

NORTHWEST ARCTIC BOROUGH ASSEMBLY

RESOLUTION 10-12

**A RESOLUTION OF THE NORTHWEST ARCTIC  
BOROUGH IN SUPPORT OF PERMITTING OF  
THE AQQALUK DEPOSIT AT THE RED DOG MINE  
WITHOUT APPEAL**

**WHEREAS:** The Northwest Arctic Borough is a home rule borough chartered under the laws of Alaska, and as provided in Section 2.01 of the borough charter, the Assembly is the borough governing body that exercises all the borough's powers; and

**WHEREAS:** The Northwest Arctic Borough is the home of the Red Dog Mine, one of the largest zinc mines in the world, which is operated by Teck Alaska Incorporated ("TAK") on land owned by the NANA Regional Corporation ("NANA"); and

**WHEREAS:** NANA shares in the revenue from the Red Dog Mine, which enabled NANA to payout record dividends to its shareholders over the last several years and through ANCSA sharing, other Regional and Village Corporations have benefited as well; and

**WHEREAS:** The Red Dog Mine provides education, training and jobs to NANA shareholders; and

**WHEREAS:** The Red Dog Mine is the economic engine for the Borough providing a base payment of over \$6 million in annual Borough revenue under an agreement for Payments in Lieu of Taxes ("PILOT" Agreement), which funds the borough's local contribution to education and has also financed approximately \$75 million in general obligation bonds for schools renovation and construction; and

**WHEREAS:** the PILOT Agreement includes a zinc escalator provision that has further increased the borough's payments by almost nine million dollars in the last four years. The additional revenue was \$1.9M in FY2006, \$2.3M in FY2007 and \$4.4M in FY2008; and

**WHEREAS:** the Red Dog Mine provides approximately 80% of the Borough's funding allowing for the servicing of Borough School Construction bond obligations and enables the Borough to provide land and community Planning, basic fire protection and other important services to the residents of the Borough; and

**WHEREAS:** most residents of the Borough both of necessity and desire derive most of their food from the land and waters in and offshore from the borough and live a still-traditional Inupiaq way of life, which is dependent on maintaining healthy land and water habitat throughout and adjacent to the borough for fish land animals and marine mammals; and

**WHEREAS:** on October 9, 2009, the Environmental Protection Agency (EPA) issued a Supplemental Environmental Impact Statement (SEIS) under the National Environmental Policy Act (NEPA) for certain federal actions, which include the mine's water discharge and wetlands permits; and

**WHEREAS:** through the SEIS, the EPA and other government agencies have evaluated Red Dog Mine's proposal to mine the Aqqaluk deposit, without which mining at Red Dog would cease in 2011

**WHEREAS:** through the SEIS and the related permit actions, the EPA, the State of Alaska, and other government agencies have determined that development of the Aqqaluk deposit can be done under stringent permit conditions in a manner that fully protects water quality; and

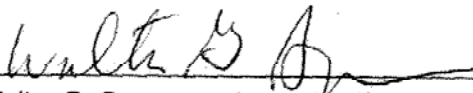
**WHEREAS:** If any of the permits for the development of the Aqqaluk deposit are appealed and mining at Red Dog ceases, it will result in significant financial and social hardship for the people of the Northwest Arctic region as a result of the loss of family income, revenues, and economic opportunity in the region; and

**WHEREAS:** After extensive public notice and hearing and without objection from the public; the Borough Planning Commission approved a master plan and conditional use permit for the mining of the Aqqaluk deposit.

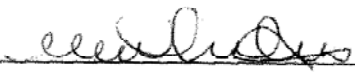
**THEREFORE BE IT RESOLVED THAT** the Northwest Arctic Borough supports the Red Dog Mine and the development of the Aqqaluk deposit and believes it is critical to the continued improvement of the economic condition of the borough's residents, while at the same time preserving the habitat necessary to the traditional, Inupiaq way of life and providing future revenue for borough services.

**BE FURTHER RESOLVED,** that the Northwest Arctic Borough supports all permits for Red Dog and the Aqqaluk deposit becoming final as soon as possible without appeal, as an appeal could cause the shutdown of the Red Dog Mine, causing undue hardship in the region.

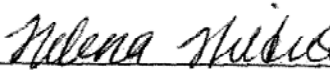
**PASSED AND ADOPTED THIS** 29<sup>th</sup> **DAY OF JANUARY, 2010.**

  
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Walter G. Sampson, Assembly President

**PASSED AND APPROVED THIS** 29<sup>th</sup> **DAY OF JANUARY, 2010.**

  
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Siikauraq Martha Whiting, Mayor

**SIGNED AND ATTESTED TO THIS** 29<sup>th</sup> **DAY OF JANUARY, 2010.**

  
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Helena Hildreth, Borough Clerk

ATTEST:

