

**ALASKA STATE LEGISLATURE**  
**SENATE RESOURCES STANDING COMMITTEE**

February 5, 2020

3:30 p.m.

**MEMBERS PRESENT**

Senator Peter Micciche, Chair  
Senator John Coghill, Vice Chair  
Senator Click Bishop  
Senator Cathy Giessel  
Senator Joshua Revak  
Senator Jesse Kiehl

**MEMBERS ABSENT**

Senator Scott Kawasaki

**COMMITTEE CALENDAR**

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 155

"An Act relating to exploration and mining rights; relating to annual labor requirements with respect to mining claims and related leases; relating to statements of annual labor; defining 'labor'; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 122 AM

"An Act relating to the Funter Bay marine park unit of the state park system; relating to protection of the social and historical significance of the Unangax cemetery located in Funter Bay and providing for the amendment of the management plan for the Funter Bay marine park unit; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 155

SHORT TITLE: EXPLORATION & MINING RIGHTS; ANNUAL LABOR

SPONSOR(S): SENATOR(S) BISHOP

01/21/20           (S)           READ THE FIRST TIME - REFERRALS

01/21/20 (S) RES, FIN  
02/03/20 (S) SPONSOR SUBSTITUTE INTRODUCED-REFERRALS  
02/03/20 (S) RES, FIN  
02/05/20 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HB 122

SHORT TITLE: FUNTER BAY MARINE PARK: UNANGAN CEMETERY  
SPONSOR(S): REPRESENTATIVE(S) HANNAN

04/03/19 (H) READ THE FIRST TIME - REFERRALS  
04/03/19 (H) RES, FIN  
04/15/19 (H) RES AT 1:00 PM BARNES 124  
04/15/19 (H) Heard & Held  
04/15/19 (H) MINUTE(RES)  
04/17/19 (H) RES AT 1:00 PM BARNES 124  
04/17/19 (H) -- MEETING CANCELED --  
04/22/19 (H) RES AT 1:00 PM BARNES 124  
04/22/19 (H) Moved HB 122 Out of Committee  
04/22/19 (H) MINUTE(RES)  
04/24/19 (H) RES RPT 3DP 3NR  
04/24/19 (H) DP: HANNAN, TARR, LINCOLN  
04/24/19 (H) NR: RASMUSSEN, HOPKINS, TALERICO  
04/24/19 (H) FIN REFERRAL REMOVED  
05/09/19 (H) TRANSMITTED TO (S)  
05/09/19 (H) VERSION: HB 122 AM  
05/10/19 (S) READ THE FIRST TIME - REFERRALS  
05/10/19 (S) RES, FIN  
02/05/20 (S) RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

CHAD HUTCHISON, Counsel  
Senate Majority Office  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided an overview of SB 155.

DEANTHA CROCKETT, Executive Director  
Alaska Miners Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 155.

KARL HANNEMAN, Chief Executive Officer  
International Tower Hill Mines  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 155.

GREGORY BEISCHER, President  
Millrock Resources, Inc.  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 155.

REPRESENTATIVE SARA HANNAN  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of HB 122, introduced the bill.

RICKY GEASE, Director  
Division of Parks & Outdoor Recreation  
Alaska Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions regarding HB 122.

PRESTON KROES, Superintendent-Southeast Area  
Division of Parks & Outdoor Recreation  
Alaska Department of Natural Resources  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions regarding HB 122.

DANIEL MONTEITH, Board President  
Friends of Admiralty Island  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 122.

MARTIN STEPETIN SR., Board Member  
Friends of Admiralty Island  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 122.

## **ACTION NARRATIVE**

3:30:48 PM

**CHAIR PETER MICCICHE** called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Giessel, Coghill, Revak, Kiehl, Bishop, and Chair Micciche.

CHAIR MICCICHE asked for a moment of silence for the late Senator Chris Birch, previous chairman for the Senate Resources Standing Committee.

CHAIR MICCICHE welcomed Senator Revak as new committee member.

**SB 155-EXPLORATION & MINING RIGHTS; ANNUAL LABOR**

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CHAIR MICCICHE announced the consideration of SPONSOR SUBSTITUTE FOR SENATE BILL NO. 155, "An Act relating to exploration and mining rights; relating to annual labor requirements with respect to mining claims and related leases; relating to statements of annual labor; defining 'labor'; and providing for an effective date."

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SENATOR BISHOP, speaking as sponsor SB 155, thanked Chair Micciche for the moment of silence for former Chair Birch. He said the timely remembrance coincides with a mining bill that is in front of the Senate Resources Committee, noting Senator Birch's mining background.

