

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 27, 2006

9:09 a.m.

MEMBERS PRESENT

Representative Kurt Olson, Co-Chair
Representative Bill Thomas, Co-Chair
Representative Gabrielle LeDoux
Representative Mark Neuman
Representative Sharon Cissna
Representative Woodie Salmon

MEMBERS ABSENT

Representative Pete Kott

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 171(FIN)(efd fld)

"An Act amending the National Petroleum Reserve - Alaska special revenue fund; and establishing the Special Legislative Oil and Gas NPR-A Development Impact Review Committee and defining its powers and duties."

- MOVED HCS CSSB 171(CRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 171

SHORT TITLE: NPR-A COMMUNITY GRANT PROGRAM

SPONSOR(S): SENATOR(S) WILKEN

04/12/05	(S)	READ THE FIRST TIME - REFERRALS
04/12/05	(S)	CRA, FIN
04/20/05	(S)	CRA AT 1:30 PM BELTZ 211
04/20/05	(S)	Heard & Held
04/20/05	(S)	MINUTE(CRA)
04/22/05	(S)	CRA AT 1:30 PM BELTZ 211
04/22/05	(S)	Moved SB 171 Out of Committee
04/22/05	(S)	MINUTE(CRA)
04/25/05	(S)	CRA RPT 3DP
04/25/05	(S)	DP: STEVENS G, WAGONER, STEDMAN
04/26/05	(S)	FIN AT 9:00 AM SENATE FINANCE 532
04/26/05	(S)	Heard & Held
04/26/05	(S)	MINUTE(FIN)

01/26/06 (S) FIN AT 9:00 AM SENATE FINANCE 532
 01/26/06 (S) Heard & Held
 01/26/06 (S) MINUTE(FIN)
 02/01/06 (S) FIN RPT CS FORTHCOMING 4DP 2DNP
 02/01/06 (S) DP: WILKEN, GREEN, BUNDE, DYSON
 02/01/06 (S) DNP: HOFFMAN, OLSON
 02/01/06 (S) FIN AT 9:00 AM SENATE FINANCE 532
 02/01/06 (S) Moved CSSB 171(FIN) Out of Committee
 02/01/06 (S) MINUTE(FIN)
 02/03/06 (S) FIN CS RECEIVED TECH
 TITLE CHANGE
 02/16/06 (S) ENGROSSED
 03/01/06 (S) TRANSMITTED TO (H)
 03/01/06 (S) VERSION: CSSB 171(FIN)(EFD FLD)
 03/01/06 (H) READ THE FIRST TIME - REFERRALS
 03/01/06 (H) CRA, FIN
 03/28/06 (H) CRA AT 8:00 AM CAPITOL 124
 03/28/06 (H) Heard & Held
 03/28/06 (H) MINUTE(CRA)
 03/30/06 (H) CRA AT 8:00 AM CAPITOL 124
 03/30/06 (H) Heard & Held
 03/30/06 (H) MINUTE(CRA)
 04/27/06 (H) CRA AT 9:00 AM CAPITOL 124

WITNESS REGISTER

SENATOR GARY WILKEN
 Alaska State Legislature
 Juneau, Alaska
 POSITION STATEMENT: Spoke as the sponsor of SB 171.

DENNIS ROPER, Special Assistant
 to Mayor Itta
 Government and External Affairs/Resource Development
 North Slope Borough
 POSITION STATEMENT: Related that although the North Slope
 Borough opposes SB 171, it can live with Version V.

ACTION NARRATIVE

CO-CHAIR BILL THOMAS called the House Community and Regional
 Affairs Standing Committee meeting to order at [9:09:11 AM](#).
 Representatives Thomas, Olson, LeDoux, Neuman, Cissna, and
 Salmon were present at the call to order.

SB 171-NPR-A COMMUNITY GRANT PROGRAM

CO-CHAIR THOMAS announced that the only order of business would be CS FOR SENATE BILL NO. 171(FIN)(efd fld), "An Act amending the National Petroleum Reserve - Alaska special revenue fund; and establishing the Special Legislative Oil and Gas NPR-A Development Impact Review Committee and defining its powers and duties."

