



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Alaska Oil and Gas
Conservation Commission**

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March 27, 2014

Representative Lora Reinbold
The Alaska State Legislature
State Capitol Room 432
Juneau, AK 99801

Dear Representative Reinbold:

If at all possible please exempt quasi-judicial, independent agencies such as the AOGCC from CSHB140. As we testified to the House Finance Committee on 3/13/14 the AOGCC has formal and working procedures in place that adequately involve the public and address costs to them when creating and modifying regulations.

Regarding the section which requires us to answer questions from the public about our proposed regulations, while the Commissioners cannot speak off the record (ex-parte) after a proposed regulation is noticed, we have very qualified technical staff that do that on a regular basis. They hold meetings with the affected parties and finally, the AOGCC holds hearings (often lengthy) where the public is encouraged to comment.


Not addressed at the Finance Committee meeting, under this bill the Governor would have authority to "return" proposed regulations to us if the governor deems them inconsistent with the faithful execution of the law. Since the AOGCC is independent, it does not, by statute, report to the Governor (AS31.05.005). If we did there would be an inherent conflict of interest since we adjudicate disputes between the state and other parties regarding oil and gas issues. The AOGCC has been involved in costly lawsuits in the recent past regarding this issue.


As we testified at the hearing, publishing a cost estimate with the notice of hearing will likely prolong and derail the hearing and turn it into a debate about whose cost estimate is best, causing distraction from the main issues. It is also an area that will require us to either have additional personnel or hire contractors because the costs of our regulations to other agencies, private persons, etc. are not a matter within our expertise. Nonetheless, the AOGCC always considers those costs before enacting regulations after listening to the testimony of affected persons.

So, I think we demonstrated at the Committee hearing that we already cover the valid concerns addressed by the bill and for the above additional reason request that the AOGCC and other quasi-judicial, independent agencies be exempted.

Please feel free to contact us if you have any concerns or questions.

Sincerely,

for 
Cathy P. Foerster
Chair, Commissioner


Dan Seamount
Commissioner

cc: Christa VonBergen, Chief of Staff
Crystal Koeneman, Legislative Aide