



Alaska Industrial Development and Export Authority  
**SPECIAL TELEPHONIC BOARD MEETING MINUTES**  
**Thursday, March 26, 2020**  
Anchorage, Alaska

**1. CALL TO ORDER**

The meeting of the Alaska Industrial Development and Export Authority was called to order on March 23, 2020. A quorum was established.

**2. ROLL CALL: BOARD MEMBERS**

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Bernie Karl (Public Member) (phone); Julie Anderson (Commissioner, DCCED) (phone); Albert Fogle (Public Member) (phone); Bill Kendig (Public Member) (phone); Anna MacKinnon (SOA-DOR) (phone); and Julie Sande (Public Member) (phone).

**3. ROLL CALL: STAFF, PUBLIC**

AIDEA Staff present: Tom Boutin (CEO/Executive Director) (phone); Alan Weitzner (Chief Investment Officer, PFAM); Brenda Applegate (Chief Financial Officer); Chris Anderson (Director Commercial Finance) (phone); Mark Davis (Chief IFD Officer); Jeff San Juan (Sr. Infrastructure Development Officer) (phone); Sam Tappen (Infrastructure Development Officer) (phone); Karsten Rodvik (External Affairs Officer) (phone); Sherrie Siverson (Executive Assistant); Aimee Sudbeck (Administrative Assistant).

AEA Staff and AIDEA Counsel and Consultants: Jerry Juday (Department of Law) (phone); and Curtis Thayer (Executive Director, AEA).

Public: Sarah Obed (Doyon, Limited) (phone); Erica Carroll (phone) and Alex Johnson (phone) (National Parks Conservation Association); Solaris Gillispie (Northern Alaska Environmental Center) (phone). Nancy Wainwright (Wainwright Legal Services, LLC) (phone); Lois Epstein (The Wilderness Society) (phone); Hannah Atkinson (phone); Deven Barnett (phone); Scott Bell (phone); Janelle Carl (phone); Jeff Chen (phone); Margi Deashezsky (phone); Diane Cryer (phone); Christina Edwin (phone). Joan Franz (phone); Patricia Gaedeke (phone); Rachael Gaedeke (phone); Melissa Heuer (phone); Wayne Jenkins (phone); Anna Kari (phone); Jim Kari (phone); Tom Meacham (phone); Julia Mickley (phone); Phillip Moser (phone); Hayden Neville (phone); Jack Reakoff (phone); Nicole Schmitt (phone); Neil Serrano (phone); Peg Tileston (phone); John Walsh (phone); Erica Watson (phone); Laura Wright (phone); Unidentified (phone); and Unidentified (phone).

**4. AGENDA APPROVAL**

The agenda was approved as presented.

## 5. PUBLIC COMMENTS

Recorded audio began at the close of Laura Wright's public comments. Ms. Wright acknowledged the widespread unemployment in her area due to the dependence on tourism. She would like the proposed Ambler Road funds be used for other purposes.

Melissa Heuer, Executive Director Susitna River Coalition based in Talkeetna, represents more than 14,000 Alaskans and businesses who are suffering economically during this unknown time of crisis. She is commenting on the \$35 million transfer from the State revolving funds to a private fund intended for the proposed Ambler Road. Ms. Heuer encouraged the Board to cancel the vote of the transfer. The proposal is a gross misuse of power and an inexcusable action taken during this time. Budget allocations during a time of crisis should be approved by the Legislature and used to help Alaskans to provide vital support to Alaska businesses.

Patricia Gaedeke, owner of Iniakuk Lake Wilderness Lodge, noted the lodge is located in the Brooks Range a few miles from the proposed Ambler Road. She commented members have not reached out to the businesses in the region that the Ambler Road proposal will destroy. The Iniakuk Lodge has built a successful and sustainable tourism business for over 45 years on land that has been taken care of by Native people for thousands of years. With proper leadership, AIDEA can and should help Alaska through these tough times of an insurmountable economic tsunami as tourism, fishing, and oil are crippled by this pandemic. Instead, AIDEA is using the pandemic for profiteering and dodging the proper financial vetting for the poorly planned Ambler project.