He submitted that SB 155 streamlines mining laws. Updated recommendations and changes will make it easier for Alaskan miners to do business with clarity and the ability to cure faults. The bill will help with the administration's vision that Alaska is open for business and to let capital flow into the state from around the world. The state has a history in mining and the bill will tune up mining regulations and statutes.

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He explained that the process for the legislation started three years ago in response to miners having issues with voided claims. He said himself, Senator Coghill, Senator Giessel, the Alaska Miners Association (AMA), and the previous administration saw a need for change. He thanked the Alaska Department of Natural Resources (DNR), Commissioner Feige, AMA, fellow senators, and the governor for collaborating on the legislation.

[3:37:17 PM](#)

He explained that miners annually fill out a standard form for their assessment work. Miners were reporting that technical violations were resulting in voided claim notices via mail. Article XIII, section 8 in the Alaska Constitution addresses annual labor or annual lease payments under the Mineral Leasing Act. The legislative intent for the bill is to preserve due process for miners. Miners should be able to have a cure period to protect their investments if they meet their annual labor statements and lease payment requirements, even though there might be a discrepancy.

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CHAD HUTCHISON, Counsel, Senate Majority Office, Alaska State Legislature, Juneau, Alaska, explained that the legislation involved several years of work that involved an AMA working group that included credible attorneys and miners. She said the legislation addresses concerns voiced by individual miners throughout the state.

He addressed slide 2 in his presentation, This Bill is About Mining Rights, as follows:

- Mining-A large part of Alaska's past, present, and future.
  - Alaska Constitution Section 8.1-General Policy
    - Encourage development of the resources
  - Alaska Constitution Section 8.11-Mineral Rights
- Designed for miners out in the field...not lawyers. Pursuant to Governor Dunleavy's "Open for Business" Policy.
- Based on "real world" experience.

He said the bill is about mining rights. Senator Bishop said the bill starts with the Alaska Constitution, Article XIII. Alaska is one of the few states that has a natural resource article in its constitution as a general policy to encourages resource development for making maximum use, and consistent with the public interest. Alaska continued the mineral rights at statehood. The mineral rights, specified in Article XIII, section 11, are dependent on the performance of annual labor, royalties, and rent payments. The bill will touch on issues related to section 11.

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SENATOR BISHOP pointed out that Alaska's mining industry has 4,500 direct jobs, not counting the indirect and induced jobs. Mining jobs are some of the highest paying in the state, averaging \$102,000 a year. Annual payroll, total direct and indirect, amounts to \$715 million. The Red Dog Mine shows how mining jobs have paid dividends to the NANA Regional Corporation and the Alaska Industrial Development and Export Authority (AIDEA). He pointed out that the state is on the precipice of looking at some other projects to come online that will significantly increase jobs.

SENATOR BISHOP addressed slide 3, Example, as follows:

- Small miner in Alaska
- Small typo in date.

- Was forced to refile his claim.
- Tremendous risk! Top filing is an issue.
  - Lost investment/equipment/time.
- Hurt production for Alaska.

He said the future economy requires critical minerals like copper, molybdenum, and gold. All those elements along with changes from the bill will affect both big and small mining.

He revealed that a small miner in Fairbanks shared that a typo on one of his labor affidavits forced him to refile his claim, an action that caused concern and created tremendous investment risk from an abandonment issue because of some paperwork problem. The typo risk is one of the things that the bill is trying to correct.

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SENATOR COGHILL asked for an explanation of the annual reports and payments.

SENATOR BISHOP explained that the payment schedule depends on where the miner is at in their rent clock.

SENATOR COGHILL asked if the payment issue is based on a timing or an event.

SENATOR BISHOP answered that payment is based on acreage and timing. If a miner has not made a lease payment by November 30, it's Katy bar the door. Miners do have the option to make a partial payment, but the requirement for full payment is November 30.

CHAIR MICCICHE said receiving additional information on the process would be valuable.

SENATOR BISHOP pointed out that a mining rent increase is based in statute on a 10-year lease cycle. The rent increase is based on the Consumer Price Index (CPI) in Anchorage. He noted that his rent recently increased by 23 percent.

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SENATOR GIESSEL addressed the fourth bullet point regarding tremendous risk. She asked what top filing means and why is it a risk to a miner.

SENATOR BISHOP explained that if an individual or group has a hiccup on their claim if voided, they cannot re-stake their

claim for one year. However, a new leasee can stake the claim by top filing.

SENATOR GIESSEL summarized that if the miner makes a small error in their annual labor report, another person can come in and automatically take that claim away with no recourse.

SENATOR BISHOP specified that the applicant must be the first in line. He said the bill proposes a cure period for up to two years, but with a penalty.

CHAIR MICCICHE remarked that the bill addresses a fairness issue. There are some cases where families have invested hundreds of thousands of dollars up to millions of dollars over generations. In one case a widow is going through a very difficult time because of a top filing situation. He said he appreciates that Senator Bishop brought the bill forward.

