



MEMORANDUM

To: Board Members
Alaska Industrial Development and Export Authority

From: Ted Leonard
Executive Director

Date: April 24, 2014

Subject: Resolution No. G14-02 Relating to Permits, an Environmental Impact Statement and other work on the Proposed Ambler Mining District Industrial Access Road

Summary

In 2009, the State of Alaska Department of Transportation and Public Facilities (“DOT”) initiated studies on the possibility of developing a road to provide access to the Ambler Mining District in Northwest Alaska. After DOT completed some preliminary work, the responsibility for the project was transferred to AIDEA in 2013. The legislature appropriated \$8.5 million to AIDEA in last year’s capital budget for AIDEA to use in continuing to evaluate the project.

In order to proceed with the possible development of the road, AIDEA needs to submit an application to the federal agencies that have jurisdiction over the project. Two of the principal federal agencies involved are the U.S. Army Corps of Engineers, which must issue a Section 404 wetlands permits, and the National Park Service of the U.S. Department of the Interior, which must grant an access route for the road across the Gates of the Arctic National Preserve. Under Title XI of the Alaska National Interest Lands Conversation Act (“ANILCA”), a single, consolidated application needs to be submitted to all of the federal agencies at the same time.

The application process for the areas lying outside the Gates of the Arctic National Preserve necessitates the preparation of an environmental impact statement (“EIS”). Consistent with the customary practice, the burden falls on AIDEA, as the project promoter, to engage and pay for an independent engineering or planning firm to actually prepare the EIS for the federal agencies to use. Although the firm will be paid by AIDEA, the firm’s work on the EIS must be directed and supervised by the federal agencies.

On April 3, AIDEA’s procurement section has issued a request for proposals for firms interested in preparing the EIS for the Ambler road. The responses are expected to be received on the afternoon of April 24, the date of the Board meeting.

Once the EIS is completed and the federal agencies have made their decisions about the project, the Board will still need to determine whether to proceed with the project. In order to proceed, a

finance plan will need to be developed with the mining companies and the private sector for the project.

Resolution No. G14-02 authorizes AIDEA to proceed with the work to evaluate the project. The resolution also specifically authorizes AIDEA to (1) submit an application for the Ambler road to the federal agencies in accordance with ANILCA, and (2) engage a firm to prepare the EIS for the project under the direction of the federal agencies. The resolution provides for these activities to be paid for out of the \$8.5 million capital appropriation.

Recommendation

Staff recommends the Board approve Resolution G14-02.

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G14-02

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY RELATING TO PERMITS, AN ENVIRONMENTAL IMPACT STATEMENT AND OTHER WORK ON THE PROPOSED AMBLER MINING DISTRICT INDUSTRIAL ACCESS ROAD

WHEREAS, the proposed Ambler Mining District Industrial Access Road (“AMDIAR”) is part of Governor Parnell’s Roads to Resources Program Initiative that is intended to support the infrastructure development for natural resources in Alaska;

WHEREAS, the Alaska Industrial Development and Export Authority (the “Authority”) has taken over responsibility for AMDIAR from the State of Alaska Department of Transportation and Public Facilities;

WHEREAS, permit applications need to be filed with the U.S. Army Corps of Engineers, the U. S. Department of the Interior, and other federal agencies for the review process on AMDIAR to be initiated under the National Environmental Policy Act (“NEPA”), 42 U.S.C. § 4321 et seq., and the Alaska National Interest Lands Conservation Act (“ANILCA”), 16 U.S.C. § 3101 et seq.

WHEREAS, the permit process will require an environmental impact statement (“EIS”) and a corridor right of way under ANILCA to be prepared under the direction of the federal agencies, and the Staff of the Authority is in the process of requesting proposals from third-party contractors to provide professional services in preparing an EIS and related federal permits for AMDIAR;

WHEREAS, the preparation of an EIS and the other activities involved in the permitting process will provide important data, analysis and other information for the Authority to consider in making decisions about financing the development of AMDIAR;

WHEREAS, the Staff of the Authority have consulted with, and are continuing to obtain seek input from, other State agencies, local governments, tribes, ANCSA Native Corporations, mining companies and other interested parties regarding the possible development of AMDIAR;

WHEREAS, AMDIAR qualifies as a “development project” under AS 44.88.900(4) & (10)(A) so that the Authority, consistent with its governing statutes, can finance AMDIAR through a public-private partnership or other appropriate financing arrangement; and

WHEREAS, in section 1 of chapter 16 of the 2013 Session Laws of Alaska, the Alaska Legislature appropriated to the Authority \$8,500,000 for use in pursuing AMDIAR, including applications for permits and the preparation of an EIS with respect to the proposed project;

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. The Authority shall apply for the permits needed for the development of AMDIAR, including any federal permits that may be required. The Executive Director, or his designee, is authorized and directed to submit in the name of and on behalf of the Authority all applications and all other documentation necessary in order to apply for any permits.

Section 2. The Authority shall contract with a third-party contractor to prepare an EIS for AMDIAR under the direction of the federal agencies. The third-party contractor shall be selected through the Authority’s procurement process, subject to the approval of the federal agencies if necessary. The Executive Director, or his designee, is authorized to execute and deliver a contract to the third-party contractor selected to prepare the EIS for AMDIAR.

Section 3. The Authority shall continue to pursue the development of AMDIAR, which efforts shall include continuing to consult with and seek input from interested persons and organizations about the proposed project.

Section 4. The costs of the Authority's efforts in pursuing AMDIAR, including but not limited to the cost of the third-party contractor engaged to prepare the EIS and related permits , shall be paid out of the legislative appropriation made to the Authority in section 1 of chapter 16 of the 2013 Session Laws of Alaska.

Section 5. The Executive Director is authorized to take any other actions and to sign any other documents that he determines are necessary or advisable in order to carry out the purposes of this Resolution.

DATED at Anchorage, Alaska on this 24th day of April, 2014.

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY

Chair

SEAL
ATTEST:

Secretary