

**INVESTING IN ALASKANS**



# **ACCESS TO ALASKA'S DEVELOPMENT**

## **Section 1002 Area Leases, Ambler Access Project & West Susitna Access Project**

**The Alaska Support Industry Alliance**  
March 10, 2022

Alan Weitzner, Executive Director

[www.aidea.org](http://www.aidea.org)

# AIDEA MISSION

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

## Investing in Alaskans

- Revenue generated by AIDEA's investments go to two places:
  1. reinvested in AIDEA programs and projects and
  2. issued as dividends to the State of Alaska.
- AIDEA works with Alaska's communities and businesses to advance your economic development priorities.
- Projects must meet two important criteria:
  1. be a sustainable financial investment; and
  2. create tangible benefits for Alaska and its communities.

## AIDEA OVERVIEW

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- ✓ Investing in Alaskans since 1967
- ✓ Alaska's Development Finance Authority
- ✓ Financially Self-Sustaining Public Corporation (no GF by statute AS 44.88.190(b))
- ✓ \$446 million in Dividends declared to Alaska since 1997
- ✓ Directed over \$3.5 billion into economic development in Alaska

# AIDEA PROGRAMS + PROJECTS

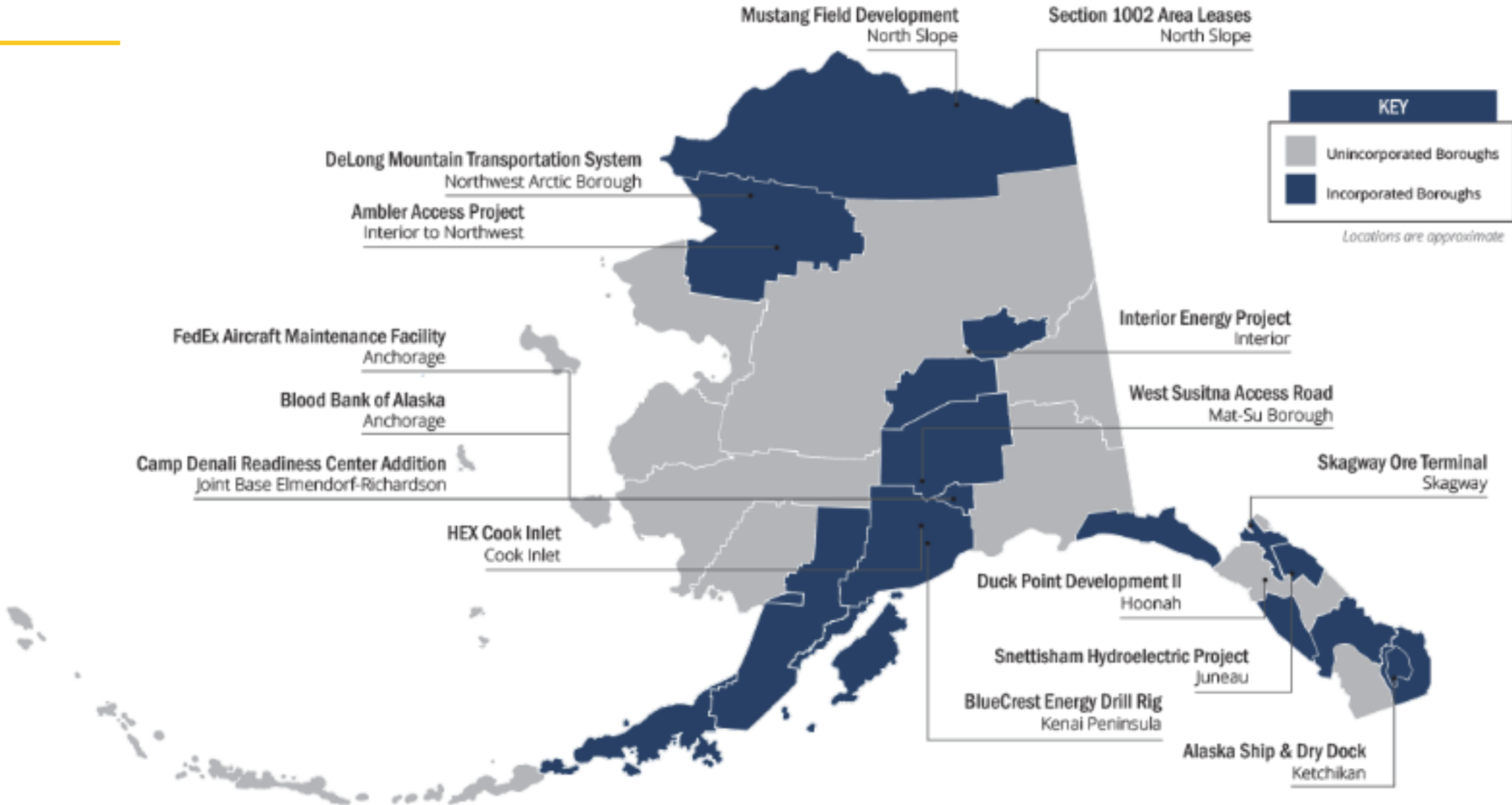
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- Conduit Revenue Bond Program
- Loan Participation Program
- Development Project Finance
- Sustainable Energy Transmission and Supply (SETS)
- Arctic Infrastructure Development Fund (AIDF)
- Small Business Economic Development Revolving Loan Fund
- Rural Development Initiative Loan Fund
- Business Export Assistance Program

