

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

February 13, 2006

3:35 p.m.

MEMBERS PRESENT

Senator Thomas Wagoner, Chair
Senator Ben Stevens
Senator Fred Dyson
Senator Bert Stedman
Senator Kim Elton

MEMBERS ABSENT

Senator Ralph Seekins, Vice Chair
Senator Albert Kookesh

COMMITTEE CALENDAR

SENATE BILL NO. 166

"An Act relating to an annual wildlife conservation tag; relating to bond requirements for vendors of fish and game licenses, permits, and tags; and providing for an effective date."

SCHEDULED BUT NOT HEARD

SENATE BILL NO. 213

"An Act making an appropriation to the Department of Natural Resources for airborne geological and geophysical mineral inventory; and providing for an effective date."

MOVED SB 213 OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 37(FIN) am

"An Act relating to voluntary land trades and purchases to enhance public access to fishing streams."

HEARD AND HELD

SENATE BILL NO. 203

"An Act relating to adoption and use of a unified permit application form by the natural resource agencies; and providing for online permit applications."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 213

SHORT TITLE: APPROPRIATION FOR MINERAL INVENTORY

SPONSOR(s): SENATOR(s) THERRIAULT

01/09/06 (S) PREFILE RELEASED 12/30/05
01/09/06 (S) READ THE FIRST TIME - REFERRALS
01/09/06 (S) RES, FIN
02/13/06 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HB 37

SHORT TITLE: PUBLIC ACCESS TO FISHING STREAMS

SPONSOR(s): REPRESENTATIVE(s) GARA

01/10/05 (H) PREFILE RELEASED 12/30/04
01/10/05 (H) READ THE FIRST TIME - REFERRALS
01/10/05 (H) FSH, RES
03/21/05 (H) FSH AT 8:30 AM CAPITOL 124
03/21/05 (H) -- Meeting Canceled --
03/23/05 (H) FSH AT 8:30 AM CAPITOL 124
03/23/05 (H) Heard & Held
03/23/05 (H) MINUTE(FSH)
04/15/05 (H) FSH AT 8:30 AM CAPITOL 124
04/15/05 (H) Moved CSHB 37(FSH) Out of Committee
04/15/05 (H) MINUTE(FSH)
04/18/05 (H) FSH RPT CS(FSH) NT 2DP 1DNP 2NR
04/18/05 (H) DP: ELKINS, THOMAS;
04/18/05 (H) DNP: SALMON;
04/18/05 (H) NR: KAPSNER, LEDOUX
04/18/05 (H) FIN REFERRAL ADDED AFTER RES
04/22/05 (H) RES AT 1:00 PM CAPITOL 124
04/22/05 (H) Moved CSHB 37(RES) Out of Committee
04/22/05 (H) MINUTE(RES)
04/25/05 (H) RES RPT CS(RES) NT 2DP 3NR
04/25/05 (H) DP: ELKINS, CRAWFORD;
04/25/05 (H) NR: OLSON, SAMUELS, LEDOUX
05/07/05 (H) FIN AT 2:00 PM HOUSE FINANCE 519
05/07/05 (H) Moved CSHB 37(FIN) Out of Committee
05/07/05 (H) MINUTE(FIN)
05/08/05 (H) FIN RPT CS(FIN) NT 3DP 6NR 1AM
05/08/05 (H) DP: CROFT, FOSTER, MOSES;
05/08/05 (H) NR: HAWKER, HOLM, STOLTZE, WEYHRAUCH,
JOULE, MEYER;
05/08/05 (H) AM: KELLY
05/09/05 (H) TRANSMITTED TO (S)
05/09/05 (H) VERSION: CSHB 37(FIN) AM
05/10/05 (S) READ THE FIRST TIME - REFERRALS
05/10/05 (S) RES, FIN
02/06/06 (S) RES AT 3:30 PM BUTROVICH 205

02/06/06 (S) Heard & Held
02/06/06 (S) MINUTE(RES)
02/13/06 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 203

SHORT TITLE: UNIFIED PERMIT APPLICATION

SPONSOR(s): SENATOR(s) GUESS

01/09/06 (S) PREFILE RELEASED 12/30/05
01/09/06 (S) READ THE FIRST TIME - REFERRALS
01/09/06 (S) RES, FIN
02/13/06 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

SENATOR GENE THERRIAULT

Alaska State Capitol

Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of SB 213.

ROBERT SWENSON, Acting Director

Division of Geological and Geophysical Surveys

Department of Natural Resources

400 Willoughby Ave.

Juneau, AK 99801-1724

POSITION STATEMENT: Supported SB 213.

STEVE CULLIGAN, President

Ditera Satellite Mapping Company

Anchorage AK

POSITION STATEMENT: Supported SB 213.