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MR. HUTCHISON addressed slide 4, Sections 1, 2, 3 Deal with Qualifications, as follows:

- Section 1 - As 38.05.190(a) is amended - Qualifications
  - Adds that mining rights can be acquired by:
    - Conservators of minors or incapacitated adults;
    - Individuals at least 18 years of age or older who have declared their intentions to become citizens of the United States;
    - Limited Liability Companies (LLCs);
    - Registered trusts (with a qualified trustee)

He explained that current mining rights qualifications includes U.S. citizens over the age of 18 years of age, U.S. corporations, and guardians of U.S. miners. The bill updates the statute for 2020 based on recommendations by the AMA working group. The bill includes conservators who handle the financial aspects of miners and incapacitated adults.

He explained that the qualifications for "persons" changed to "individuals" that are at least 18 years of age or older that have declared their intention to become citizens of the United States.

MR. HUTCHISON highlighted that foreign interest that explores and invests in the state is good for working Alaskans. For example, Sumitomo and Canadian mining interests in Interior Alaska. The Fort Knox Mine receives electrons from Golden Valley

Electric Association (GVEA) and the tax base for the Fairbanks North Star Borough benefits as well. There is nothing wrong with foreign investment because Alaskans benefit. Alaskans are those miners along with supply companies and all the support structure around the mine, many are Alaskan companies.

SENATOR KIEHL asked who would not be qualified.

MR. HUTCHISON answered that an incapacitated adult without a guardian or conservator and someone under the age of 18 that did not have a guardian would not be qualified.

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He explained that the bill includes LLCs and registered trusts with a qualified trustee. Information on registered trusts is a publicly searchable document on CourtView. All the recommendations for the bill brought a modern mindset of how mining interests pass to trusts and beneficiaries.

CHAIR MICCICHE pointed out that there is not a residency requirement in the statutes. He asked if there is any preference or are the statutes just how mining laws have always been because federal law does not allow Alaskans to have greater standing than anyone else.

MR. HUTCHISON answered that he can only think of an equal protection under the Commerce Clause for the free and open ability to participate in the nation's commerce. He said historically speaking, foreign-based companies have contributed to mining interests over multiple decades.

CHAIR MICCICHE assumed that the non-residency requirement was from the Commerce Clause, federal law that superseded state law. Even if the state attempted to change the requirement, the attempt would be unconstitutional.

MR. HUTCHISON answered correct.

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MR. HUTCHISON addressed slide 5, Sections 1, 2, 3 Deal with Qualifications (Continued), as follows:

- Section 2 - AS 38.05.190(b) is repealed and reenacted
- An unqualified person may become qualified or transfer the interest to a qualified person within 90 days after the department sends written notice. If the defect is not cured, the department may make a "void" declaration.

He explained that section 2, AS 38.05.190(b), pertains to qualification. Senator Bishop mentioned that qualification and due process are big issues among the miners' perspective in interior Alaska. If the state takes away mining rights and investments, there must be due process and the ability to cure. If the department makes a "void" declaration for a non-cured defect, the department sends the declaration and the person has 90 days to make a response.

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He addressed slide 6, Sections 1, 2, 3 Deal with Qualifications (Continued), as follows:

- Section 3 - New subsections are added to AS 38.05.190. These are new subsection (c), (d), (e), (f), and (g).
- (c) - If the department learns that an unqualified person has acquired an interest, the department shall send written notice to the owner and address listed in the most recent statement of annual labor or to the address in the deed or assignment of the claim. The notice statement shall express that the interest will be void unless the defect is cured.
- (d) - Failure to comply will result in a "void." However, there shall be no "void" declaration if the person becomes qualified.
- (e) - An unqualified person can cure either before or after receiving notice. However, a person may not cure if there has been "void" declaration. If "void" a person cannot re-stake for one year.

He explained that section 3 adds new subsections that gets into what the bill sponsors envision for due process. Subsection (c) establishes that the department shall send written notice to a relevant address when it learns that an unqualified person has acquired an interest. Subsection (d) addresses failure to comply with a void. Subsection (e) defines the cure process after a miner receives a void notice.

MR. HUTCHISON summarized that the miners must receive the benefit of the doubt. The intent is to give ample liberal opportunity for the miner to cure. Mining rights owners must receive the freedom and flexibility to address a cure prior to receiving a void notice.

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SENATOR BISHOP referred to Senator Giessel's question on a voided claim. He said subsection (e) specified that if the claim is void, the person cannot re-stake for one year.

SENATOR COGHILL pointed out that currently there is no notice. The presumption is the miner has the responsibility to know if their filing report has a problem.