## Development Project Finance:

- ✓ Delong Mountain Transportation System
- ✓ Skagway Ore Terminal
- ✓ FedEx Aircraft MRO Hangar
- ✓ Snettisham Hydroelectric Facility
- ✓ Alaska Ship & Drydock, Ketchikan
- ✓ Camp Denali Readiness Center (JBER)
- ✓ Mustang Holding LLC
- ✓ Interior Energy Project
- ✓ BlueCrest Energy Drilling Rig Loan
- ✓ AK SHIP – Vessel Repair Finance Program
- ✓ Duck Point Development II (Icy Strait Point)
- ✓ HEX Cook Inlet, LLC
- ✓ SSQ Line
- ✓ Ambler Access Project
- ✓ West Susitna Access Road Project
- ✓ Section 1002 Area Leases

# PROJECTS + ASSETS



# CURRENT EVENTS

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THE  
WALL STREET  
JOURNAL

Biden bans imports of Russian Oil, Natural Gas [March 8, 2022](#)

Forbes

China and Russia make critical minerals grab in Africa while the US snoozes [Jan. 13, 2022](#)

THE  
WALL STREET  
JOURNAL

*Let Alaska Sell American Energy to the World - Harry Brower Jr. and Josiah Patkotak* [March 4, 2022](#)