[9:09:35 AM](#)

CO-CHAIR OLSON moved to adopt Version 24-LS0785\V, Chenoweth, 4/26/06, as the working document. There being no objection, Version V was before the committee.

[9:09:54 AM](#)

CO-CHAIR OLSON related that there have been several meetings between the North Slope Borough, the sponsor, the co-chairs of this committee, the President of the Senate, and the Administration, which has led to Version V that hopefully everyone can agree to move on to the next committee of referral.

[9:10:38 AM](#)

SENATOR GARY WILKEN, Alaska State Legislature, sponsor, said that the struggle remains with regard to the legislature's involvement. With that in mind and the lateness of the session, the component regarding judging the grants and evaluating the funding was eliminated. Version V does maintain the concept of the permanent fund and the need to follow federal law in regard to how the grants will be satisfied. Furthermore, the permanent fund will be calculated on the gross rather than the net that's left. Any deficiency will follow one year to another in order to follow the constitutional obligation to include rents and royalties in the permanent fund. He related that next year he'll continue to work on the concepts on which no agreement was reached. He pointed out the change in the title and the elimination of the legislative intent. Senator Wilken then directed the committee's attention to page 3, lines 6-7, where the terms "activities" and "capital" were inserted respectively.

[9:14:13 AM](#)

CO-CHAIR OLSON said he is willing to continue to work with the sponsor on the remaining issues.

[9:14:25 AM](#)

REPRESENTATIVE NEUMAN thanked the sponsor for his work and recognized the conciliation on both sides of this issue.

[9:15:33 AM](#)

CO-CHAIR THOMAS, upon determining no one wished to testify, closed public testimony.

[9:15:43 AM](#)

CO-CHAIR OLSON moved to report Version 24-LS0785\V, Chenoweth, 4/26/06, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE CISSNA objected.

[9:15:58 AM](#)

REPRESENTATIVE CISSNA recalled the years during which she worked for Native corporations when she tried to help the shareholders understand how the Western economy fit the Native economy. She then recalled the testimony from prior hearings indicating that development is removing people from their community and ability to feed their families. There is a true impact, she opined. She opined that to address this matter thoughtfully would take time, but that's difficult due to the turnover in the legislature and the lack of knowledge of the areas impacted by this development.

[9:19:48 AM](#)

REPRESENTATIVE LEDOUX related her observation that no one is present from the North Slope Borough to testify. Therefore, she questioned if that means that Version V isn't problematic for that area.

[9:20:13 AM](#)

DENNIS ROPER, Special Assistant to Mayor Itta, Government and External Affairs/Resource Development, North Slope Borough, began by assuring the committee that the North Slope Borough has followed this issue closely. He then related his appreciation of the efforts of the co-chairs and others. However, the North Slope Borough never felt SB 171 was necessary because the Department of Commerce, Community, & Economic Development

(DCCED) has performed a good job in managing the grants. Mr. Roper said that there's no question that the subsistence lifestyle is the heart of this issue. Still, as much as the North Slope Borough opposes SB 171, it can live with Version V.

[9:22:55 AM](#)

REPRESENTATIVE NEUMAN commented that the different views in the legislature make it stronger. He related his belief that there is room for development, which can be accomplished in an appropriate fashion. Furthermore, development has led to many of the services available in communities, such as fire and emergency services. He also related his belief that care is being taken to address/minimize environmental impact when developing.

[9:24:46 AM](#)

A roll call vote was taken. Representatives LeDoux, Neuman, Salmon, Olson, and Thomas voted in favor of reporting Version 24-LS0785\V, Chenoweth, 4/26/06, out of committee. Representative Cissna voted against it. Therefore, HCS CSSB 171(CRA) was reported out of the House Community and Regional Affairs Standing Committee by a vote of 5-1.

[9:25:12 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:25 a.m.