

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON OIL AND GAS

February 26, 2002

10:40 a.m.

MEMBERS PRESENT

Representative Scott Ogan, Chair
Representative Hugh Fate, Vice Chair
Representative Fred Dyson
Representative Mike Chenault
Representative Vic Kohring
Representative Gretchen Guess
Representative Reggie Joule

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 439

"An Act removing provisions providing an opportunity to petition for review of proposed consistency determinations under the Alaska coastal zone management program."

- MOVED HB 439 OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HB 439

SHORT TITLE: COASTAL ZONE MANAGEMNT PROGRAMS&PETITIONS

SPONSOR(S): OIL & GAS

| Jrn-Date | Jrn-Page | | Action |
|----------|----------|-----|------------------------------------|
| 02/15/02 | 2287 | (H) | STA, RES |
| 02/15/02 | 2287 | (H) | READ THE FIRST TIME - REFERRALS |
| 02/19/02 | 2321 | (H) | STA REFERRAL REMOVED |
| 02/19/02 | 2321 | (H) | O&G REFERRAL ADDED BEFORE RES |
| 02/21/02 | | (H) | O&G AT 10:00 AM CAPITOL 124 |
| 02/21/02 | | (H) | Heard & Held MINUTE(O&G) |
| 02/26/02 | | (H) | O&G AT 10:00 AM CAPITOL 124 |

WITNESS REGISTER

TADD OWENS, Executive Director
Resource Development Council (RDC)
121 West Fireweed Lane, Number 250
Anchorage, Alaska 99504
POSITION STATEMENT: Testified in support of HB 439.

LARRY HOULE, General Manager
Alaska Support Industry Alliance
4220 B Street, Number 200
Anchorage, Alaska 99503
POSITION STATEMENT: Testified in support of HB 439.

STEVE BORELL, Executive Director
Alaska Miners Association
3305 Arctic, Number 202
Anchorage, Alaska 99503
POSITION STATEMENT: Testified in support of HB 439.

NANCY WAINWRIGHT, Attorney
13030 Back Road, Number 555
Anchorage, Alaska 99515
POSITION STATEMENT: Testified in support of HB 439; discussed problems with DGC and offered a different account of events related by a testifier at the previous hearing.

PATRICK GALVIN, Director
Division of Governmental Coordination (DGC)
Office of the Governor
P.O. Box 11030
Juneau, Alaska 99811-0030
POSITION STATEMENT: Answered questions relating to HB 439 and a proposed title change.

ACTION NARRATIVE

TAPE 02-12, SIDE A
Number 0001

CHAIR SCOTT OGAN called the House Special Committee on Oil and Gas meeting back to order at 10:40 a.m. Representatives Ogan, Dyson, Fate, Guess, and Joule were present at the call back to order. Representatives Chenault and Kohring arrived as the meeting was in progress. [For minutes on the overview by Andex Resources, see the 10:13 a.m. minutes for this date.]

HB 439-COASTAL ZONE MANAGEMNT PROGRAMS&PETITIONS

Number 0047

CHAIR OGAN announced that the committee would hear HOUSE BILL NO. 439, "An Act removing provisions providing an opportunity to petition for review of proposed consistency determinations under the Alaska coastal zone management program." He opened public testimony. [Testimony at the previous hearing had been by invitation only.]

Number 0118

TADD OWENS, Executive Director, Resource Development Council (RDC), testified via teleconference, noting that RDC is a private, nonprofit trade association representing individuals and companies from Alaska's mining, timber, tourism, fisheries, and oil and gas industries. He told members that RDC's mission is to "grow" Alaska's economy through responsible development of the state's natural resources.

MR. OWENS said RDC strongly supports HB 439, which eliminates a redundant petition process from the Alaska Coastal Management Program (ACMP) without compromising the ability of Alaska's citizens or communities to provide meaningful input regarding development projects within the coastal zone. He asserted that the petition process targeted by HB 439 has been used as a means to delay projects, which adds uncertainty and costs to doing business in Alaska but provides no measurable benefit to the environment. He assured members that if HB 439 passes, Alaskans will retain "a multitude of opportunities" to participate in the evaluation of projects in the coastal zone, including opportunities to participate in and comment on ACMP consistency determinations as well as the individual state and federal permits associated with any given project. He remarked, "In other words, HB 439 provides the kind of permit streamlining that makes sense."

Number 0263

CHAIR OGAN asked Mr. Owens whether he agrees with the fairly broad-based support with regard to the need for this legislation and to fix the process.