# SAFE, SECURE + RELIABLE DOMESTIC DEVELOPMENT

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Independence from imports



Responsible resource development



Good-paying jobs for Alaskan families



Revenue for state, local, and tribal governments



# SECTION 1002 AREA LEASES

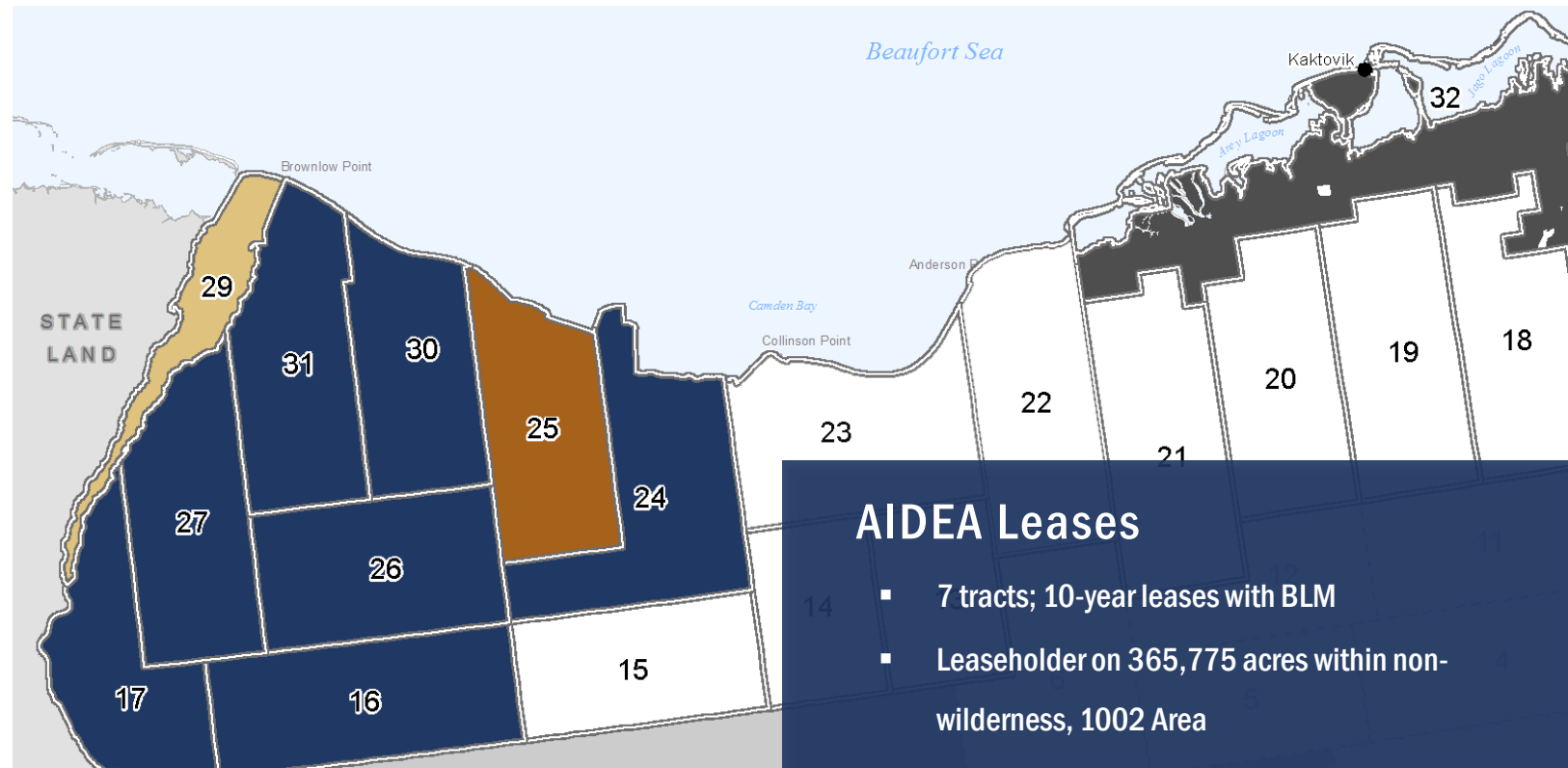
- ✓ ASRC
- ✓ North Slope Borough
- ✓ Kaktovik Iñupiat Corporation

## What is ANWR?

The Arctic National Wildlife Refuge (ANWR) is a 19.3 million-acre refuge in northeastern Alaska that was created in 1980 under the Alaska National Interest Lands Conservation Act (ANILCA).

## What is the “Section 1002 Area”?

A small **non-wilderness** area of ANWR specifically set aside for future oil and gas development. Named after “Section 1002” of ANILCA, which classifies the area as non-wilderness.



■ Knik Arm Services LLC

■ Regenerate Alaska, Inc.

# SECTION 1002 AREA LEASES

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## Why is AIDEA involved?

Our role is to identify economic development opportunities in Alaska. These tracts preserve future resource access and economic development opportunities for all Alaskans.