SENATOR BISHOP explained that the only notice a miner receives is their claim is gone.

SENATOR COGHILL concurred that the void notice is a dramatic issue.

MR. HUTCHISON said miners have said there has not been a proper notice and that is what the bill is trying to correct.

SENATOR COGHILL emphasized that millions of dollars and a life's work could go up in smoke based on the void notice issue.

MR. HUTCHISON specified that the small miners have addressed the void notice issue with the bill sponsors. The small miners do not have a team of attorneys or a department to fill out their paperwork. The consternation from the void notice comes from the small mom-and-pop operations, the placer miners from Interior Alaska. There is a lot of confusion sometimes about how DNR implements some of their policies.

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SENATOR COGHILL noted that he has asked how many placer miners in other states. There are a handful, but if there is a placer mining place in the United States it is going to be in Alaska, specifically in the interior of Alaska. Alaska is not the only place for placer mining, but placer mining is significant and a big deal to the state.

MR. HUTCHISON addressed slide 7, Section 3 - Continued, as follows:

- (f) - If the unqualified person fails to cure the defect within 90 days after the department sent written notice, the department may declare the exploration or mining interest "void" and open to location. There shall be no third-party location or judicial action within those 90 days.
- (g) - "qualified to do business in this state" means holding a certificate issue by the Commissioner of

Commerce, Community, and Economic Development (necessary to do business in the state).

MR. HUTCHISON said in subsection (f), the intent is to give the benefit of the doubt to the small miner.

SENATOR BISHOP specified that the bill does not say there cannot be a void notice filing, just that the miner has 90 days to get their house in order.

He said in reference to Senator Coghill's comments on placer miners, based on two-year-old data, there are 600-permitted placer miners in Alaska. Placer miners are mom-and-pop operations that generate over \$105 million directly to the economy.

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CHAIR MICCICHE said he is curious why people will choose various timelines and asked how the bill sponsors arrived at 90 days for the cure period.

SENATOR BISHOP replied that typically a miner is in the field and gets to town once a month to check their P.O. boxes. Ninety days provides miners with ample time to address any certified mail from DNR.

MR. HUTCHISON continued to address slide 7, subsection (g). He said the subsection simply defines business qualifications and the requirement to hold a certificate issued by the Alaska Department of Commerce, Community, and Economic Development (DCCED).

He pointed out that the DCCED license is just one license, a miner must also have a mining license from the Alaska Department of Revenue and from DCCED. The two departments must cross reference to make sure a miner is in good standing. Also, depending on how big the mining operation is, the state requires many other permits from the corresponding agencies.

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MR. HUTCHISON addressed slide 8, Section 4, 5 Deal with Mining Claims, as follows:

- Section 4 - AS 38.05.195(b) - Establishment of deposit right when using the Meridian, Township, Range, Selection, and Claim system (MTRSC). How does MTRSC work? Location of a claim is based on ground locations of quarter sections,

or, quarter by quarter section of a township on a rectangular survey system. The locator marks the claim, using the MTRSC system in good faith. The corners are marked on the ground of the claim, in the event of a conflict. The system is approved by the commissioner.

- Adds: a valid MTRSC system location establishes rights to deposits within the section that are open to claim staking at the time of location.

He addressed slide 9, Mining Claim Form Example, an illustration of a claim form that miners fill out. The claim identifies the who, what, when, where, and why as to what is going on with the claim. The claim example illustrates the quarter-by-quarter section, the meridian is Fairbanks, the township is 8-North, the range is 12-East, Section: 34, quarter-by-quarter section: Southeast, of Quarter Section: Southeast. He noted that the Claim Sketch allows for computer or handwritten illustrations. There can be attachments that the miner can choose to include, the same goes for the annual labor document. Recording a claim certificate occurs in the recording district.

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He addressed slide 10, Section 4, 5 Deal with Mining Claims, as follows:

- Section 5 - AS 38.05.195(d) - Changes in locations and amended notices.
- Eliminated unnecessary language and focused on a simple procedure outlined in AS 38.05.200. Notices can be amended at any time to correspond with the amended locations, as long as it does not interfere with the rights of others. If there was an error in the notice or certificate of locations, an amended certificate of location shall be recorded in the same manner and with the same effect as the original certificate.

He explained that section 5 pertains to changes to locations and amended notices. The bill gets rid of unnecessary language related to annual labor. The change eliminates a conflict in the way annual labor is going to operate later in the bill, AS 38.05.200.

[4:03:23 PM](#)

MR. HUTCHISON addressed slide 11, Affidavit of Annual Labor. He specified that annual labor takes up sections 6, 7, 8, and 9 in the bill. The illustration on slide 11 shows what an affidavit looks like. The affidavit is usually a page of substantive

language and it can have an attachment. The affidavit notes lease name, location, Alaska Division of Land (ADL) number, meridian, township, range, and section(s). The important part of the affidavit is to show labor performance. He summarized that he would specify what labor is in the State of Alaska when it comes to developing a mining claim.