MR. OWENS answered yes. Reiterating that RDC is made up of businesses from all of Alaska's resource sectors, he said the ACMP touches on all those businesses, in all areas of the state; furthermore, there has been concern for a long time among RDC's members about making the ACMP more user-friendly.

Characterizing this bill as an incremental step in the right direction, he emphasized that there is support for HB 439 from all sectors of RDC's membership.

CHAIR OGAN asked whether it is unanimous support.

MR. OWENS replied, "We certainly have unanimous support from our board of directors, yes, Mr. Chairman."

Number 0390

CHAIR OGAN asked whether there is anything else the RDC's board believes should be "fixed" in coastal zone management at this time.

MR. OWENS answered that the board is continuing to evaluate the program. He reiterated the belief that HB 439 is the appropriate first step.

Number 0470

LARRY HOULE, General Manager, Alaska Support Industry Alliance ("Alliance"), came forward to testify, noting that the Alliance is a statewide nonprofit trade association with a membership of 419 businesses, contractors, suppliers, and individuals that provide products and services in support of Alaska's oil and gas industry, and that collectively represent more than 35,000 Alaskan residents who derive their livelihood in the oil and gas industry in the state. He told the committee:

The purpose of my testimony today is to voice our strong support for House Bill 439, an Act that removes an unnecessary and duplicative administrative petition process from the consistency determination procedure under the Alaska coastal zone management program. Contrary to recent articles in the Anchorage Daily News, this bill does not eliminate ... a citizen appeal process. What the bill does do is eliminate an additional administrative layer in the petition process that, in our opinion, could be used by individuals as an avenue for the delay of permits.

The Alaska coastal zone management program is an extremely open and public process for both local governments and individuals. HB 439 in its current form will amend the Coastal Zone Management Act in a manner that is consistent with the original intent of

the law, without taking away the rights of the individual for public comment and input.

At minimum, three specific avenues for individual comment remain untouched in the Act. The first is that the individual citizen ... always has an opportunity for public comments in very early stages, when the districts are first developing their overall plans. Individual citizens also have petition and comment opportunities when the districts and the [Division] of Governmental Coordination [DGC] public comment periods are opened and public-noticed. ... An individual citizen can also comment during each individual agency's public comment period, which is unique to ... a specific project. In other words, the greater the number of agencies involved in a project, the greater number of opportunities the general public has to comment.

Number 0637

MR. HOULE continued:

Most people understand that delays of 35 to 55 days in a 120-day construction window can be devastating to a project. I'd like to point out that the construction window in the Arctic North Slope is oftentimes between January 1 and about April 15th, approximately a 110- to 120-day process. Speaking for the contracting community, this lack of timeline certainty and risk of what we call the mischievous petitioner injects an uncertainty into a process that may mean the difference between bidding on the job and not bidding on the job.

The Alaska Support Industry Alliance supports responsible oil and gas development in Alaska. Mr. Chairman, we understand and believe that there are three main components necessary for oil and gas development in our state. First [is] ... that fiscal certainty remain in place and ... stable. We've had a predictable tax regime for the last decade, and it's been good ... for the industry. Second, we need access to the land, and Alaska has enjoyed a predictable lease program over the many years. Thirdly, a regulatory environment [is needed] that

provides a fair and consistent and predictable permit process.

Unfortunately, the weakest link in our Alaska exploration and development program happens to be the regulatory uncertainty that exists. Essentially, the permit process, we believe, is broken. The long-term ramifications are only starting to surface as some of the producing oil companies reduce their exploration budgets and potentially new entrants for our "oil patch" hold back and watch from the sidelines.

We see House Bill 439 as a significant step in the right direction. It's a positive direction toward regulatory reform, and we encourage this committee to pass the bill out....

Number 0767

CHAIR OGAN offered his understanding, from the testimony of Phillips Alaska, Inc. [at the previous hearing], that the petition process has been used for delaying purposes. He asked whether any Alliance members had articulated similar concerns.

MR. HOULE answered, "Our concern is ... essentially that delay. I believe there were five petitions filed, and there was a delay of anywhere from 30 to 60 days. And that certainly impacts the bidding process ... and the work that is to be done on the North Slope."