Ms. Patricia Gaedeke is asking all Alaskans to watch the actions of AIDEA, because it does not appear AIDEA cares about the local villagers, business owners, or the last free-ranging caribou in the United States. Ms. Patricia Gaedeke tried to appeal to AIDEA's executive self-preservation. She believes the current proposal will have collective and individual legal implications. The profiteering attitudes are threatening the air, the fish, the villages, and the businesses in the affected area. Ms. Patricia Gaedeke encouraged members to stop their greedy tactics and start working for the people of Alaska.

Rachael Gaedeke informed she was born in Fairbanks and raised in the Brooks Range a few miles from the proposed Ambler Road project. She is a current resident of Anchorage. Ms. Rachael Gaedeke expressed her opposition to the proposed \$35 million for the Ambler Road project. She believes the attorneys calling in will address the blatant disregard for the Alaska State Constitution, among other legal and ethical atrocities. Ms. Rachael Gaedeke believes it is shameful the AIDEA Board for taking advantage of Alaskans during what will likely be one of the worst social and economic catastrophes Alaska has ever seen.

Ms. Rachael Gaedeke expressed concern for the complete lack of awareness from AIDEA regarding the effects to the people of the Kobuk and Koyukuk Valleys. Studies show that when mines are built, the communities closest suffer from increased rates of alcoholism, domestic violence, and sexual assault. The villages in proximity to the proposed road and potential mine do not have the resources to support the influx of miners, truckers and potential man-camps that will follow. To continue to add money to the project, especially in the midst of a world health and

economic crisis created by COVID-19 is despicable. There could be hundreds, if not thousands of businesses close, to protect the communities from the spread of the virus. Ms. Rachel Gaedeke believes Alaskans need these funds to provide vital support to the large-scale unemployment crisis occurring now and that will occur during the summer and possibly longer, rather than using the funds to support outside mining interests.

Erica Carroll informed she does not have a public comment at this time.

Nicole Schmitt, Executive Director of Alaska Wildlife Alliance, represents hundreds of Alaska members throughout the state interested in furthering wildlife, habitat, and subsistence rights. She expressed heightened concerns regarding the Ambler Road and today's Board actions. Ms. Schmitt informed she owns a consulting business in Anchorage. She finds it unacceptable the State is considering pulling tens of millions of dollars away from the local businesses who are truly struggling during this crisis and instead funneling the money to multinational corporations who have no long-term investment in Alaska. The total cost of building, operating, and maintaining the project is expected to be in the range of \$844 million and \$936 million. The State and Alaskans are financially responsible if the mines go bankrupt. She believes the investment is risky in any economic situation, and the risk is exacerbated by the current decline in mining stocks and the thousands of Alaskan business owners who need the aid.

Ms. Schmidt expressed support for the recommendation of the Alaska Economic Stabilization Team to utilize AIDEA, as well as other key State agencies, to manage and prioritize short-term financing for small and medium Alaskan businesses during this economic crisis. She is against the egregious transfer of funds to the Ambler project. Ms. Schmidt encouraged the review processes for all of the State infrastructure projects be halted during this unprecedented time. To move forward with the precarious Ambler Road project at this time is unwise.

Jim Kari commented he is aware the villagers in the area of the proposed Ambler Road project have been opposed to the project for years, a decade or more, including the villages of Hughes, Allakaket, Shungnak, Kobuk, and others. Mr. Kari commented his understanding was tolls would be collected from the trucks if the road was built. He believes the proposal is absurd. Mr. Kari feels these funds need to be available for small business relief.

Scott Bell commented the appearance of using the current emergency as an opportunity to move \$35 million into the Ambler Road capital project without public vetting reflects badly on AIDEA. He recommended the proposal be approved by the Legislature during these stressful financial times.

