And AIDEA has been very clear about this since AIDEA took over the road. AIDEA is in discussions with Evansville Inc. and is working with them to determine whether they would be willing to provide an easement for access across their land. AIDEA is also looking at an option that would avoid Evansville Inc. lands in the event that they are not willing to allow access across their lands. Evansville Inc. has indicated a willingness to continue these discussions.

## PUBLIC OUTREACH

AIDEA has used a variety of means of reaching out to interested parties on this project. AIDEA has been working with local communities in the vicinity of the project and has held a number of meetings in these communities. In addition to community residents, other interested members of the public have attended these meetings and participated. AIDEA has also made presentations on the project at a wide range of civic and business group meetings ranging from the Alaska Miners Association to the Alaska Forum on the Environment, and including Subsistence Advisory





Committees, the Citizens Advisory Commission on Federal Lands, the Institute of Transportation Engineers, the American Public Works Association, the Fairbanks Chamber of Commerce Transportation Committee and the Fairbanks Economic Development Corporation. Interested members of the public have participated at many of these meetings.

AIDEA has also met individually with several interested individuals and groups, including representatives of Native corporations and individual citizens that have requested meetings. For example, individual residents in Bettles called AIDEA and specifically requested that team members visit with people in Bettles that were put off by the intense atmosphere of one of the community meetings. AIDEA has reached out to try to set up meetings with other potentially affected and interested parties but has been unsuccessful in getting those parties to agree to a meeting time and date.

In response to requests from the communities in the study area, AIDEA has also sponsored “all corridor meetings” bringing together the elected leadership of communities in the study area. These meetings are also open to the public – although the focus of these meetings is on the elected leadership of the communities in the corridor. Finally, the project has been discussed at AIDEA board meetings and AIDEA has received input from the public at a number of board meetings. Overall, AIDEA has attempted to use a variety of means to reach out to interested parties to get the widest range of feedback and information on the project.

## NEPA PROCESS

AIDEA is now proposing to submit permit applications to allow the environmental review process under the National Environmental Policy Act (NEPA) to begin. Under the NEPA process and the process for transportation projects laid out in the Alaska National Interest Land Conservation Act (ANILCA), the Federal agencies with relevant regulatory approval authority will prepare an Environmental Impact Statement to thoroughly review and document the potential impacts of the project, both positive and negative, and allow the public to evaluate and comment on the project, its effects, and proposed mitigation measures. The Federal agencies will take an independent look at the project and will have an extensive consultation process with the public, tribes, cities, local communities, other interested parties, and federal, state and local agencies.

The Alaska Statutes require that prior to entering into an agreement to finance or develop a proposed project for which bonds must be issued, AIDEA must prepare a document that summarizes the projected economic, social and environmental effects of the project and hold hearings with other State agencies on the project. AIDEA must also get local support for such a project evidenced by a resolution from a Regional Resource Advisory Council or the municipality in the area in which the project is located. Preparation of the EIS provides AIDEA with the information needed to comply with the Alaska Statutes and provides the factual information on project effects, both positive and negative, that the Regional Resource Advisory Council and the Northwest Arctic Borough need to determine whether to issue a resolution of support for the project.





## The Community Speaks

"I feel like it's my secret place to go sometimes because not everybody knows where it is and it's such a beautiful place. At the same time, there's not very many people living there anymore because there aren't any jobs, no school, or places to live. We need to think things through and make sure we balance things out and make a good decision for our future." - *Sonja Ahern, Evansville Inc.*

"I love listening to everyone speaking about their point of view. I think that it's going to go through. I think it's important that we get our kids educated and prepare them for the jobs that will be available." - *June Walker, City of Hughes/Hughes Tribal Council*

"But before I came I saw an elder and she said if the road is happening we can't do anything now and if it's already happening then keep the river clean—the Alatna River—that's where all the fish spawn. Another one was concerned about the road. Control the road. Maintain it and keep tourists and everything out. Go for the best quality of the road going through." - *Karen Sam, Huslia City Council*



## More Thoughts...

"I'm a city council member from Hughes and I thought everybody had made good points here. I think change is coming and the best thing for native people to do is to make sure that the road will be maintained cleanly. Try to get the best deal we can from the government."

- *Claude Koyukuk, City of Hughes*







## KOTZEBUE QUOTES

### *Thoughtful Conversations Underway:*

"I've also heard a lot of discussion about education of our children, when right now the mining companies that do exploration in our area, they can offer scholarships for our children to apply for and prepare for the jobs that will be coming along with this road."

- Fred Sun, Shungnak

"Today the price of gas in my village is \$11 per gallon. We have to have this fuel. Possibly if this road becomes a reality the freight and fuel will be reduced. The cost for building new homes will be reduced but then our children, our grandchildren...we have to think about our way of life. Do we want to continue our subsistence way of life? In my opinion, the way I grew up, it is very important. I also feel for the younger generation for their need for jobs and better education."

- Conrad Douglas, Ambler

"We want to do the right thing for our kids, our grandkids, our great-grandkids...everybody after us. But it starts with us. It started even before us and look where we are. We've got work to do in this lifetime and we're not done. That's our answer. The EIS process is going to allow some of these things to happen."

- Reggie Joule



## More quotes...

"We need cash to go hunting, to buy ammunition, buy snowmachines, 4-wheelers, and all our needs. Where is that going to come from if we don't have jobs and positive development? What are we thinking about our children, grandchildren, our great-grandchildren if we don't have anything to support their lives? What is the next best thing around here? If there is another alternative, let's come up with it. I don't see it myself. I think the mining development in our area is about the only thing we can look at to support our children and their education and their lives. We need money to support them."

- Larry Westlake, Northwest Arctic Borough Assembly