Number 0920

STEVE BORELL, Executive Director, Alaska Miners Association, came forward to testify in support of HB 439, characterizing the existing petition process under the statute as redundant and unnecessary. He said he wasn't aware of any mining projects affected by this petition process, but also wasn't aware of any recent controversial projects that would have raised this issue. Mr. Borell told the committee he is often asked by legislators what they can do to improve and streamline the permitting process, and to improve the investment climate in Alaska. He offered his belief that removing this petition process would answer those questions.

Number 1130

MR. BORELL, in response to Representative Dyson, indicated there will likely be more gold production if the price rises. With regard to whether any gold prospects are affected by this bill, he said possibly Donlin Creek would be. He pointed out that Donlin Creek is more than 150 miles from the coastal zone, but said the way that the coastal zone map has been defined in Alaska, to his understanding, is significantly different from those in the rest of the country.

Number 1164

REPRESENTATIVE FATE mentioned testimony that anadromous streams fall under coastal zone management, which he said would clearly affect some mining areas. He asked Mr. Borell whether he knows of any [projects] that may be affected in the future.

MR. BORELL replied, "In the Nome area, definitely." Almost the entire Seward Peninsula would be considered "within the coastal zone," as defined in the coastal zone management plan right now, he said. As to how adverse the effect would be, he added, "It's just one more roadblock that could be put in front of them."

Number 1244

NANCY WAINWRIGHT, Attorney, testified via teleconference in support of HB 439. She began as follows:

I have enjoyed working with some members of this committee on oil and gas issues in the past, as part of [former] Senator Drue Pearce's Senate-sponsored working group that included oil interests, AOGA [Alaska Oil and Gas Association], and coastal districts, that resulted in the legislature's amendment of Title 38 and Title 46 in 1994, and resulted in the petition process that is being discussed here today.

I can say, unequivocally, we were wrong. The process doesn't work for the public and needs to be fixed. I am speaking in support of HB 439, and I hope ... to provide this committee with a bit of a different perspective and some facts that this committee can consider in this and future actions concerning the Division of Governmental Coordination. I will be addressing two things: first, a bit of history of the project that led to this, the discontent with the petition process.

I am a little surprised to hear that Phillips was delayed 30 to 60 days, because I can provide the committee with a timeline of the process, and it certainly was not due to the petition that this project was delayed 30 to 60 days - and I will provide that if the committee so desires.

Number 1347

MS. WAINWRIGHT addressed the way DGC administers projects. She said DGC has "slick brochures, fancy conferences, and bureaucratic jargon that is incomprehensible to all but a handful of state employees." Furthermore, DGC took ten years to develop petition regulations after the first petitions were filed in the late 1980s, "and after being in use only a couple of years, these regulations are an abysmal failure." She suggested the problem is not the ACMP, which [former] Governor Hammond and subsequent legislators have examined in detail, but is DGC's inability to carry out its mission and develop effective regulations that meet the intent of the law, as well as the practice of allowing multiple extensions of review "that exhaust both the applicant and the public."

Number 1402

MS. WAINWRIGHT spoke at length about a situation involving Phillips [Alaska, Inc.] and her own clients:

I was contacted last year by some residents of the North Slope who were concerned about their private property to which they hold title and on which they have hunted and fished for generations. This was an unusual call because the property has the remarkable feature [of having been] ... listed on the National Register of Historic Places since 1970. It ... has a unique place in our nation's and state's history. It was a site of the gathering of people from Russian Siberia to Eastern Canada in summer for thousands of years to celebrate summer and exchange cultures [and] foods, and have Eskimo games.

It was sort of a combination World's Fair and Olympics for the northernmost peoples. Getting a designation on the National Register of Historic Places ... is an involved and well-documented process that does not lightly bestow this designation. This is one, if not

the only, such aboriginal [place] so designated in Alaska, and has been documented by archaeologists.

Number 1487

The owners of this property are not opposed to onshore oil development, nor are they mischievous. To the contrary, they were concerned because they had agreed that Phillips could conduct "oil seismic" activity on their property near the historic area, [but] wanted two things: they wanted to be fairly compensated for the right-of-way, just as any private property owner is entitled, and, more importantly, they wanted to ensure that there was no more damage to the historic site, because a few years before, they had granted access for seismic work, and one of the contracting seismic companies had done extensive damage to the site, including damage to the gravestones of the family cemetery.

They also had concerns about the impact to subsistence, because they had documented a decline in certain fish and wildlife species since the nearby Alpine development was operating. They were concerned about potential water withdrawals from fish-bearing lakes in the region and on their land.