Jeff Chen from Anchorage believes the proposed \$35 million for the Ambler Road project should be spent on Alaskan businesses, families, and the struggling Alaska healthcare system during the pandemic. The public health crisis should not provide an opportunity to disregard public process for our communities' needs for private industry profits. The federal review process for major infrastructure projects should be halted during this unprecedented time. It is not the time to move forward with unwanted projects in near secrecy while families are concerned about their health

and other pandemic issues. Mr. Chen informed he works in the healthcare industry and knows the immense and immediate need for State government funds to focus on keeping people safe, healthy, well-fed, and providing additional testing.

Mr. Chen does not believe AIDEA has consent to move forward because the local tribes and residents are opposed to the Ambler Road project. He urged AIDEA to listen to Alaskans and the Northwest tribes and to halt this project irresponsibly and disrespectfully moving ahead.

Julia Mickley stated she is a field researcher, guide, and fire fighter in Alaska, who represents many in Alaska who do not want the road. She requested AIDEA focus money on the public need to benefit people and not on this project.

Christina Edwin commented she is an Alaskan resident and is opposed to providing \$35 million to the Arctic Industrial Development Fund to pay for field work, design, and permitting of the Ambler Road. She believes the money should be spent on Alaskan businesses and families who currently need it during the global health crisis. Alaskan Arctic communities are in special need of State funding and local support for the healthcare response to the global pandemic. She requested the federal processes for major infrastructure projects are halted during this time. Ms. Edwin does not believe individuals and families have had sufficient time to respond to this proposal in the midst of a global pandemic, particularly in communities that lack internet access and who may not even be aware of the proposal, nor of this telephonic meeting.

Erica Watson of Denali Park expressed opposition to providing funds to the Arctic Industrial Development Fund to pay for field work, design, and permitting of the Ambler Road. This is a time when small Alaska businesses are truly struggling and fearing for their future. Local tourist businesses in Denali may no longer have any significant income. She believes it is appalling the State is taking funds which could be used to directly support Alaskans through this period of uncertainty and instead the State is choosing to provide support for multinational corporations pushing a project that local communities do not want and would do further harm to the land, economy, and people. Taking this action under the cover of a global pandemic is shameful. Ms. Watson told AIDEA not to transfer the funds.

Solaris Gillispie, Northern Alaska Environmental Center, read an excerpt from a letter from the Trustees of Alaska. AIDEA's actions would be directly contrary to the Alaska State Constitution and the Executive Budget Act. The Alaska Constitution vests the Alaska Legislature with the authority to appropriate money and both the Constitution and Executive Budget Act outline the procedures and steps that must be in place before appropriations are validly placed. The approval of the funding for Ambler Road would need to occur during the appropriations process by the Legislature pursuant to a detailed process outlined in statute. That has not occurred here. Ambler Road and its permitting process for the road is a capital project and funded through the State's capital budget.

Mr. Gillispie noted the Ambler Road project is a capital appropriation and AIDEA cannot increase funding for this project without approval, regardless of the source of that funding. Funds for the

project are subject to appropriation by the Legislature, not AIDEA. Because AIDEA has been unable to secure funding for the Ambler Road project through the Legislature in the capital budget process, it is now attempting to make it an end run around the authority of the Legislature by unilaterally appropriating money from its revolving fund to this project. The resolution will transfer \$35 million from AIDEA's revolving fund and the action will be directly at odds with the purpose of the fund, which is targeted at providing financing for Arctic projects. AIDEA is making what amounts to a capital budget expenditure without legislative approval for oversight.

Mr. Gillispie noted AIDEA does not have any current plans for repayment of this money to the State. Nor does AIDEA have an approved operation or financial plan in place for the project. It is inappropriate and contrary to State law for AIDEA to singlehandedly appropriate these funds toward the Ambler Road. This is a violation of AIDEA's duty to the State and the people of Alaska to manage funds in a responsible manner, especially at a time when the State is a financial crisis due to the current pandemic.

