

HOUSE BILL NO. 389

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES ROKEBERG, B.Davis

Introduced: 1/5/96

Referred: House Special Committee on Oil and Gas, Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to 'best-interest findings' for oil and gas leases."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 *** Section 1.** AS 38.05.035(g) is amended to read:

4 (g) Notwithstanding (e)(1)(A) and (B) of this section, when the director
5 prepares a written finding required under (e) of this section for an oil and gas lease
6 sale scheduled under AS 38.05.180, the director shall consider and discuss

7 (1) in a preliminary or final written finding facts that are known to the
8 director at the time of preparation of the finding and that are

9 (A) material to issues that were raised during the period allowed
10 for receipt of public comment, whether or not material to a matter set out in
11 (B) of this paragraph, and within the scope of the administrative review
12 established by the director under (e)(1) of this section; or

13 (B) material to the following matters:

14 (i) property descriptions and locations;

15 (ii) the petroleum potential of the sale area, in general

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terms;

(iii) fish and wildlife species and their habitats in the area;

(iv) the current and projected uses in the area, including uses and value of fish and wildlife;

(v) the governmental powers to regulate oil and gas exploration, development, production, and transportation;

(vi) the reasonably foreseeable cumulative effects of oil and gas exploration, development, production, and transportation on the sale area, including effects on subsistence uses, fish and wildlife habitat and populations and their uses, and historic and cultural resources;

(vii) lease stipulations and mitigation measures, including any measures to prevent and mitigate releases of oil and hazardous substances, to be included in the leases, and a discussion of the protections offered by these measures;

(viii) the method or methods most likely to be used to transport oil or gas from the lease sale area, and the advantages, disadvantages, and relative risks of each;

(ix) the reasonably foreseeable fiscal effects of the lease sale and the subsequent activity on the state and affected municipalities and communities, including the explicit and implicit subsidies associated with the lease sale, if any;

(x) the reasonably foreseeable effects of oil and gas exploration, development, production, and transportation on municipalities and communities within or adjacent to the lease sale area; and

(xi) the bidding method or methods adopted by the commissioner under AS 38.05.180; [AND]

(2) **in a preliminary or final written finding that is revised as required by (e)(6)(G) or (H) of this section, facts that are known to the director at the time of preparation of the revised finding and that require discussion under**

1 (1) of this subsection; however, in making the revised finding, the director shall
2 consider and discuss facts described in (1) of this subsection as to which new
3 information has become available that justifies a revision and need not consider
4 and discuss facts described in (1) of this subsection for which no new information
5 has become available; and
6 (3) the basis for the director’s preliminary or final finding, or the
7 director's revised preliminary or final finding, as applicable, that, on balance,
8 leasing the area would be in the state’s best interest.