

# Northwest Arctic Borough, Cominco sign taxation pact

KOTZEBUE — Northwest Arctic Borough Mayor Chuck Greene announced recently that an agreement has been reached between Cominco Alaska Inc. and the borough in regard to a taxation policy for the Red Dog Mine, as well as payments in lieu of taxes of more than \$25 million over 14 years.

Greene made the announcement after the borough assembly approved a policy statement on economic development and local taxation, as well as the contract with Cominco Alaska.

The purpose of the economic development and local taxation policy is to promote private economic development by providing a clear statement of what the long-term taxation policy of the borough will be and to provide the borough with a long-term and consistent revenue source to finance borough operations and services.

According to Greene, the policy

states that the borough will not enact an ordinance creating a property, income, production or severance tax on operations or activities with the borough for a period of 14 years, but payments are to be made to the borough by Cominco.

"To achieve the financial stability which the borough will need to provide necessary services to residents of the region, the borough will enter into agreements with corporations doing business in the borough," Greene said. "The first of these agreements has been entered into with Cominco Alaska, developers of the Red Dog Mine."

The agreement with Cominco Alaska stipulates the borough will receive 56 quarterly payments with the first payment due within three months. The quarterly payments gradually increase during the 14-year period and will provide the borough with more than \$25 million over the next 14 years.