

NANA



Teck

April 26, 2023

Senator Donny Olson
State Capitol, Room 508
Juneau, AK 99801

RE: Support of State Assumption of Section 404 Primacy

Dear Senator Olson,

NANA Regional Corporation and Teck Alaska support the Alaska Legislature appropriating funds to implement the State of Alaska's assumption of Section 404 program of the Clean Water Act and urges the State of Alaska to also develop and implement protocols for consulting with federally recognized Tribes and Alaska Native corporations with respect to its Section 404 plans and activities.

The Red Dog Mine, situated in the Northwest Arctic Borough was developed in partnership between NANA and Teck, in which NANA owns the mineral resources and Teck operates the mine. Protecting the environment and the subsistence resources that remain the core of the Iñupiat way of life, while delivering employment, training and education opportunities to NANA Shareholders were critical priorities of the region's early leaders when the mine began. These priorities, as well as the values of both NANA and Teck remain at the core of Red Dog Operations today. Today, the Mine operates at 58 percent NANA Shareholder hire.

The Red Dog Mine is the economic engine of our region and continues to provide vital benefits to the region's communities, the State of Alaska, and the U.S. at large. It is the largest critical minerals mining operation in the United States and a model for the responsible domestic development of vast U.S. sources of critical minerals that will be needed to achieve an energy transition and national security. In Northwest Alaska, we are passionate about helping lead this transition as we experience serious challenges posed by climate change. Currently, the mine life on NANA lands is anticipated through 2031. Teck currently has an advanced exploration project underway on adjacent State lands, located approximately 9 miles from the Red Dog Mine. Extending the mine life beyond 2031 is widely supported throughout Northwest Alaska and is critical to the continued self-determination of the Iñupiat people of the region, as well as the families and communities in Northwest Alaska, where residents pay some of the highest food and fuel costs in the nation. For example, the average cost of a gallon of gas and home heating fuel is over \$9.00 and is as high as \$14.42 for gas and \$15.45 for heating fuel.

All this is *with* the participation of the Red Dog Mine in our local economy providing jobs, a tax base to the local government, and royalties to NANA. NANA is working hard to put the Red Dog royalties to work for our region, by recently investing \$4.4 million to address the region's energy crisis and support

hunters who harvest on behalf of our Elders. We are certain that the living conditions and challenges in our region would be far more bleak without Red Dog.

Red Dog employed 790 NANA shareholders in FY21 and also funds 85-90% of our local borough government's annual operating budget. The borough uses these funds to provide essential government services throughout the region, such as public safety and education. As our region's largest private employer and critical funding source for the borough government, the Red Dog Mine is essential in our continued efforts at building a sustainable economy and enabling our people to remain here on our ancestral lands within our culture and communities.

NANA and Teck support funding State of Alaska assumption of the dredge and fill program under Section 404 of the Clean Water Act, and strongly recommend that the State develop and implement protocols for consulting with federally recognized Tribes and Alaska Native corporations when the State's plans or actions with respect to Section 404 activities may have Tribal or Alaska Native corporation implications. In 2022, the State of Alaska formally recognized Tribes through signing HB 123 into law, thereby laying a foundation for government-to-government partnership and success. We envision a future in which the State, Tribes, Alaska Native corporations, and industry work together to ensure protection of waters and wetlands while responsibly providing for the economic welfare of Alaska's residents.

Benefits of Section 404 assumption by the State of Alaska include improved wetlands management outcomes due to greater accountability by state agencies to Alaska citizens, specialized expertise in Alaska's vast wetlands and ecosystems, stronger coordination between the Alaska Departments of Environmental Conservation, Fish and Game, and Natural Resources, and an opportunity for productive engagement between the State of Alaska, Tribes, and Alaska Native corporations. Additionally, a state-administered 404 program will offer greater control and flexibility over compensatory mitigation when addressing wetland impacts that cannot be avoided or minimized when authorizing development and construction activities.

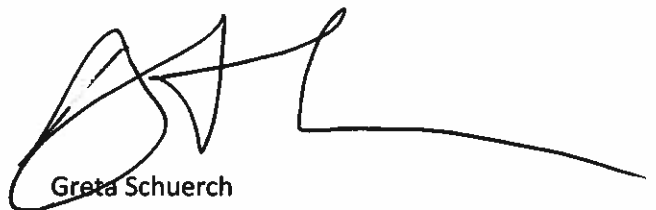
We believe that State assumption of Section 404 primacy will bring home oversight to critical permitting processes that impact our region's ability to responsibly develop our resources and critical infrastructure projects to build a sustainable future for our families and communities.

Please contact us with any questions or if you require additional information.

Sincerely,



Liz Cravalho
Vice President of Lands
NANA Regional Corporation
Kotzebue, Alaska



Greta Schuerch
Senior Advisor, Government &
External Affairs
Teck Alaska/Red Dog Mine
Kotzebue, Alaska

cc: Senator Bert Steadman
Senator Lyman Hoffman
Senator Jesse Kiehl
Senator Kelly Merrick

cc: Senator David Wilson
Representative Josiah Patkotak
Representative Neal Foster