Last week, Representative Green stated that when he was working for ARCO, only sterile lakes were used for water for ice roads. But I think Phillips has changed that policy, because many of the DNR [Department of Natural Resources] water permits issued to Phillips identify lakes used in this region as fish bearing.

Number 1551

MS. WAINWRIGHT continued with her clients' situation:

So, in light of these concerns, these individuals contacted me because they discovered that the project was going forward, but Phillips had not paid them for access, and not agreed to any measures to protect the historic site and water in the region. DNR had rejected their comments, and the legislature had recently adopted a policy of "no public notice and comment on water permits for ice roads" for these

types of projects, in House Bill 185. They were alarmed that their voice was not being heard.

I was asked to seek protection for the site from the federal historic preservation office, and to tell these petitioners how to comment under the ACMP, which specifically protects such historic resources and is supposed to protect the rights of individuals to at least comment.

DNR had a hearing on the issues and promised a quick decision. DNR ... has not, after seven months, issued any ruling on the issues raised. The seismic work and exploration work and the appeal have long since finished. I'm happy to say, however, that Phillips did issue the checks two days after the DNR administrative action was filed.

Number 1623

MS. WAINWRIGHT turned attention to DGC's role:

What is relevant to House Bill 439, before you today, is the way DGC conducted its review. DGC had stated that the project review was suspended and the comment deadline was extended. Yet after these individuals' comments were submitted, DGC informed them that it had already, nonpublicly, restarted and closed the comment period with no notice to the public.

Now, even with no public comments accepted and no petition allowed, Phillips did not get its permit until February. So Phillips' claim that the petition process slows them up during the critical ice-road period is not exactly accurate if it is intended to reflect only the delays of the petition process. This year, when Phillips' projects came forward and applications were submitted in August -- now, even with a petition process, that would give Phillips a decision in time for ice-road construction. DGC is supposed to take only 50 days to review the project; yet DGC did not issue the decision until December.

Now, DGC and Phillips can best tell you why that four months was necessary. The citizens, however, in commenting are entirely controlled by DGC's decision. Once the decision is issued, a petitioner has only 5

days to submit a notice of petition, and in no case more than 20 days from the decision to file the petition. So what took DGC 120 days to analyze and come to a decision on, the citizens have 20 days.

Number 1720

Now, these projects are all in the Colville River delta, and except for the development project that Phillips had this year, which was not close to my clients' actual property but was near their hunting and fishing camps and near the gravesite of their younger brother, they felt entitled to comment and have their comments fairly considered.

There was one public comment per project. DGC uniformly rejected these comments. DGC said that ... their comments had been fairly considered. But ... my clients felt that DGC's analysis - while indicating that they had considered the comments, had read the comments - did ... not meet what is required for fair consideration.

When this legislature adopted that standard in 1994, the ... former division director of DGC under Governor Hickel, Dr. Rusanowski, stated that fair [consideration] meant that the agency looked at important factors, has taken a hard look at salient problems, and has genuinely engaged in reasoned decision making. Yet, in DGC's analysis, it expressed a lack of familiarity with the area and the people's concerns, revealing a basic misunderstanding of the culture, terming the Inupiats who live there as (indisc.), a term used in Canada, not Alaska. They argued that the projects were far from my clients' property and therefore subsistence should not be an issue, failing to recognize that subsistence users, and all hunters and fishermen, do not only hunt in their own parcel and in their own backyard, but they are entitled to [access] to state and federal lands.

Number 1813

MS. WAINWRIGHT continued:

Now, DGC claimed that it needed ... additional time, and spent some - I believe Mr. Galvin testified last

week - 200 to 300 hours on one set of comments and one petition, per project. That is 25 to 37 eight-hour days. Now, these individuals were only given 5 days to file their comments, another 15 days to analyze what had already taken DGC four months to analyze.

MS. WAINWRIGHT offered clarification about testimony at the previous hearing:

Now, I'd like to make one correction on the record: Mr. Donajkowski, last week, claimed that ... one of the petitions was only withdrawn minutes before the hearing. That is simply untrue, and is another DGC snafu. There's a section in DGC's regulations in which a petitioner can authorize someone to represent them. My clients had filed their own comments, but asked me to represent them when they filed their petition, and they wrote that down in their petition. Phillips then contacted my clients, engaged in negotiations over the petition, and after holding extensive meetings, it resulted in my clients' decision to withdraw the petition.