Hayden Neville, of Fairbanks, expressed opposition to providing \$35 million to the Development Fund for the Ambler Road. Mr. Neville expressed appreciation to the Board members for serving on the Board and looking out for our state. He was extremely concerned when he was made aware the meeting was occurring today regarding the transfer of the funds in this manner. Mr. Neville believes this pandemic time requires Alaskans to come together and take care of immediate needs of businesses and families. He does not believe AIDEA should be focusing on the Ambler Road project. He requested the Board not transfer the funds, but rather attend to the business that will help Alaskans.

Phillip Moser of Juneau testified he is invested in ensuring the state stays viable and open to economic development in ecology. He expressed opposition to providing \$35 million to the Arctic Industrial Development fund for Ambler Road. Monies spent on Ambler Road will not support businesses that are struggling now. Mr. Moser does not believe this project should be railroaded through the process during the global pandemic health crisis. The state and federal review processes for major infrastructure projects should be halted during this time of hunkering down. Mr. Moser expressed fear if this transfer is conducted, it will be an unrecoverable mistake that will be taking money from the unemployed and small businesses who need it. He requested AIDEA provide additional time to undergo the proper processes and direct the \$35 million elsewhere.

Chair Pruhs informed Resolution No. G20-11 is online and directed everybody's attention to Section 3 of the resolution, which will be discussed at tomorrow's meeting. He read; "This Resolution does not authorize expenditures from the Arctic Infrastructure Development Fund for AMDIAP; further action by the Board is required for the Authority to expend money for the Arctic Infrastructure Development Fund on AMDIAP."

Peg Tileston of Anchorage strongly opposes the resolution. She understands the language read by Chair Pruhs and believes the resolution needs to be set aside so there is no confusion in terms of the proposal. Ms. Tileston is not accusing AIDEA of anything, but the fact this is an emergency meeting raises red flags. At a time when Alaska businesses, citizens, and the State are struggling

with the drastic economic and societal affects of the pandemic, this is an inappropriate use of funds. Using an emergency meeting is particularly annoying and it gives the impression AIDEA is trying to rush the resolution through approval.

Jack Reakoff expressed appreciation to the Board for the opportunity to speak on Resolution G20-11. Paragraph three does not address the reason for transferring \$35 million. The short notice meetings is a violation of statute of the Administrative Procedural Act. Mr. Reakoff compared the Ambler Road to the haul road. The haul road was built by the oil industry. The oil industry designed and paved the road and gave the road to the State of Alaska. While businesses are struggling in Alaska, monies would be better spent to support their hardships. Mr. Reakoff noted the planning work for the Ambler Road would still need approximately \$27 million additional funding, even if the proposed \$35 million was utilized for the Ambler Road, according to projections at a winter AIDEA work meeting.

Mr. Reakoff stated the resolution has nothing to do with COVID-19 or small business relief. The public is very unhappy with the consideration of transferring \$35 million into the Arctic Infrastructure Development Fund.

Tom Meacham of Anchorage expressed opposition to the hurried speed of this emergency allocation. He believes it is inappropriate to consider planning expenses for the Ambler Road for the reasons stated by Mr. Reakoff. Mr. Meacham thinks the Board should review the requirements of the Administrative Procedure Act to determine whether action taken today or tomorrow on this resolution are legal or subject to a challenge. For those reasons, he urged the Board not to allocate funds to the Arctic access that could alleviate the impact on Alaskans from the effects of COVID-19.

Margi Deashezsky (sp?) of Anchorage called to oppose the proposed \$35 million to the Ambler Road especially in this time of a public global health emergency. She believes the money should be directed into the healthcare system. Ms. Deashezsky feels this is a pivotal time for Alaska communities and a strong COVID-19 response is needed. There are much better areas the funds could be allocated to address the crisis.

Sarah Obed, Doyon Limited, reminded the Board AIDEA has not entered into any negotiations and has not requested permits with Doyon to cross Doyon lands. Ms. Obed expects BLM to issue their right-of-way across BLM lands tomorrow and all three of the routes that were considered by the BLM cross some portion of Doyon land. She believes it is premature to spend monies on the Ambler Road without those negotiations first taking place.