REPRESENTATIVE LES GARA

Alaska State Capitol

Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of HB 37.

SARAH GILBERTSON, Special Assistant

Department of Fish & Game

PO Box 25526

Juneau, AK 99802-5226

POSITION STATEMENT: Commented on HB 37.

SENATOR GRETCHEN GUESS

Alaska State Capitol

Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of SB 203.

DICK MYLIUS, Director
Division of Mining, Land and Water
Department of Natural Resources
400 Willoughby Ave.
Juneau, AK 99801-1724

POSITION STATEMENT: Available for question on SB 203.

RANDY BATES, Acting Director
Office of Project Management and Permitting
Department of Natural Resources
400 Willoughby Ave.
Juneau, AK 99801-1724

POSITION STATEMENT: Opposed SB 203.

ACTION NARRATIVE

CHAIR THOMAS WAGONER called the Senate Resources Standing Committee meeting to order at [3:35:56 PM](#). Present were Senators Stedman, Elton, Dyson and Chair Wagoner who announced that SB 166 would be postponed.

SB 213-APPROPRIATION FOR MINERAL INVENTORY

CHAIR WAGONER announced SB 213 to be up for consideration.

SENATOR GENE THERRIAULT, sponsor of SB 213, testified that more investments in the mineral industry like the Pogo Mine that is pouring its very first gold brick, is what this appropriation seeks to achieve for the State of Alaska. The mineral industry provides healthy tax receipts and private sector employment. He said that SB 213 proposes an appropriation of \$5 million for geophysical surveys that would be doled out over several years in line with a recommendation from the Alaska Minerals Commission, which asked for a level greater than \$1 million per year.

[3:39:44 PM](#)

SENATOR THERRIAULT related that inconsistent funding provided since 1993 caused problems in planning strategic geophysical survey programs and the state was not, therefore, getting efficient use of its dollars.

[3:43:00 PM](#)

SENATOR BERT STEDMAN said he liked the concept of looking forward to map a consistent future for the state's resources, because Alaska is a resource-based state. He asked if

technological advances created a need to update old survey information.

SENATOR THERRIAULT replied that the work that has been done over the past couple of years is pretty close to cutting edge, but that old information was sketchy.

[3:46:20 PM](#)

SENATOR KIM ELTON asked if parallel surveys are happening on federal and BLM land.

SENATOR THERRIAULT replied the federal government is working on surveying its lands, too, and has provided some money to the state for this project.

SENATOR ELTON asked if the state is surveying some federal lands, too.

SENATOR THERRIAULT replied yes.

[3:47:52 PM](#)

ROBERT SWENSON, Acting Director, Division of Geological and Geophysical Surveys, Department of Natural Resources (DNR), explained the state's mineral resource program using a power point program. Its mission is to conduct geological and geophysical surveys to determine the potential of Alaskan land for production of metals, minerals, fuels and geothermal resources; the locations and supplies of groundwater and construction materials; and the potential geologic hazards to buildings, roads, bridges and other installations and structures. The department identifies Alaska's potential resources for the state's citizens.

[3:51:23 PM](#)

He explained digital elevation modeling and how it showed tremendous diversity in all the samples by referencing the power point presentation.

[3:52:04 PM](#)

SENATOR BEN STEVENS arrived.

[3:53:21 PM](#)

MR. SWENSON explained that the state has funded high-resolution geophysics mapping of 6.1 million state acres and the Bureau of Land Management (BLM) had fund mapping of 3.7 million federal acres. Currently, 40 million acres are identified as high potential. High-resolution geophysics mapping costs about \$575

per square mile or about \$.90 per acre and over three million acres of 1:63,360-detailed geologic mapping has been completed and published using it. The entire state has a lot of geophysics data already, but it's very regional. His slides on Interior data on current operating mines and showed that lots of exploration is going on.

[4:02:55 PM](#)

SENATOR ELTON asked how much the DGGs sells its data for and if it has a cost recovery program.

MR. SWENSON replied that the data is very cheap and he makes sure it is available to everyone in the public. Their website is updated so that the data can be downloaded. He didn't have a specific cost recovery program.

[4:04:42 PM](#)

STEVE CULLIGAN, President, Ditera Satellite Mapping Company, stated that the DGGs had done a good job of using its funding and has provided very useful data that has turned into some successful developments. He said that the state's mapping is in pretty poor shape in general and that he is using the same inaccurate maps that he used 35 years ago. The state needs to know what resources it has and geological mapping has a very high return on investment. He supported SB 213.

[4:08:12 PM](#)

SENATOR THERRIAULT stated that it is unusual to have a separate appropriation bill with a line item to make its way through the process, but he hoped the committee felt comfortable with passing the bill. He said the state rides the commodity roller coaster up and down, so it should strike while the commodity prices are high and establish an outline of its resource inventory so private industry can act.

