

Labor and Commerce Committee Passes Bill with Provisions to Boost Southeast Alaska Economy

March 21, 2014 (JUNEAU) –Today, the Senate Labor and Commerce Committee passed Senate Bill 99, sponsored by Senator Lesil McGuire (R-Anchorage), which would give the Alaska Industrial Development and Export Authority (AIDEA) the ability to issue bonds for two multi-mineral mining projects in Southeast Alaska while also making technical amendments to the Sustainable Energy Transmission and Supply (SETS) Fund within AIDEA.

“I believe we need to use every tool we can to make sure our economy continues to grow, while creating job opportunities for Alaskans in every possible corner of the state,” said Senator McGuire. “Senate Bill 99, with its two amendments, could now bring hundreds of jobs to Southeast Alaska, while boosting a critical sector in our economy: mining.”

Senator Bert Stedman (R-Sitka) introduced the two amendments to SB99. The first amendment would allow AIDEA to issue bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge rare earth element (REE) project located on Prince of Wales Island about 40 miles southwest of Ketchikan.

The second amendment would allow AIDEA to issue bonds to finance the development of the Niblack mine project and the Gravina Island Industrial Complex (near Ketchikan) for an ore processing facility. Niblack is a gold, copper, zinc, and silver deposit also located on Prince of Wales Island. During mine operations, Niblack has the potential to provide 200 full-time jobs, with about two-thirds of workers at the mine site and one-third at the processing facility.

“I’m proud of the Legislature for doing everything it can to promote economic development opportunities in Southeast,” said Senator Bert Stedman, R-Sitka. “We need these important projects to move forward so our residents have good, livable wage jobs. I thank Senator McGuire for supporting the inclusion of my amendments for Niblack and Bokan-Dotson Ridge into her bill.”

SB99, by allowing AIDEA to help secure funding for the Bokan-Dotson REE project, furthers the work completed by legislators last year to push for the development of REEs. In April, the Alaska State Legislature unanimously voted in favor of Senate Joint Resolution 8, sponsored by Senate McGuire, stating the Legislature’s support for continued and increased exploration, extraction, processing and production of REEs in Alaska.

REEs are needed to make a wide-variety of items including high-tech military equipment, wind turbines, solar panels, advanced batteries, geothermal steam turbines, plus almost all high-tech consumer goods including flat screen TVs, computers, tablets and cell phones. China currently controls 95-percent of the world’s rare earth elements, but reduced the exports of those elements by 54-percent between 2005 to 2010, and then another by nearly 50-percent in from 2010 to 2011.

“As China continues to withdraw its supply of rare earth elements from the world market, we need to be ready to fill those supplies or we will see devastating economic consequences,” said Senator McGuire. “On the flip side, building rare earth element research and production facilities here in the 49th state will create new job and career opportunities for Alaskans.”

For more information, please contact Jesse Logan in Senator McGuire’s office at (907) 465-2995.