## Support for responsible development

**VOICE of the Arctic Iñupiat** (*a non-profit coalition comprised of 24 entities including tribal councils, regional organizations, municipal governments, and ANCSA corporations located in/around 1002 Area*) | 64% of Alaskans | Governor Dunleavy | Alaska State Legislature (*HJR 12*) | Alaska's congressional delegation since 1980

## AIDEA's lawsuit

Nov. 2021, AIDEA filed a lawsuit against President Biden for violations of its leases. Joined by Kaktovik Iñupiat Corporation, North Slope Borough, and Arctic Slope Regional Corporation



## Economic Benefits

- Mean est. **7.3 billion** barrels of economically recoverable oil (*approx. \$65/barrel*)
- Mean est. **7 trillion** cubic feet of natural gas
- Estimated to add **1.4 million** barrels per day through TAPS
- Provide **16.67%** fixed royalty to State, Federal governments
- Local tax revenue funds health centers, schools, wastewater, and utilities

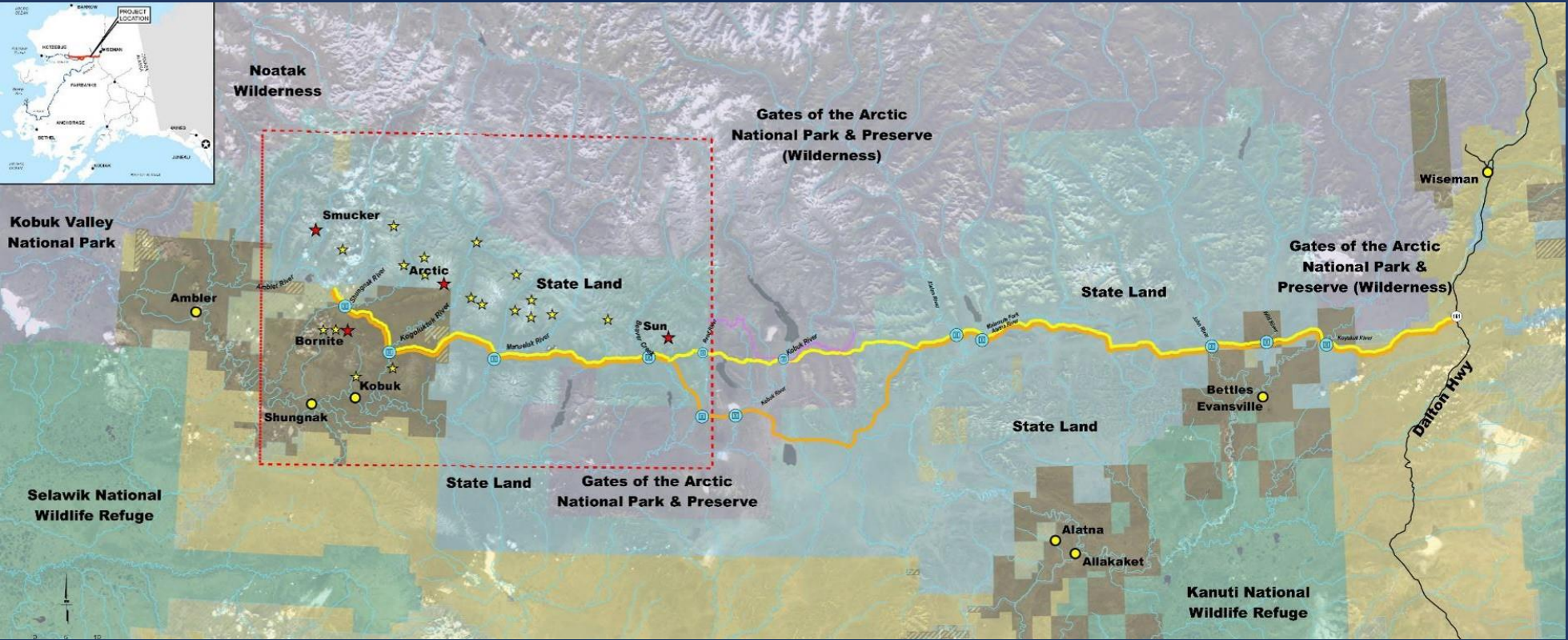


## Jobs

- 1,430 direct jobs annually
- 6,350 indirect jobs annually
- 2,480 direct jobs at peak
- 10,100 indirect jobs at peak



# AMBLER ACCESS PROJECT



Proposed 211-mile private controlled industrial access road to the Ambler Mining District in northwestern Alaska.

Access to Ambler Mining District defined within the Alaska National Interest Lands Conservation Act (ANILCA).