I telephoned DGC offices two hours before the hearing; I told them the petition would be withdrawn. I faxed a letter of withdrawal, with my signature, one hour before the hearing, and confirmed that it was received. Yet, for some reason, DGC insisted that my clients sign the withdrawal. Now, finding a fax machine in Nuiqsut and Atkasuk in a small amount of time can be difficult. And they were only able to fax it ... 15 minutes before the hearing; that is true. But it was not ... withdrawn minutes before the hearing.

Perhaps this committee should ask DGC why it would expend the funds to call 15 Coastal Policy Council members together when it had verbal notice for two hours and written notice for one hour that ... such a meeting was not necessary. The DGC staff person told me that he was very angry and frustrated that he had to work over the Christmas holidays over these issues, and wanted to let the CPC know how much work had been expended. Yet this Christmas schedule was DGC's doing, not my clients'. The timeframes are very strict for citizens.

Number 1944

MS. WAINWRIGHT continued:

There is more than enough frustration with this process to go around. Phillips would like to point the finger at a family that's trying to preserve its gravesites, its property rights, its subsistence areas and fishing, and a site on the National Register of Historic Places - calling them "mischievous petitioners." DGC would like to point the finger at the burdensome public comments and petition process that required DGC to take 25 to 37 days to analyze one public comment. For their part, my clients feel they have run into a juggernaut that leaves them no options. This is a complete failure of the public process, no matter who is to blame, since there is no longer public comment on water permits [on] the North Slope, and the petition process, as administered, is unworkable.

Now, the applicant and the state and local governments still have an appeal process. As Mr. Galvin said, they can go through the elevation process. The public, however, is out of luck and out of ... options. The petition process, as Mr. Galvin said, has never once resulted in a fair consideration determination being overturned. Given the history of this project and the project last year, some find it difficult to believe that this agency, DGC, has a perfect record of fair consideration.

Number 2027

There should be an examination of how DGC does ... its work, how it [analyzes] comments it receives, how it can possibly spend 200 to 300 hours on a petition when it has allegedly already reviewed the project and taken more than its 50 days to do so. This may be a record for government inefficiency. There should be an audit of DGC to find out how much time per project is actually spent on analyzing the project, meeting with the applicant, analyzing the public comments, providing the public with information about the comments.

In the past, my practice has focused on working to achieve a balance between the need for planning, local control, adequate public input, and sensible development of the state's resources. I have had clients as diverse as fuel suppliers, local governments, coastal resource service areas, community councils, fishing groups, tribal governments, and public interest groups, and these individual citizens of coastal districts. In my opinion, this process no longer works for the public.

A solution to afford the public a real opportunity to participate in the public ... process is essential. Otherwise, ... the public's only option is litigation, which satisfies no one. Thank you very much for your time today.

Number 2093

CHAIR OGAN thanked Ms. Wainwright and pointed out that the bill doesn't repeal DGC. He inquired about her affiliation.

MS. WAINWRIGHT specified that she is an attorney in private practice in Anchorage; she has assisted the petitioners whose petitions resulted in the introduction of this legislation. In response to a further question, she said that as this petition process is constructed in the regulations, she agrees that it needs to be repealed.

CHAIR OGAN requested that testifiers submit any written testimony.

[Patrick Galvin, Director, Division of Governmental Coordination, informed members that he was available to answer questions.]

Number 2198

CHAIR OGAN asked whether anyone else wished to testify; there was no response. He closed public testimony.

Number 2226

REPRESENTATIVE KOHRING moved to adopt Amendment 1, which read [original punctuation provided but formatting changed]:

Title Change

Line 1 - 3 Remove (An Act removing provisions providing an opportunity to petition for review of proposed consistency determinations under the Alaska coastal zone management program")

Replace with "An Act relating to consistency determinations under the Alaska coastal zone management program"

Number 2223

REPRESENTATIVE JOULE objected for discussion purposes.

CHAIR OGAN noted that the title still would relate to consistency determinations.

Number 2263

REPRESENTATIVE KOHRING explained that he was offering Amendment 1 in order to open the possibility of additional modifications as the bill goes through the process. He noted that there have been concerns [expressed], and said he didn't know that the bill is as comprehensive as it should be.

REPRESENTATIVE JOULE maintained his objection. He explained that this bill is trying to get a particular issue. If there are other problems with coastal zone [management], those need to be dealt with, but without broadening the possibilities too much. He said he supports HB 439 and its current intent, and that it is critical to get this particular piece through, as is, to address existing problems, rather than use it as a way to look at the whole [DGC] and perhaps lose support as the bill moves forward. "You've got broad support for this," he told members. "I think we ought to stick with it and move it. If there's another bill regarding coastal zone issues, then let's introduce a committee bill. But this is very narrow in scope, for a very specific purpose. ... I haven't heard anybody oppose this thing. And I think we ought to take advantage of that and move it."

