

\$175 million for Red Dog

Legislation which would provide up to \$175 million for construction of a port facility and a road from the facility to the Red Dog Mine site in the DeLong Mountains north of Kotzebue was approved by the Alaska State Senate by a vote of 19-1, with no debate.

The joint project between

"The project will create 250 jobs during construction..."

NANA and Cominco, Ltd., a Canadian-based mining company is the second largest zinc and lead deposit in the world, with some of the highest quality ore anywhere. The project will create some 250 jobs during the construction phase, and 400 more once mining operations commence.

Under the terms of the legislation, which was proposed by Governor Sheffield, loan money will be transferred from several

sources to the Alaska Industrial Development Authority (AIDA) to subsidize the private project. AIDA will then issue revenue bonds to cover the cost of the 57 miles of road needed (\$85 million), and the construction of the port facility (\$65 million). The legislation was sent to the House on Monday.

The loan would be financed by the approximately \$18 million in interest per year on the state's more than \$140 million in outstanding loans; the revenue will not come out of the state's general fund. In return for the loan, Cominco will guarantee to pay developmental and opera-

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tional costs; in addition, the company will agree to local hire and prevailing wage restrictions.

Sitework could begin as early as next year.