He addressed slide 12, Sections 6, 7, 8, 9 Deal with Annual Labor, as follows:

- Section 6 - AS 38.05.210 (a) - Outlines clear guidelines for performance of annual labor - Performing annual labor means that the miner is working the ground and trying to produce.
- Added:
  - Annual labor performance can be done under a common plan for development.
    - May include adjacent mineral interests.
    - Expenditures may be made on or for the benefit of any one claim.
  - Labor shall be performed at the following rates:
    - \$100 for each claim;
    - \$400 for each quarter section MTRSC claim
    - \$100 for each partial or whole 40 acres of each mining claim not established using the MTRSC system.
  - For not more than five consecutive years, the claim holder may make a cash payment instead of performing annual labor.

He said the bill provides a clear understanding of added components and what already exists. Some changes may be subject to change. For example, an adjustment to the language in the common plan for development. The bill allows labor forms under a common plan for development. That may include adjacent mineral interests and expenditures that benefit any one claim. He explained that the noted labor rates currently exist in statute.

MR. HUTCHISON said one of the most important things that the bill sponsors want is for miners to produce. The bill includes language that says that not more than five consecutive years, the claim holder may make a cash payment instead of performing annual labor. The intent is to incentivize moving production forward by having miners produce what is on the land rather than paying the equivalent value in cash and doing nothing.

[4:05:46 PM](#)

CHAIR MICCICHE asked for an explanation on the labor piece in the bill.

SENATOR BISHOP explained that the bill specifies the labor spending minimum to be within the intent of the law to be whole. He pointed out that existing regulation allows for carrying labor costs forward.

CHAIR MICCICHE remarked that there is not a requirement for production, but there is a requirement for spending to encourage production.

SENATOR BISHOP answered correct. He said that is the reason why there cannot be more than five consecutive years of cash payments. The spending requirement is all about encouraging production.

[4:07:47 PM](#)

SENATOR KIEHL said he has a two-part question on the labor spending minimum. He explained that his first question is to ask for an explanation on the \$100 minimum labor rate for each claim. He inquired how the \$100 minimum rate was determined. He noted that in reviewing earlier changes to the section, the rate was still at \$100.

SENATOR KIEHL said his second question is whether the \$100 minimum rate is enough minimum labor spending to get production from claims. He assumed that the minimum rate is to keep people from warehousing, noting that the state is not worried about operators who are spending \$100,000 a year because they are mining.

SENATOR BISHOP replied that he cannot answer the first question because the rates are probably a policy call within the department. He said he agreed with Senator Kiehl's comments on his second question. He reiterated that the intent is to encourage production as fast as possible. He admitted that miners cannot twiddle their thumbs and throw capital away. He said the small guys need to produce because they put it right back into the ground.

[4:09:32 PM](#)

MR. HUTCHISON addressed slide 13, Sections 6, 7, 8, 9 Deal with Annual Labor, as follows:

- Section 7 - AS 38.05.210(b) - Clarifies the information found in a statement of annual labor

- Added:
  - Individual signs the statement to certify that it is true and correct to the best of the individual's knowledge.
  - The statement must include:
    - The assessment work year
    - The name and land administration number assigned by the department.
    - Every meridian, township, range, and section in which the mining claim located
    - The recording district
    - The total amount of work required
    - A description of the labor performed
    - The value of the labor performed (including excess labor value from previous year)
    - The name and mailing address of the owner designated to receive notices

He said section 7 clarifies what will be in the anticipated annual labor statement. The bill adds many statement inclusions, especially an individual signing that their statement is true and correct to the best of their knowledge.

He addressed slide 14, Sections 6, 7, 8, 9 Deal with Annual Labor, as follows:

- Section 8 - AS 38.05.210(c) - Allows for statement of annual labor to be corrected at any time
- Added:
  - The statement of annual labor can be corrected at any time, before or after the effective date of this act, before and "invalid" declaration.
  - The corrected statement of annual labor shall be recorded like the original.
  - A corrected statement may not be applied against labor required to be done during a subsequent year.
  - A corrected statement shall be recorded in 90 days.
- Removed:
  - 2-year threshold has been removed. In other words: There had to be a correction within two-years.

MR. HUTCHISON explained that section 8 allows for corrected annual labor statements, a policy that provides the miner every benefit of the doubt. The section allows corrections at any time prior to an invalid declaration. Corrected statement treatment is the same as the original. There is no ability to apply

required labor during a subsequent year from a corrected statement. Recording a corrected statement must occur in 90 days.