Wayne Jenkins, Co-Director of Yukon River Drainage Fisheries Association, expressed appreciation to AIDEA Board for their work and hopes each is keeping safe from the pandemic. He shared a resolution passed in 2018; whereas the Yukon River Drainage Fisheries Association works on behalf of subsistence and commercial fishing families within the Alaskan and Canadian Yukon River Drainage, who depend on wild salmon for subsistence and commercial fishery; and whereas we have an interest in the preservation of our land, cultures, and people; and whereas the

211-mile proposed road will cross 2,900 streams, 11 major rivers, 1,700 acres of wetland, and these waters are habitat for whitefish, sheefish, salmon, pike, grayling, and more; and whereas mining activities and practices may threaten the long-term viability of the Yukon River wild salmon and other fish stock by allowing pollution and degradation of vital stream habitat; and whereas clean water for spawning and rearing is of vital importance for wild salmon and other fish that provides subsistence and commercial harvest; and whereas our elders have taught us to think beyond the present and to measure the effects into the future for our future generation; and whereas to guarantee our way of life and culture will continue for future generations; and whereas (indiscernible) Ambler mining district for mere financial gain poses new threats to our subsistence resources and the people themselves; whereas those mining companies are exploring for four or five minerals, which will result in toxic heavy metals polluting our lands and water; whereas the road will impact water quality, caribou, sheefish, and other subsistence food that we depend on for our very survival; whereas our elders have held steadfast against this road development for multiple generations and asserting their inherent rights; and whereas the Tribal Councils of the following sovereign Alaskans passed resolutions against the proposed Ambler access road; including Allakaket, Evansville, Huslia, Kobuk, Koyukuk, Loudon, Rampart, and Ruby; whereas a petition submitted to the Bureau of Land Management has 200,000 that are opposing the Ambler access road and many other organizations have opposed it, now therefore be it resolved (indiscernible) opposed the proposal for the Ambler mining district.

Hannah Atkinson of Kotzebue expressed opposition to providing \$35 million to the Arctic Industrial Development Fund preparing for Ambler Road. Money should be spent on Alaskans when businesses and families need it. People in the (indiscernible) region are opposed to this and do not feel that the EIS process has given them a voice in the process.

Janelle Carl of Bethel expressed opposition to provide \$35 million to the Arctic Industrial Development for field-work, design, and permitting of the Ambler Road. That money should be spent on Alaskan businesses and families who currently need it.

Alex Johnson, National Parks Conservation Association (NPCA), noted he has commented to the Board at previous meetings regarding NPCA's concerns regarding the Ambler Road and specifically the impacts to the Western Arctic caribou herd and other subsistence regional resources upon which residents are dependent. NPCA strongly urges AIDEA to cancel the vote on Resolution No. G20-11. As an Alaskan resident, Mr. Johnson believes the \$35 million could be spent and follow-up with the Alaska Economic Response Team's recommendation to support small and medium businesses.

Diane Cryer, Alaska resident, (indiscernible - interference with speakerphone) believes AIDEA funds need to be focused on residents who have lost their job and are struggling because of the COVID-19 situation. She requested focus be directed on the people of Alaska.

Joan Franz of Fairbanks informed she is a small business owner and healthcare provider. Ms. Franz expressed concern this action is a short-sighted use of Alaska monies (indiscernible) and protecting public health provided to healthcare organizations and having that money available to shape the

State's (indiscernible) related to those problems instead of looking at building a road for a Canadian mining company. She feels this is shortsighted and not prudent (indiscernible - interference with phone).

Loud background noise continued over the telephonic conference interfering with public comment testimony. The direction was given for all telephonic participants to mute their phones. Only the person providing public testimony should be unmuted and speaking. Chair Pruhs announced if the telephonic background noise does not cease, he will discontinue the public comment session.

Ms. Franz continued her testimony and expressed her belief AIDEA should save monies to use for public health, any public healthcare structures and safety equipment needed for healthcare providers. Ms. Franz noted there is not adequate safety equipment for healthcare providers and there are not adequate tests. This is not a good time to spend money on this proposal. Ms. Franz asked AIDEA to forego this project for now. It is not a reasonable time to move this forward. Ms. Franz expressed appreciation for being allowed to testify and hopes AIDEA will be receptive to the wishes of the majority of Alaskans who will put public health before an untimely building of a road for a mining company. She requested the resources be saved for Alaskans.