# IMPORTANCE OF MINING IN THE TRANSITIONAL ECONOMY

- Mining plays a critical role in supporting clean energy and technology for the emerging and future economies.
- The Ambler Mining District is a large prospective copper-zinc mineral belt with deposits of cobalt, germanium, gallium, arsenic, palladium, lead, gold, silver, and platinum.
- Aligns with federal policy to identify new sources of critical minerals, increase activity at all levels for a reliable, domestic supply chain.



# 2022 AAP ACTIVITIES

## Cultural Resources

Continue field surveys in prioritized areas.

## Geotechnical Investigations

Characterize subsurface conditions of the riverine environment, general soil characteristics along alignment, and assess viability of material sites. Borings at 45 river crossings, 11 material sites and 10 roadway sites along alignment. Summer and winter activities planned.

## H+H Investigations

Assess conditions for area drainage, culvert placement, and bridge design; spring breakup monitoring at 26 rivers; establish stream gauges at bridge sites.

## Land Survey Activities

Establish land ownership boundaries, bodies of water, and major design features; survey Northwest Arctic Borough boundary; survey alignment over 4 months for land ownership and project features.

## Roadway Design

Establish project design criteria, advance preliminary engineering to 35% design.

## Fish Habitat Studies

ADF&G will continue 2021 field efforts to collect fish habitat, water quality, species presence, or critical spawning area data, focusing on mid-alignment (MP 58-130) at 57 locations.

## Wetland Investigations

Field evaluation of eastern 50 miles of alignment; survey for wetlands and waters of the U.S.; invasive species, if found; sensitive plant species, if found.

## Stakeholder Outreach

Website update, events calendar, mail newsletter, distribute press releases (letters of support, etc.), continue subsistence advisory committee & workforce development working group, launch social media.



# EXPANDING ENGAGEMENT WITH ALASKA BUSINESSES


- Amidst the pandemic, 2021 ushered in the first field season for the Ambler Access Project (AAP) with a specific focus on broadening opportunity for Alaskan contractors across 12 tasks.
- 30+ Alaska prime and subcontractor companies that will continue with cultural, archaeological, logistics, geotechnical, design, and other field season tasks.
- Professional Services Procurement Policy adopted to encourage minority Alaskan-owned companies to bid through an MBE program. Currently, MBE entities represent 30 percent of AAP contracts.




# ECONOMIC BENEFITS

Economic benefits from road access facilitating development of four major deposits in the district:


Road Construction + Operations	Mines Construction
<ul style="list-style-type: none"> <li>360 direct jobs for road construction on an annual average</li> <li>Up to 81 direct annual jobs for road operations and operations and maintenance over the life of the of the road</li> </ul>	<ul style="list-style-type: none"> <li>2,777 direct jobs for mine construction; \$286M in \$286M in wages annually</li> <li>2,034 additional indirect and induced jobs; \$108M in \$108M in wages annually</li> </ul>
Mining Operations	Government Revenues (Life of All Four Mines)
<ul style="list-style-type: none"> <li>495 direct jobs; \$72M in wages annually</li> <li>3,436 additional indirect and induced jobs; \$228M in wages annually</li> </ul>	<ul style="list-style-type: none"> <li>\$393M in mining license tax revenues to the State</li> <li>\$524M in corporate income taxes to the State</li> <li>\$214M in production royalties to the State</li> <li>\$13M in claim rents to the State</li> <li>\$193M in payments to local governments</li> </ul>



**BROADBAND INTERNET**



**LOWER COST FUEL AND GOODS**



**SIGNIFICANT NEW REVENUES FOR LOCAL AND STATE GOVERNMENTS**

SOURCE: University of Alaska, Center for Economic Development. (2019). *Economic Impacts of Ambler Mining District Industrial Access Project and Mine Development*.

# WEST SUSITNA ACCESS PROJECT OVERVIEW

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- Pre-development feasibility analysis phase for multi-use access road in partnership with the Mat-Su Borough.
- Project will result in new jobs and help diversify state and borough economies.
- To date, have completed two phases of feasibility analysis.
- In Oct. 2021, per HB 69, AIDEA accepted \$8.5 M to advance the third and final phase of feasibility analysis, with Mat-Su Borough support.