[4:10:09 PM](#)

SENATOR ELTON asked if anything could change the funding from \$1 million every five years to, say, \$2.5 million in two years.

SENATOR THERRIAULT replied that the department would have the latitude to do that, but it is not interested in sharp swings up and down and he doubted it would.

[4:12:16 PM](#)

SENATOR STEDMAN moved to pass SB 213 from committee with individual recommendations. There were no objections and it was so ordered.

CSHB 37(FIN)am -PUBLIC ACCESS TO FISHING STREAMS

4:14:23 PM

CHAIR THOMAS WAGONER announced CSHB 37(FIN)am to be up for consideration. He said that his main concern is exactly what type of access it provides. Certain groups, not necessarily the State of Alaska, have spent a lot of money repairing stream banks damaged by individual fishermen wanting access. He knew of two or three places on the Kenai River that were closed to access because they are very important to smolt habitat.

REPRESENTATIVE LES GARA, sponsor of HB 37, said that it addresses two separate issues. He explained that both the Alaska Department of Fish and Game (ADF&G) and Department of Natural Resources (DNR) have the right to deny public access if damage is being caused and nothing in this bill would change that - that could even be emphasized in this bill. He did not intend to say the public always has to have access regardless of whether they are causing damage to a riverbank.

SARAH GILBERTSON, Special Assistant, Alaska Department of Fish and Game (ADF&G), said she couldn't find anything in statute on that issue, but she learned that in maintaining access, ADF&G tries to do so in a habitat-friendly manner and the Kenai River is under the Upper Cook Inlet management plan.

4:19:54 PM

SENATOR KIM ELTON said he assumed, with the permissions of this bill, that the ADF&G would be identifying areas to seek to find common ground on providing access. He assumed that process would include a decision prior to making any kind of an offer on access as to whether or not habitat degradation would occur. He assumed that meant that anyplace the department thought had habitat degradation wouldn't be prioritized as an area needing access and would focus on areas in which degradation was less likely to occur.

MS. GILBERTSON replied that that language could be put in the bill if the sponsor supported it.

REPRESENTATIVE GARA explained that since the state is the landowner, Department of Natural Resources would, in consultation with the Department of Fish and Game, decide what areas needed to be protected. AS 38.05.035 gives ADF&G the power to regulate access and habitat protection and that language could be clarified in the bill.

4:22:15 PM

SENATOR BERT STEDMAN said he was not comfortable with this bill. For example, language on page 2, line 4, says that private land ownership prevents public access to a section or waterway that is highly desirable for fishing or other recreational attributes. "Recreational attributes" is broad language and he was concerned about potential abuses. Also, he wanted to see more property privatized rather than the other way around.

4:23:39 PM

CHAIR WAGONER said that the state can already determine that an area does not have enough public access and acquire property through the right of eminent domain. But he was having a tough time with the idea of taking land out of private hands and putting it into public hands and taking it off the tax rolls.

4:24:31 PM

REPRESENTATIVE GARA responded that overall he understood the tax issue and the need to get more land into private hands, but that doesn't mean the state shouldn't protect public access. Language on page 2, line 16, asks the department to focus on undeveloped lands that aren't doing much for the tax rolls anyhow. Making access available would benefit the state in other ways.

4:25:55 PM

SENATOR FRED DYSON asked if an easement would increase a property's value.

REPRESENTATIVE GARA explained that the value of surrounding land would go up because of additional access. He added that acquisition of land is completely voluntary.

CHAIR WAGONER remarked that there is a lot of litter and noise along public accesses.

4:29:11 PM

REPRESENTATIVE GARA explained that he is just asking the state to identify at least two linear miles (from about 100,000 miles) of riverbank, which he thought would take 10 to 20 years to buy. Three areas have been identified already - Montana Creek, the Anchor River and the Salcha River. The bill also focuses on undeveloped areas so land should be cheaper to purchase.

CHAIR WAGONER asked if those streams have problems currently.

REPRESENTATIVE GARA replied yes, problems are developing on Montana Creek. He was not talking about the Kenai River and said he could exempt it in this bill, but rather small streams that can't be floated down where people have to stop on the gravel bars.

[4:31:41 PM](#)

SENATOR STEDMAN was concerned that "initial list" on page 3, line 26, carried the potential of abuse since that applied to any stream in the state with fish in it.

REPRESENTATIVE GARA responded that the bill's intent is to do just the opposite. He reiterated that the state can exercise eminent domain anywhere now, but this bill says to only prioritize two miles for access and to focus on undeveloped lands, basically staying away from developed properties that are way to expensive to spend state money on. Language on page 2, line 18, says the state should focus on the "greatest potential for public recreational and subsistence use."