Chair Pruhs reminded speakers to state if they have an affiliation. He noted telephonic background noise was still present from someone on the phone who was not testifying. He announced that if the background noise is not muted, he will close the public comment session.

An unidentified speaker provided public comment. She expressed opposition to providing \$35 million to the Arctic Infrastructure Development Fund. She believes the monies should be spent on Alaskan businesses and families who currently need it during this health and economic crisis. She noted she is a small business owner and the local businesses are suffering during this crisis.

Chair Pruhs inquired if additional speakers wished to provide public comment. Hearing none, he closed public comments.

NOTE: Public comments submitted via email have been posted on the AIDEA website at <http://www.aidea.org/About/Board/2020AIDEABoardMeetings.aspx>

Chair Pruhs moved on to Item 6. of the agenda, and stated he will take a motion for executive session.

**MOTION: A motion was made by Mr. Kendig to enter into Executive Session to discuss financial matters and information relating to emergency regulations related to AIDEA programs; BlueCrest Energy; Blood Bank of Alaska; AK SAFE Program, Arctic Infrastructure Development Program. Motion seconded by Mr. Fogle.**



## **6. EXECUTIVE SESSION**

Discuss confidential financial matters relating to economic stabilization and AIDEA's programs; Emergency regulations related to AIDEA programs; BlueCrest Energy; Blood Bank of Alaska; AK SAFE Program; Arctic Infrastructure Development Program

The Board reconvened its special meeting.

Chair Pruhs advised the Board did not take any formal action on matters discussed while in Executive Session.

## **7. BOARD COMMENTS**

Chair Pruhs expressed appreciation to Board members for spending five hours and 15 minutes working through today's topics. He looks forward to a positive and historical Board meeting tomorrow. He thanked everyone for their patience.

Ms. MacKinnon expressed appreciation to staff, Board members, and the people of Alaska who testified during the public hearing. The items expressed are of concern to all. Ms. MacKinnon hopes the Board will provide assurances to the general public at the meeting tomorrow regarding some of the issues that were raised. She hopes this will give clarity and greater understanding of the purpose of the emergency meeting. Ms. MacKinnon stated all know there is a health crisis expanding across the world and it is coming to Alaska in greater numbers every day. She highlighted the Governor and his team are doing everything possible to work with the medical community and ensure Alaskans are safe first, while looking in the long-term to make sure that as we pull out of the healthcare issue, the focus is on the economy and AIDEA is used in the way it was intended to help support jobs in the state.

Mr. Kendig echoed appreciation to staff and Board members for working together to get through these stressful times.

Alan Weitzner, Chief Investment Officer, PFAM, commented staff would like to express appreciation to the Board, the Governor and staff for their input and constant attention to AIDEA's support of the welfare of Alaskans, the economy, and the workforce.

Chair Pruhs expressed appreciation to Sherrie Siverson for her assistance with the stressed teleconference system. The hope is all teleconference background noise will be muted during tomorrow's teleconference meeting so that speakers are understood.

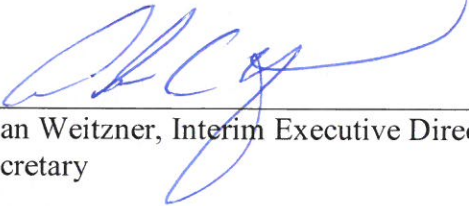
Ms. Siverson informed she posted on the website a request to the public to provide their names in advance of public testimony tomorrow. She advised approximately 75% of the callers today sent her an email and provided public comments.

**8. DIRECTOR COMMENTS**

There were no additional comments.

**9. ADJOURNMENT**

There being no further business of the Board, the AIDEA meeting adjourned.



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Alan Weitzner, Interim Executive Director  
Secretary