## Project Focus

Determine the feasibility of developing access into the western Susitna basin, from existing infrastructure to support resource development opportunities.

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## Road to Resources

A 2014 field study that examined the western Susitna region for resource development and potential for private-sector investments in multiple resources.

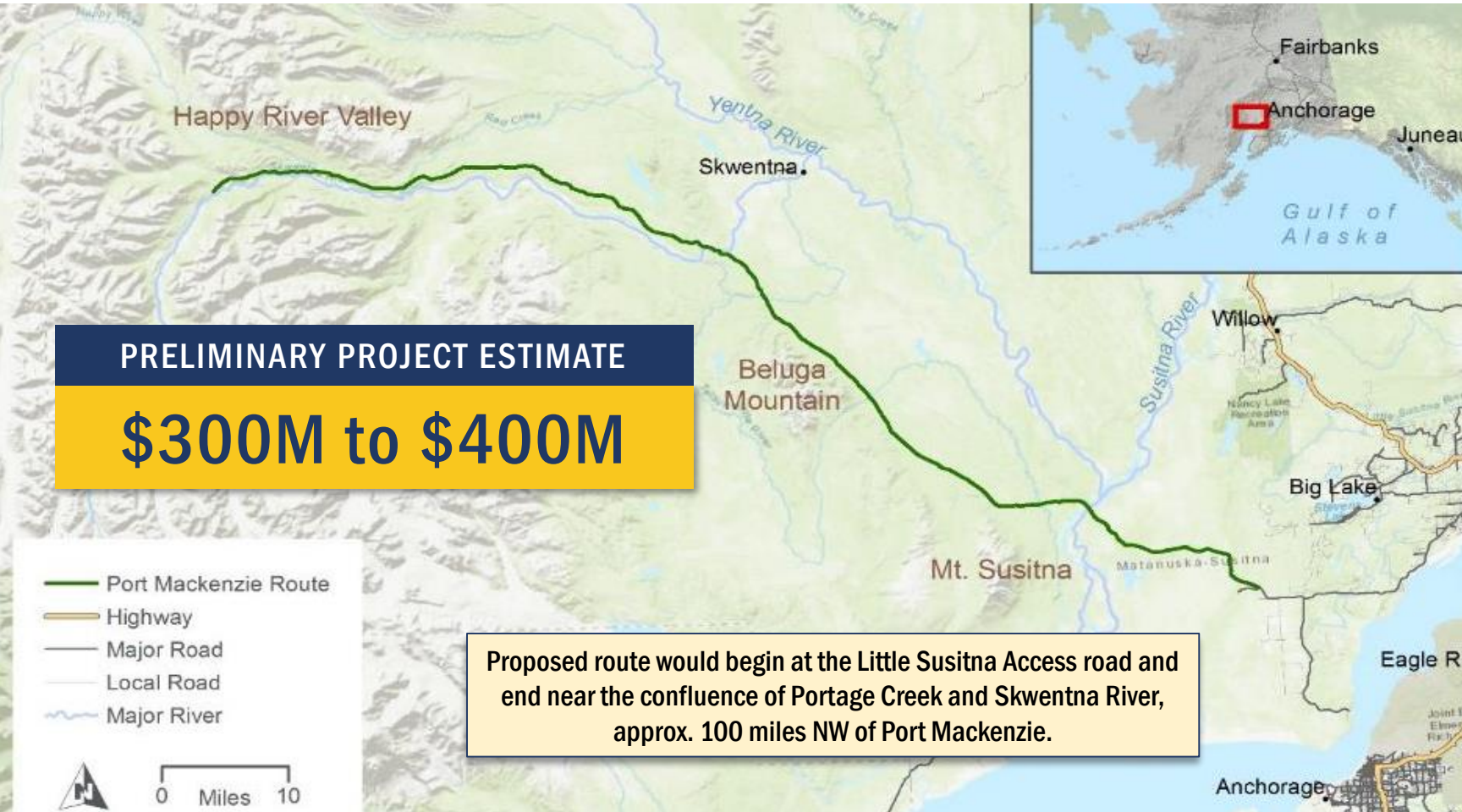


## Mineral Resources

Copper, gold, silver, coal, platinum, and diamond potential; more than 3,000 active mining claims within the basin.



