

CSSB 70: GAS PIPELINE RIGHT-OF-WAY; PARKS; RECREATION AREAS BRIEFING PAPER

FOR THE HOUSE RESOURCES COMMITTEE • APRIL 15, 2015

CSSB 70 is necessary to open a corridor through four state legislatively designated areas (Denali State Park and Willow Creek, Nancy Lake, and Captain Cook State Recreation Areas) to the right of way leasing act for the purpose of construction a natural gas pipeline from the North Slope of Alaska.

The bill would accomplish the following primary objectives:

- 1) Authorize the issuance of a right of way lease under AS38.35, the Pipeline Right of Way Leasing Act, for a natural gas pipeline in an identified corridor through Denali State Park and Willow Creek, Nancy Lake, and Captain Cook State Recreation Areas.
- 2) The corridor will be adequate for either the AKLNG or the ASAP project.
- 3) Requires the corridor to be managed as parkland and recreation areas until a ROW lease is issued under 38.35 and returned to original park and recreation area management upon termination of the lease.
- 4) Provides supplemental requirements to reserve traditional means of public access and minimize the impact of a pipeline on the specific values of park and recreation areas.
- 5) Clarifies the DNR Commissioner's power to delegate condemnation authority to the lessee does not apply within the bounds of the park and recreation areas.
- 6) Requires the gas pipeline lease be issued before January 1, 2025 and pipeline construction to begin within 10 years of the effective date of the lease

Why the bill is needed:

The parks at issue are special use sites, reserved from the public domain by the legislature pursuant to Article VIII, Sec. 7 of the Alaska Constitution. As a result, they are not, without legislative action, open for leasing under AS 38.35.

Why this bill does not include State game refuges and DNR Susitna Basin Rec Rivers:

Although some restrictions on multiple use are imposed on the state game refuges and rivers, these areas are not closed to leasing under AS 38.35 where a lease would be compatible with the purposes of the reserves.

Does the corridor specified in the bill suffice for both the ASAP and AKLNG Projects:

Yes. AGDC and AKLNG have worked cooperatively to select a common alignment for both projects. AGDC has completed its route revision to the common alignment and are now calling it Rev. 6.1. Field efforts for both projects have changed to reflect the common alignment as evidenced in the geo-technical site locations currently being conducted within Denali State Park.

Changes in CSSB 70

- The Senate Finance CS expanded references in three of the four Recreation Areas sections to include authorization to issue right-of-way leases under the Pipeline Right of Way Leasing Act in Denali State Park; Captain Cook State Recreation Area and Nancy Lake State Recreation Area. There was no change needed for Willow Creek State Recreational Area.
- The Senate Finance CS changed the survey language by removing “including land that would lie within the described parcels but for a U.S. survey,” and replacing it with “state or federal survey does not remove land from the parcels described in (a) of this section.”
- In an effort to provide for ample time for a right of way leasing on the project, the Senate Finance CS deleted in four locations of the bill: “provide for termination of the lease if **commercial operation** of the pipeline has not begun **five** years after the effective date of the lease” and replaced it with: “provide for termination of the lease if **construction** of the pipeline has not begun **10** years after the effective date of the lease.”
- Also in an effort to provide for ample time, the Senate Finance CS, in four locations of the bill, extended the date of the lease to become effective from January 1, 2020 to January 1, 2025.

Additional information

- CSSB 70 does not identify a right-of-way. CSSB 70 opens a sufficiently amount of state park acreage to the right of way leasing act within which a right-of-way can be selected. The corridor designated in this bill would be adequate for the final engineering determinations as to where the exact right-of-way is issued.
- The right-of-way within the area authorized by CSSB 70, will be approximately 120 feet wide for construction reduced to 53 feet wide for operation for the ASAP project, and approximately 180 feet for construction and 100 feet for operation for the AKLNG project.

- There are no native allotments within the corridor proposed in CSSB 70 for Denali State Park, and Willow Creek, Nancy Lake, and Captain Cook State Recreation areas.
- CSSB 70 will not affect hunting and fishing access in any way. Until such time as a right of way corridor is leased, access will be the same as it is today. Once a right of way is leased and construction begins there may be some temporary restrictions on hunting and fishing for construction purposes.
- The bill provides for full return of land to the park when it is no longer needed for pipeline purposes. We anticipate two releases of land. First, once construction is complete, the construction right-of-way (120 feet for ASAP and 180 feet for AKLNG) will contract to the operating right of way (53 feet for ASAP and 100 feet for AKLNG). This will result in the release of land, which would become fully part of the park again without further action by the legislature. Second, at the end of the pipeline life, the lessee will be required to return the land to a condition acceptable to the Commissioner of Natural Resources and upon completion of this the land will be released and returned to the park.