CHAIR OGAN noted that special committees don't have the ability to introduce committee legislation this late in the session. He agreed this opens it up, but only somewhat. He said he supports the amendment because there is one more hearing in the House and at least one or more in the Senate. He said he didn't want to

lose the legislation either, and that if it became too broad, he might not support it.

Number 2442

REPRESENTATIVE GUESS strongly agreed with Representative Joule. She said she believes it is a bit odd to replace a title without having an amendment [in the body of the bill] so that people know why the title is being changed. She expressed concern that this amendment would let a committee-sponsored bill move out with a broadened title, and yet committee members wouldn't have any control over the content as it moved through the process. She agreed that testimony had been heard [about other changes that might need to be made]. She said it would be one thing for someone to offer an amendment within the bill that also required a title change, but again questioned opening up the title [without such an amendment].

Number 2488

REPRESENTATIVE FATE noted that the amendment relates to the consistency determination. He asked how much latitude the description [in Amendment 1] provides, compared to the original title.

Number 2514

PATRICK GALVIN, Director, Division of Governmental Coordination (DGC), Office of the Governor, answered via teleconference that as far as the statutory basis for the consistency review process, there is only a single statute that directs the Coastal Policy Council to develop the regulations associated with this process; within that, the only limitations have to do with how the public notice provisions are addressed, "the fact that there needs to be some sort of ... elevation process, and then this petition process." He added, "I think the only other area that might be considered part of the consistency review, as a statutory basis, would be with regard to phasing a project. Other than that, ... most of the consistency review process is done in regulation."

REPRESENTATIVE FATE mentioned public notice under the consistency review. He asked, "If there was an expansion, are there other protections for public notice and public review in other pieces of legislation that are applicable to this piece?"

MR. GALVIN answered:

What is included in the statute right now is requirements for what would be considered the minimum public notice required in order to satisfy the statutory requirements. And ... that is found in a separate section of the statute from the petition language. I guess my understanding of the question was: what would be the nature of any amendment that may be submitted under this revised title? As so, I was just trying to give an overview of what other areas, with regard to the consistency review process, are statutory in nature, and [that] this bill may be amended ... to affect.

I don't ... see where there are other areas that provide a safeguard. Once you open it up, you're saying you might want to go in these other areas. So, I'm not sure what the question was trying to get to.

Number 2639

REPRESENTATIVE FATE said he was trying to determine whether "any tinkering with this under the new amendment, the amended title, would take away any of those safeguards for public notice or public input, at all."

MR. GALVIN replied that without seeing what the amendments to the actual statutes would be, there is no way to tell. However, amending the title to talk about consistency [determinations] in general would allow amendments that could affect "these other safeguards with regard to public notice and such" that aren't possible under the current title.

Number 2862

CHAIR OGAN announced that he would support Amendment 1. He said Ms. Wainwright had made a compelling case [for other changes] and that there are some frustrations out there and perceptions that additional work needs to be done.

REPRESENTATIVE JOULE told fellow members:

Every year we go through this exercise of missions and measures. And we go through this process to find out, "Here [are] the things we expect, as a legislature, of your division. And here's your mission, and here [are] the measures. And how are you doing?" We get

that report back every year. And we've got a problem with them? Let's use the process that we've set up. If we've got suggestions, let's create new measures. And that's what that system is for.

REPRESENTATIVE JOULE concluded by saying he has a real concern about changing the title, knowing that the anticipated effect is to change "the language of this body" to include something else. He added, "I can't support this ... because I feel that there are other avenues that address that."

CHAIR OGAN called an at-ease at 11:24 a.m. He called the meeting back to order at 11:26 a.m.

Number 2760

REPRESENTATIVE KOHRING withdrew Amendment 1. He explained that he was doing so in light of the concerns expressed by Representatives Joule and Guess, the work on the current legislation, and the support for it.

Number 2778

REPRESENTATIVE FATE moved to report HB 439 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, HB 439 was moved out of the House Special Committee on Oil and Gas.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Oil and Gas meeting was adjourned at 11:28 a.m. [For minutes on the overview by Andex Resources, see the 10:13 a.m. minutes for this date.]