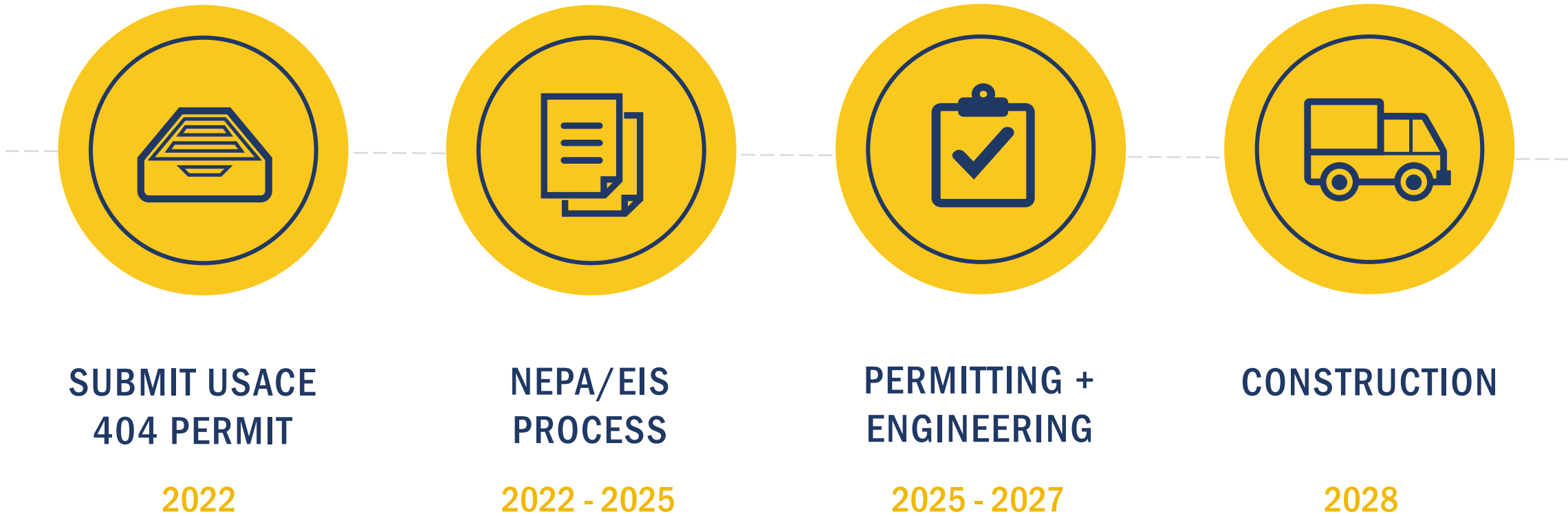
# PROPOSED WEST SUSITNA ACCESS PROJECT LOCATION



## Preliminary Project Metrics

- Approx. 100 miles of gravel surface road
- 156 water crossings, including 11 bridges
  - Susitna River Crossing – 2160 FT
- Drainage and culverts 5% of roadway cost
- 25% construction contingency
- Environmental, permitting 5% of construction
- Design 8% of construction
- Construction administration 15% of construction
- Budget for ROW surveying, platting, acquisition

# PROPOSED WEST SUSITNA ACCESS PROJECT SCHEDULE





# NEXT PRE-DEVELOPMENT STEPS

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- Continue public engagement
- Conduct baseline environmental studies for cultural and historical resources, fish, wildlife, wetlands, etc.
- Identify mitigation and avoidance opportunities
- Refine engineering
- Identify and explore alternative routes
- Submit 404 Permit Application – Spring 2022



# CHALLENGES + OPPORTUNITIES

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- Long development periods
- Dis-information campaigns
- Public engagement & perception
- Litigation
- Political change
- Market value uncertainty
- Inflation
- Labor shortage



Independence from imports



Responsible resource development



Good-paying jobs for Alaskan families



Revenue for state, local, and tribal governments

# THANK YOU

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