He noted that there used to be a two-year threshold to make a correction and failure to make corrections within the two years could have resulted in bad consequences. The bill eliminates the two-year threshold and corrections can occur at any time.

[4:11:02 PM](#)

He addressed slide 15, Sections 6, 7, 8, 9 Deal with Annual Labor, as follows:

- Section 9 - AS 38.05.210 - Added new subsections (e), (f), (g), (h), (i), (j), and (k)
- (e) - A single statement of annual labor may be recorded for the benefit of more than one mining claim.
- (f) - A timely recorded statement of annual labor is prima facia evidence of performance.
- (g) - The department shall not declare a mining claim invalid based on a deficiency in a statement of annual labor until 90 days after written notice.
  - o Certified mail
  - o Additional cop sent via regular mail
- (h) - If a person fails to correct in 90 days, the department may make an "invalid" declaration. No third-party location or judicial action within those 90 days.
- (i) - A decision to declare a location invalid based on a deficiency in a statement of annual labor must be issued no later than five years after the date of the annual labor is recorded.
- (j) - Department not required to review statements of annual labor.
- (k) - Failure of a co-owner to contribute shall be treated in accordance with AS 38.05.215-AS 38.05.235.

MR. HUTCHISON said section 9 deals with additional provisions for the annual labor statement. The section allows recording of a single annual labor statement for more than one claim.

He explained that in subsection (f), a recorded statement of annual labor is prima facia, which means on its face is evidence of performance. From the court's perspective and the department's perspective, the recorded statement is on its face evidence of performance.

He said subsection (g) deals with notice mailing. The department shall not declare a mining claim invalid until 90 days after written notice. Small miners brought forth the notice issue because their work environment requires them to be out in the field. The subsection makes sure miners have the proper notice.

He explained that in subsection (h), the department shall make an invalid declaration if a person fails to correct in 90 days. However, no third parties can locate, and no judicial action can happen within those 90 days. The subsection protects the miner and provides the ability to rectify.

He detailed that subsection (i) places a five-year lookback limit on the department to declare a location invalid based on a deficiency.

He said subsection (j) is an important section that does not require the department to review annual statements of annual labor. The section does not require the department to look at the files and potential issues.

He explained that subsection (k) outlines the failure of a co-owner to contribute.

[4:13:17 PM](#)

SENATOR BISHOP specified that that subsection (j) does not require the department to review statements of annual labor. However, various departments will review mining permit applications that require stringent review for the right reasons.

CHAIR MICCICHE asked if mining claims must be adjacent for a single statement of annual labor.

SENATOR BISHOP replied that a single statement requires connected claims.

[4:15:32 PM](#)

MR. HUTCHISON addressed slide 16, AS 38.05.215-AS 38.05.235 - What Do Those Statutes Say, as follows:

- A non-contributing co-owner may be required to forfeit interest to the other co-owner, after direct written notice or 90 days public notice in a local newspaper of record from the contributing co-owner.

- If a forfeiture occurs, within 120 days, the co-owner that claims forfeiture shall record in the recorder's office where the claim is located:
  - Copy of notice
  - Affidavit of service
  - Affidavit of co-owner
    - Must include that delinquent amount has not been rectified.
- If a lienholder on an unpatented mining claim, the lienholder may perform annual labor to prevent forfeiture.
- Notice must be sent to the address of owner.
- Lienholder work shall be reimbursed. Must be properly recorded 90 days within completion.
- A lawsuit may be filed to enforce a lien after notice of the claim of lien.
- A lien for performance of annual labor must be done in good faith to protect interests.

He summarized that the statutes show that there is a process if a co-owner forfeits.

[4:16:27 PM](#)

He addressed slides 17 and 18, Section 10 Defines "Labor," as follows:

- Section 10-Labor includes:
  - Work performed in good faith on a mining claim, leasehold location, or mining lease that is directly related to prospecting for, developing, or producing minerals, including:
    - Excavating, tunneling, drilling, or clearing brush and timber in support of prospecting for, developing or producing minerals
    - Constructing or maintaining roads, trails, and landing strips
    - Extracting or producing ore
    - Performing metallurgical analyses, environmental studies, economic feasibility studies, engineering, and permitting
    - Constructing settling ponds, water supplies, and other utilities
    - Providing worker housing
    - Performing reclamation activities under a reclamation plan
    - Transporting workers and equipment in the state to or from a mining site (not to exceed 50

percent of the total value of labor in the statement of annual labor for the assessment year)

- Conducting a geological or airborne survey by a qualified expert and verified by a detailed report that sets out:
  - The location of the survey
  - The nature, extent, and cost of the survey
  - The name, address, and professional background of the person conducting the work

MR. HUTCHISON specified that section 10 defines what labor is going to be, an issue that the AMA working group addressed. The intent for the labor definition list is that work performance is in good faith for developing a mining claim, leasehold location, or a lease.

