



# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

April 23, 2024

**Sent via email:** [senate.finance.committee@akleg.gov](mailto:senate.finance.committee@akleg.gov)

Senate Finance Committee  
Alaska State Legislature  
Juneau, Alaska

Re: Manh Choh Project Support

Dear Co-Chairs Hoffman, Olson and Stedman and Members of the Senate Finance Committee:

Like you, the Resource Development Council for Alaska (RDC) has been following the Manh Choh Project with keen interest for some time. For the reasons outlined below, this project presents a generational opportunity for a region that threatens to be forgotten and is a win-win partnership between our Alaska Native tribal partners and industry that balances environmental protections with responsible resource development. There has been a healthy debate about the pros and cons of this project, as there should be with any development project; though, it has been unfortunate to see so much misinformation being spread about the transportation portion of this project.

Understandably, we were disappointed to see a recent subcommittee budget substitute insert language to require the project partners for Manh Choh to fully foot the bill for public highway maintenance on the section of the highway that they, along with *all other users* of a public highway, will utilize for a portion of their operations. This sets a dangerous precedent and we would encourage members of the full committee to reverse this action.

There has been much discussion about the so-called danger of hauling ore from Manh Choh to Fort Knox. It is important to distinguish that the trucks will carry rocks, not metal ore concentrates. There will be minimal dust associated with the transportation and the loads will be fully covered and secured. These trucks will carry legal loads that do not require any special permits or exemptions. Total vehicle length will be 95 feet, similar to the double fuel and double cargo trailers we saw all over Alaska's highways today, with a payload of about 50 tons and a total gross vehicle weight of 82.5 tons per vehicle. The trucking contractor is long-term Alaskan company based in North Pole and boasts an outstanding safety record. They have a comprehensive safety management system, with vehicle and driver monitoring, and an extensive, proven driver training program anchored by a rigorous behind-the-wheels training component.

The State Department of Transportation & Public Facilities (DOT) is charged with regulating the safety of our highways. The trucks and drivers to be used by the Manh Cho project are subject to the same safety standards as any other similar truck operator. This means the drivers are subject to the same stringent safety and training standards required for CDL and heavy equipment operator licenses. DOT has already begun to build additional pull out lanes, enhanced visibility in areas around bus stops, and plans to add additional passing lanes, bridge replacement, and more. Much of the funding to improve this highway will come from the Infrastructure, Investment and Jobs Act. Alaskans constantly point to our limited and aging



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highway infrastructure as a hindrance to expanding economic opportunities throughout our great state. This project can help be a catalyst for a region that threatens to be forgotten. ***Importantly, it is our understanding that the DOT has not requested and does not support the new subcommittee budget language.***

Trucking the mine rocks (ore) with covered loads is not very different than trucking other materials up and down our public highways, such a rock or gravel for construction projects. Comparatively, for years trucks have been hauling LNG from Port MacKenzie to Fairbanks and soon will start running daily along the Dalton Highway to deliver LNG to Fairbanks. Yet, there is little opposition about the added influx of these trucks or questioning the safety of such operations. Every day, freight, fuel, and haul trucks run along all of Alaska's highways without incident, though no one can eliminate all risk. It is part of the public transportation system.

***We should not be discriminating between commerce on our public highways when it is properly licensed, insured, meets current operating regulations, and all safety measures are met.*** However, that is exactly what has happened by targeting one project to pay for all users by the language inserted into the subcommittee substitute.

**Therefore, we respectfully request the Senate Finance Committee to remove the statutory authority for road and bridge maintenance related to the Manh Choh Gold Mine (\$8.4 million) as well as the corresponding allocation-level intent language before adopting the committee substitute for the FY25 operating budget for the reason that this sets a dangerous precedent of burdening one single user of public roads and highways with the full cost of public road and bridge maintenance.**

***More about the Project Promising Transformational Change to the Native Village of Tetlin:*** This is an historic partnership between the Village of Tetlin, Kinross, and Contango Ore, private industry leaders with exceptional environmental records, that promises to bring transformational change to this village. One can't help but think of this much like the Red Dog project between NANA & Teck, which is a great example of supporting local hire and respecting traditional and subsistence lifestyles allowing residents to remain in their home community's year round. Or the discovery of oil on the North Slope prompting the resolution of land claims and the Alaska Native Claims Settlement Act (ANCSA) that created the 7(i) and 7(j) revenue sharing provisions, and together with community revenue sharing provisions, and that brought transformational change to the people of the North Slope in ways that have been objectively measured to have improved and extended the lives of the people on the North Slope. However, unlike the NANA region and the North Slope region, the Village of Tetlin does not benefit from those revenue sharing provisions as they are one of just a few villages who opted out of ANCSA. When the Native Village of Tetlin opted out of ANCSA, they received surface and subsurface rights to 743,000 acres of land.

As owner of the surface and subsurface estate, the Village of Tetlin has the right – as would any similarly situated ANC – to develop its resources for the socio-economic benefit of its people. Tetlin's partnership with Kinross to develop a mine requiring no on-site tailings facility is a win-win for a project currently estimated to have a five year project-life. The Manh Choh mine project will bring unprecedented opportunity for a community still without indoor running water and a local sewage lagoon.



