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Alaska State Legislature



During Session:
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House of Representatives

Sponsor Statement

HB 174 "An Act relating to the period in which a permit authorizing activities in the state related to mineral resources, oil or gas, or transportation projects is valid when activities authorized by the permit have been stayed by a court or administrative order."

Over the past several years the state of Alaska has established a permitting system and structure to help managers oversee various types of projects undertaken in Alaska. It is one of the most comprehensive permitting regimes in the world. Applicants must pass a rigorous system of checks to gain the permission of the state for their activities. They must reapply periodically to keep their permits current and up to date with changing regulations and other environmental conditions. I compare it to a pilot's checklist where items like the gear, flaps, and nosewheel steering are replaced by municipal, state and federal laws that need to be complied with.

Over the years, other organizations have used the court system to delay or terminate resource development projects throughout our state. In many cases they have attempted to obtain a stay of a project, effectively freezing a project in its tracks. Unfortunately the permits obtained for any project, usually at great expense, are often tied to the calendar and expire after a fixed time period. Environmental lawyers use the power of a stay to force a company to spend money on the renewal of permits and other expenses to bleed their cash reserves dry. Eventually the stay may be lifted and the suit determined to be frivolous, but the economic damage to a legitimate resource developer will be severe. This tactic does little beyond the existing permit system to advance the environments interests but hinders our resource based economy greatly.

HB 174 seeks to eliminate the "get a stay and bleed 'em" tactic employed by environmental lawyers. Under this bill, if an entity has obtained permits in conjunction with a project that is stayed as the result of court action then the expiration of those permits is automatically extended as long as the stay is in place. This in effect removes cost of permit renewal as a back door financial leveraging tactic and allows litigation to proceed fairly without undue cost to the defendant.