

Alaska State Legislature

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REPRESENTATIVE MIKE CHENAULT SPEAKER OF THE ALASKA STATE HOUSE



April 6, 2016

Keith Gordon
U.S. Army Corps of Engineers Alaska District
CEPOA-RD-Gordon
P.O. BOX 6898
JBER, AK 99506-0898

Dear Mr. Gordon:

I am writing to express my support for the proposed Donlin Gold project located in the Yukon-Kuskokwim region, an area with some of the highest rates of unemployment in the United States. The Donlin Gold project is situated on lands selected under the Alaska Native Claims Settlement Act by the Calista Corporation expressly because of the known mineral potential of the area. Development of the project will enable Calista Corporation and The Kuskokwim Corporation, owner of the surface lands, to generate job and business opportunities for their shareholders. In addition to bringing economic activity to rural Alaska, it also will contribute to the diversification of the state's economy.

During the exploration of the project, Donlin Gold demonstrated its commitment to local hire, at times exceeding 90% local employment. Equally important, staff turnover rate during the exploration phase was reduced from 300% to 5% through effective training and community engagement. During construction, the project anticipates hiring 3,000 workers and during the expected 27-year operating period up to 1,200 permanent workers will be needed. The project offers long-term, high wage employment to residents of the Yukon-Kuskokwim region and the State.

As Speaker of the Alaska State House, I am acutely aware that, as Alaska confronts the realities of declining oil production and tighter federal and state budgets, private investment is a critical source of economic development. In addition to the mine site facilities, Donlin Gold proposes to build a 315-mile long pipeline from Cook Inlet to site to deliver natural gas to fuel a power plant that will generate the electricity needed to operate the mine and process facilities. The proposed pipeline not only provides cleaner fuel to the power plant, but also reduces the number of annual barge trips up the Kuskokwim River to supply the mine. Transporting energy sources, whether oil or natural gas, via pipeline is demonstrably a safer, more efficient method of conveyance.

Donlin Gold will also be the first mine site in Alaska to place a synthetic liner underneath the entirety of its tailings impoundment. Consistent with best industry practices, the tailing storage facility will be built using a downstream construction design, the most stable of all dam types, and will be closed as a dry facility. Also, innovative and highly efficient control technologies will be used to capture or remove potentially harmful constituents from air and water at the site prior to release of the air or water to the environment. Specifically, naturally-occurring mercury in the ore will be captured in the process circuit and transported offsite for secure disposal.

Mining is an integral part of our state's culture and economy. The Donlin Gold project as proposed in Alternative 2 will continue a history of mining in the area that dates back over a century. Alaska was built and continues to grow through the responsible exploitation of its natural resources.

I encourage the U.S. Army Corps of Engineers, the Bureau of Land Management, and the Pipeline and Hazardous Materials Safety Administration to expeditiously complete their environmental review of the project and to issue the permits and approvals necessary to authorize development of the Donlin Gold project as proposed in Alternative 2.

Thank you for considering my comments and your consideration of issuing the permits and approvals necessary to move this project forward,

Sincerely,



Representative Mike Chenault
Speaker, Alaska State House

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