He noted that statute already defines a qualified expert used for geological or airborne survey. A qualified expert means an individual qualified by education experience to conduct geological, geochemical, or geophysical surveys.

[4:17:37 PM](#)

He addressed slide 19, Section 11 Defines Abandonment," as follows:

- Section 11 - AS 38.05.265(a) and (b) - Clarifies "abandonment" -
- (a) - Failure to perform labor or make improvements or make a payment in lieu of labor, timely record a certificate of location or statement of annual labor, timely pay annual rental, or timely pay any required production royalties constitutes abandonment.
- A locator may not relocate the claim until one year after abandonment.
- Removed:
  - A statement of annual labor that does not accurately set out essential facts is void and has no effect.
- If an annual rental or a royalty payment is deficient but is otherwise timely paid, abandonment does not result if full payment is made within the period described in the deficiency notice from the department or 30 days after a final judgment establishing the amount due (if the deficiency amount due was contested).

MR. HUTCHISON explained that a person is on the abandonment path if they do not perform the labor or they do not pay the royalties and rent. Claim relocation cannot occur until one year after an abandonment declaration.

SENATOR BISHOP pointed out that relocation depends on whether someone has not top filed.

MR. HUTCHISON concurred with Senator Bishop.

He summarized that section 11 removes issues in AS 38.05.265 that pertains to typos and essential facts in a statement of annual labor report. The miner receives the benefit of doubt. Abandonment, as defined in section 11, does not necessarily occur if an annual rental or royalty payment is deficient.

[4:19:13 PM](#)

He addressed slide 20, Section 11 Continued, as follows:

- (b) - Added "rents and royalties." The language now states that unless another person has located on the abandoned claim or leasehold location (or the area is closed to mineral location), a person may cure the failure to record or pay rents or royalties (that led to abandonment) by:
  - Properly recording the certificate of location or statement of annual labor;
  - Paying any required rental or royalties; and
  - Paying the penalty equal to the annual rent from the mining claim or leasehold location.

He summarized that section 11 solidifies that there is a rectifying process if there is a payment deficiency.

He addressed slide 21, Section 12 - AS 38.05.270 - Transfers, as follows:

- Clarified that the sale, lease, or other transfer of mining property or interest in mining property be recorded, but eliminated existing language which stated, "or shall be approved by the director in compliance with such regulations as the commissioner may adopt."
  - Why? The removed language was too vague. What "regulations?" Clarity and a "streamlined process" was sought for the miners.

[4:20:42 PM](#)

CHAIR MICCICHE asked how someone becomes assigned if something were to happen to a legal person controlling a claim.

MR. HUTCHISON asked if the question pertained to the estate process or a trustee for a beneficiary.

CHAIR MICCICHE answered yes.

MR. HUTCHISON answered that he will have to get back to the committee with an answer.

He addressed slide 22, Section 13 Deals with Recognition of Locations, as follows:

- Section 13 - AS 38.05.275(a) - Ensures that mining on state selected land located on or after an active unpatented federal mining claim may be located only with recorded permission of the unpatented federal mining claim holder.

He said section 13 is a good reference on the handling of mine locations in the State of Alaska. The section references AS 38.05.185 to AS 38.05.275 regarding elements on the claim process, qualifications, producing annual labor, etcetera. The only addition to the section, as suggested by the AMA working group, is that if there is state selected land on an active unpatented federal mining claim, it may only be located with expressed written permission from the federal mining claim holder.

[4:22:23 PM](#)

He addressed slide 23, Sections 14, 15, 16 Deal with Applicability, the Transition Process, and the Effective Date, as follows:

- Section 14 - Clarifies applicability
- Section 15 - Ensures a smooth transition process (for regulations).
- Section 16 - Immediate effective date.

MR. HUTCHISON explained that sections 14-16 clarifies applicability sections specifically to section 8, which allows for statement corrections of annual labor at any time. Section 9 deals with annual labor requirements and because of the change, those are going to take effect before, on, or after if this bill passes. Section 13 pertains to unpatented federal claims, the unpatented federal permission starts on July 1, 2020. Section 15 deals with a transition process and states that the department

shall declare a site abandoned because of the revisions that are happening in this legislation, until problems resolution, and this has passed through a smooth transition process. Section 16 calls for the immediate effective date of the legislation.

SENATOR KIEHL asked if anything in the bill affects payment deadlines and their impact on the validity of the claim right.

MR. HUTCHISON answered that miners still must make payments and their associated deadlines. However, the ability to rectify has changed where due process allows the miner to correct the amount owed and to keep producing.