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The Native Village of Tetlin is a community of approximately 125 according to the 2020 U.S. Census. Tetlin is located within the federal Tetlin National Wildlife Refuge between Tetlin Lake and the Tanana River. About 20 miles southeast of Tok, Tetlin Village connects to the Alaska Highway by a small dirt road. The people of Tetlin are Upper Tanana Athabascans and the Village of Tetlin consists of 97.4% Alaska Native or part Native. The village has no running water or sewer. The predominant lifestyle of Tetlin is traditional subsistence activities. Employment is limited to government and some seasonal mining. The average annual household income for Tetlin is \$7,500. Some 41.82% of the population lives below the poverty level. The jobs created by this project will support year-round salaries in the six-digits.

But Manh Choh is more than just economic opportunity and the promise of jobs. It is a legacy project for the people of the Native Village of Tetlin and the surrounding region. This vision goes back to 2008 when the late Chief Danny Adams and the village council members made it their priority to develop an economic future for their people. Chief Danny was a well-respected Tanana Chiefs Conference Executive Board member and a visionary leader in the Upper Tanana region. This mine will make Tetlin financially self-sufficient while allowing its members to continue to live their cultural and traditional way of life.

***Socio-Economic Benefits:*** A socioeconomic assessment conducted by McKinley Research in 2021 found that the development of the Manh Choh mine will have significant, positive impacts on Interior Alaska, including a combined total of 950 direct, indirect, and induced jobs between 2024 and 2028. Over the projected 4.5-year life of Manh Choh, these jobs will total more than \$120 million in payroll – with the average wage of direct jobs coming in at over \$128,000 per year.

Already, the Native Village of Tetlin, Tok and the greater Fairbanks area have experienced significant economic benefit because of Manh Choh’s construction phase, with ~\$75 million in payroll paid to date to bring the mine online. The mine will be the second largest employer in region, offering a wide variety of jobs and contracting opportunities – not to mention training skills that locals can use throughout their lifetime. In short, Manh Choh has been a complete game changer for Tok – with even greater benefits expected as production begins in earnest. Year-round, this project estimates it will supply 400-600 year-round jobs for the region. This is an incredible opportunity.

Though the mine is expected to have just a 4-5 year life, Manh Choh will continue to provide economic opportunity through the reclamation phase of the project. The Manh Choh reclamation will bring another \$40-60 million to the region. It is estimated that they will spend \$425 million in the purchase of goods and services from local businesses in Tok, Delta Junction, Fairbanks, and other parts of Alaska.

***Environmental and Safety Protections Met:*** An interesting aspect of the Manh Choh project is that it will not have onsite milling, and, therefore, will not require a tailings facility at the site. The Manh Choh project plan includes small open pit mining near Tetlin from which rock will be trucked about 240 miles one-way for processing at the existing Kinross Fort Knox mine, located about 25 road miles northeast of Fairbanks. Processing will occur within existing permitted facilities at Fort Knox, eliminating the need for a mill or tailings facilities at Manh Choh. Access road construction for the proposed mine, a twin road and a site



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road, and site preparation started in 2022 with completion by the end of 2023. The mine is estimated to produce for about 4 to 5 years.

With a such a short mine lifetime, it makes no sense to permit and build a mill at the mine site when a fully permitted mill sits underutilized at Fort Knox. It also makes no sense to permit, build and then monitor a new tailings disposal facility at Manh Choh when the tailings can be safely stored in the existing Fort Knox pit, which will be rehabilitated and monitored for years once the mine closes. Utilizing existing facilities means creating a much smaller environmental footprint at Manh Choh. This will be a long-term benefit for the Village of Tetlin, who will not have to worry about long term management of a tailings facility. Maximizing the use of an existing facility is a win-win for all involved.

**Conclusion:** RDC believes all Alaskans should have the right to responsibly development our natural resources. The Manh Choh project is an example of a project that not only satisfies the environmental and safety requirements but goes further: the partnership is a great example of industry partnering with our Alaska Native people while creating a smaller environmental footprint. A “not in my backyard approach” to development does not serve anyone very well. To quote the current chief, Michael Sam,

*“Our people and indigenous people in Alaska have been living off this land for thousands of years and we are owed the opportunity to secure our own future. It is really disappointing that people from an urban area, 250 miles away, are trying to block a project because they perceive that it might impact their daily commute. In doing so, they are effectively blocking our ability to have any sort of financial security and hope for the future.”*

We have enough battles to fight when it comes to protecting our rights to responsibly develop our resources – look at the recent examples of the federal decisions on the Ambler Access Project, the NPR-A rulemaking, the EPA preemptive veto of the Pebble Project. We should not be fighting battles amongst ourselves of unprecedented discrimination against certain but not all users of our public roads.

I hope the information contained in this letter assists you as you express support for a new mining project in a region that has seen little opportunity for economic development of the scale that this project promises.

Yours resourcefully,

Leila Kimbrell  
Executive Director

Cc: Governor Dunleavy  
Alaska DOT Commissioner Ryan Anderson



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**About RDC:** The Resource Development Council for Alaska is a statewide business association comprised of individuals and companies from Alaska’s fishing, tourism, forestry, mining, and oil and gas industries. RDC’s membership proudly includes all twelve Alaska Native regional corporations formed under the Alaska Native Claims Settlement Act of 1971 (ANCSA), local governments and communities, organized and non-organized labor, industry support firms, nonprofit organizations, and much, much more. Since 1975, RDC’s mission has been to grow Alaska through the responsible development of our natural resources. Our purpose in driving this mission is to encourage a strong, diversified private sector in Alaska and expand the state’s economic base. With more than 700 members, our membership supports nearly every job in every sector of our state economy.