SENATOR STEDMAN said he didn't see that language in the bill. Clearly the initial language includes any stream that has fish in it. Also, language on page 3, line 13, says the plan must include a minimum access - not less than a total of two linear miles. So it could be greater than two linear miles.

REPRESENTATIVE GARA responded that he didn't think the state would identify more than two miles since it's expensive to survey and government would resist spending the money to identify a 100-mile list of lands when it doesn't even have the money to buy the first two miles.

SENATOR ELTON said he can see both sides, but he envisioned this process would be more community-based.

[4:38:22 PM](#)

REPRESENTATIVE GARA replied that the bill provides for public comment. He added that the only lands that are being bought back now are the ones that resource groups have identified for purchase.

[4:39:29 PM](#)

CHAIR WAGONER said he would hold the bill for further study.

[4:39:45 PM](#)

SB 203-UNIFIED PERMIT APPLICATION

CHAIR THOMAS WAGONER announced SB 203 to be up for consideration.

SENATOR GRETCHEN GUESS, sponsor of SB 203, said she wanted to create a one-stop online permitting system whenever two or more agencies need to permit a project. SB 203 breaks her proposal down into two phases, one for each year. The first phase would be for designing the permit application and the second for development of the online system. She explained that Legislative Legal did not like the language on page 9 that excluded De Minimus projects that require only a standard condition, but she did not intend to include small permits, but rather to target developments where people have to go to multiple agencies for permits.

[4:44:50 PM](#)

SENATOR BERT STEDMAN moved to adopt Amendment 1.

A M E N D M E N T 1

OFFERED IN THE SENATE

BY SENATOR GUESS

TO: SB 203

Page 1, line 4, through page 2, line 22:

Delete all material.

Page 2, line 23:

Delete "**Sec. 5**"

Insert "**Section 1**"

Renumber the following bill sections accordingly.

Page 9, following line 6:

Insert a new paragraph to read:

"(3) a limited entry permit under AS 16.43;"

Renumber the following paragraphs accordingly.

CHAIR WAGONER announced that there were no objections and Amendment 1 was adopted.

SENATOR STEDMAN asked how the departments would work together under SB 203.

SENATOR GUESS replied that she hoped that there wouldn't be turf battles and that people would look for common elements, not diversity. It might not be easy on the departments nor

inexpensive, but the State of Alaska would be viewed as being open for business. The focus would be on writing the correct permit for the area and, "Not trying to get someone through the hurdles of paperwork."

[4:47:28 PM](#)

DICK MYLIUS, Director, Division of Mining, Land and Water, Department of Natural Resources (DNR), said he was available to answer questions.

RANDY BATES, Acting Director, Office of Project Management and Permitting, Department of Natural Resources (DNR), said that ADF&G, DNR and DEC supported the concept of permit streamlining, but did not support SB 203 for three reasons. The first reason was that the unified permit application concept as proposed fails for practical reasons; secondly, the departments are already streamlining their application process; and thirdly, the financial support is not available to implement the bill.

[4:49:43 PM](#)

SENATOR ELTON said it makes sense for people to apply on line.

MR. BATES replied that it makes sense and DEC is moving towards online permit applications and DNR is developing an online coastal project questionnaire for an online permit specific to two of its agencies. The interactive application is a four-year project that will cost a little more than \$4 million.

SENATOR ELTON pointed out that he didn't disagree with this part of the bill, but language on page 6 talks about permit application information on the Internet being done within one year rather than four. He asked if he disagreed with just the deadlines.

MR. BATES responded that a one-year deadline is a worthy goal, but it is difficult to fill out 30 or 40 applications in the confines of one year.

SENATOR ELTON replied that he thought that was why this bill was needed - if all those applications were going to be done by paper.

[4:53:58 PM](#)

CHAIR WAGONER said that the Alaska Mining Association was real hesitant about this bill because the process is already working for them. They are getting their permits in a timely fashion and would rather rely on proven technology, not new technology.

[4:55:12 PM](#)

SENATOR GUESS responded that just because one industry or one group of people in Alaska is familiar with the process doesn't mean that it is the best process, especially when the state is trying to encourage new entrants into the market. She wanted to make clear for the record that SB 203 is not changing the permit process, but it is changing the application process. She emphasized that permits would not be written differently. She has asked DNR for any suggested changes, but she hadn't received any at this time, but she had received suggestions from ADF&G. She thought that creating one unified online application made more sense than creating three different online application systems. The current databases refer to the same elements as different things. She remarked:

I don't think we have an efficient system right now and I think it would behoove the state to move towards it.... Although it might fail for practical reasons now, I don't think it fails for practical reasons in our future.

CHAIR WAGONER stated that he would hold the bill and address it again later and adjourned the meeting at [4:58:49 PM](#).