AMBLER MINING ACCESS

July 2020
AIDEA’S PURPOSE

(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
GOALS OF AMBLER ROAD PROJECT

- Develop a controlled industrial access road to the Ambler Mining District
- Support exploration and development of mineral resources in the Ambler Mining District
- Promote economic development and job opportunities in the region and the state
PROJECT HISTORY

1968 Bornite Article

ANILCA Passed in 1980

1981 Western Alaska Access Study
1. In 1980, Congress specifically called out the need to allow access to the Ambler Mining District from the Dalton Highway when it passed Alaska National Interest Lands Conservation Act (Section 201(4)(b)).

2. Preliminary road studies, public input, and route refinement.

3. BLM scoping process.


5. Q1 2020 Final EIS issued.

6. Q3 2020 BLM issues Record of Decision.

7. Funding agreements with Ambler Metals. Begin fieldwork, design, and ROW access for private lands.

8. Legal agreements with stakeholders.

9. Agreements penned with mine(s) for terms on paying back construction and operations and maintenance costs of the road project.

10. Finalize field work, design, ROW and construction costs.

11. AIDEA secures financing to fund the up-front costs of the road construction and finalizes required local, state, and federal permits.


13. AIDEA hires security contractor to maintain safety and security, and to ensure the integrity of wildlife safety agreements are upheld.

14. Operations and maintenance contractor continues to maintain and repair the road.

15. Full construction of the road.

16. Road open only to licensed, mine and community-sponsored traffic. Driver certification and authorization required for road use.

17. Mines pay tolls and mineral royalty fees that escalate if traffic increases or the price of minerals increase. These monies are used to pay back the full cost of the road.

18. AIDEA continues to collect toll and mineral royalty fees after the debt service for the road is paid off. This model was used for construction of the road to the Red Dog Mine. AIDEA revenues are used to support additional economic development and provide dividends to the state's general fund.
COMPLEX PROJECT

Key Elements

- 200+ mile new road in remote Alaska
- Design components
  - 29 bridge crossings
  - Understanding the permafrost
  - Materials site with 12 million cubic yards of fill
  - At least 40 fish passage sites
  - Caribou concern considerations
- Crossing approval from five landowners
- Fiber optic and communication towers
- ANILCA and NEPA requirements
- 26 permits and authorizations
- Federal laws: CWA, NHPA, MSFCMA, ESA, MBTA, BGEPA, WSRA, RHA
- Multiple mines in exploration
- Coordinating with stakeholders (many hundreds of miles apart from each other)
- **Red Dog Mine**
  - Zinc mine in Western Alaska

- **DMTS - road to the Red Dog Mine**
  - 52 miles
  - Financed by AIDEA
  - Paid by the mine
CARIBOU REGULARLY CROSS THE DMTS ROAD

Photo courtesy of Teck
Payment of past and present road costs

**Minimum Annual Assessment (MAA)**
Cominco/Teck entered into a 50-year agreement with AIDEA at a 6.5% rate of return

**Supplemental Minimum Annual Assessment (SMAA)**
DMTS expansions of Port Facilities with same rate as MAA

**Operations & Maintenance Agreement**
Paid by road users in addition to the MAA and SMAA
DMTS: THE NUTS AND BOLTS

Profit Sharing

**Contingent Tonnage Fee (CTF)**
Additional payment when tonnage shipped exceeds annual threshold

**Contingent Escalator for Zinc Price (CEZ)**
Additional payment when market price increases
PROJECT TEAM

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QUESTIONS/DISCUSSION
ACRONYMS

AIDEA – Alaska Industrial Development and Export Authority
AMDIAP – Ambler Mining District Industrial Access Project
ANCSA – Alaska Native Claims Settlement Act
ANILCA – Alaska National Interest Lands Conservation Act
BGEPA – Bald and Gold Eagle Protection
BLM – Bureau of Land Management
CEZ – Contingent Escalator for Zinc Price
CTF – Contingent Tonnage Fee
CuEq – Copper Equivalent
CWA – Clean Water Act
DMTS – DeLong Mountain Transportation System
DOT&PF – Alaska Department of Transportation and Public Facilities
EIS – Environmental Impact Statement
ESA – Environmental Site Assessment
LOM – Life of Mine
MBTA – Migratory Bird Treaty Act

MAA – Minimum Annual Assessment
MmT – Million Metric Tons
MSFCMA – Magnuson-Stevens Fishery Conservation and Management Act
NAB – Northwest Arctic Borough
NEPA – National Environmental Policy Act
NHPA – National Historic Preservation Act
NOA – Naturally Occurring Asbestos
PILT – Payment in Lieu of Taxes
RHA – Rivers and Harbors Act
ROW – Right-of-Way
SMAA – Supplemental Minimum Annual Assessment
SOA – State of Alaska
TCC – Tanana Chiefs Conference
UAA – University of Alaska Anchorage
WACH – Western Arctic Caribou Herd
WSRA – Wild and Scenic River Act