[4:25:00 PM](#)

CHAIR MICCICHE opened public testimony. He said the committee will start with invited testimony.

[4:25:20 PM](#)

DEANTHA CROCKETT, Executive Director, Alaska Miners Association, Anchorage, Alaska, noted that representatives from the AMA working group will provide additional testimony to address a highly technical issue. She said she appreciated the previous comments from Senator Bishop and Mr. Hutchison in addition to their work on SB 155 to make sure the senseless loss of claims stops happening. She added that she appreciates and agrees with Chair Micciche's description of the bill as a fairness issue.

She said AMA has spent a lot of time talking to people about the bill because it has mining and exploration in its title. However, AMA spent more time talking to people about what the bill is not. The bill is simply a fix to the state's land and mineral tenure statutes for clarification.

She shared that AMA jokingly says that the only people who care about the claims issue is DNR and miners, the only two demographics that it impacts, but fixing the issue is critical. AMA and its working group have worked with DNR for almost four years. In addition, AMA has worked with Senator Bishop and the previous administration. The bill before the committee is a product of hours of conversations with the AMA working group, subject matter experts, and the DNR. There was a lot of give and take to end up with the legislation.

[4:28:02 PM](#)

MS. CROCKETT said getting into the issues that Senator Bishop and Mr. Hutchison outlined, statute review in its entirety resulted in determining must-haves. One of those is to change

the qualifications for people or entities allowed to hold claims, an issue that the bill addresses via LLCs, trusts, etcetera.

She stated that the bill provides a cure provision if somebody does find themselves to be unqualified for any reason, there is an ability to fix that within 90 days.

She said the bill also clarifies the intent of the MTRSC claim location system for DNR to correctly interpret how that system is supposed to work.

She stated that there is unclear language about the affidavits of annual labor, an issue that garnered most of the time. Fixing the form, fixing the types of labor allowed and other things related to annual labor affidavits is a critical issue for AMA.

She said AMA thinks that the bill does a great job of clarifying the existing federal mining claim and state mining claim of transfer of conversion of process.

She summarized that the bill addresses the must-haves that were critical to AMA. The legislation creates land tenure and mineral tenure that miners need, an industry-wide issue that affects anyone that holds a mining claim in Alaska. She noted that the overview used a lot of placer mining examples, but there are large operations that have experienced the previously noted issues as well.

[4:29:57 PM](#)

She said Mr. Hanneman and herself will address questions brought up by committee members. She said there was a question about the fee structure. Fees are based on acreage and timelines. The longer a miner holds a claim, the more the miner pays. The fee structure incentivizes production. She explained that the longest scale occurs for claims held for 11 or more years. She noted that the fees passed the previous year as part of the DNR's regulation revisions, the fee for a claim holder for 11 years or more is \$825.

CHAIR MICCICHE explained that his previous rate question was in reference to the intention to use a mining claim as a low-cost recreational site, an issue that created struggles in Cooper Landing. He asked if the bill adequately addresses recreational use of claims.

[4:31:36 PM](#)

KARL HANNEMAN, Chief Executive Officer, International Tower Hill Mines, Fairbanks, Alaska, explained that under section 10, the AMA working group has specifically proposed a new statutory definition to address in part Chair Micciche's concern. The definition states, "Work or improvements made in good faith on or for the benefit of the mining claim;" that language does not exist now anywhere. The change will assure claim owner accountability toward advancing the property towards production.

CHAIR MICCICHE pointed out that section 10, lines 16 and 17 states that, "mining lease that is directly related to prospecting for, developing, or producing."

MR. HANNEMAN specified that the definition for "labor" in section 10 starts on line 15 and continues through line 17, "'Labor' includes work performed or improvements made in good faith on or for the benefit of a mining claim, leasehold location, or mining lease that is directly related to prospecting for, developing, or producing minerals, including." He added that section 10 continues with a list of activities that qualify as work.

CHAIR MICCICHE asked if the bill further incentivizes and discourages the cabin and recreational site.

MR. HANNEMAN answered that was the AMA working group's intention. He said in response to Chair Micciche's earlier question on rates, statutes require miners to pay rent and royalties on state land. Physical work must occur in the field to advance a claim. The intent is not to change the timing or amounts associated with the required timely rent or royalty payments.

[4:33:32 PM](#)

CHAIR MICCICHE asked for an explanation on determining errors and assigns of mining property.

MR. HANNEMAN answered that he was referring to an existing statute that the bill will remove.

CHAIR MICCICHE asked if there is an adequate process to determine the recording of an heir or assign of a mining property.

MR. HANNEMANN conceded that a problem can occur if an unqualified entity receives an estate settlement transfer. The

intent is to understand who is qualified to own and allow an opportunity to cure.

SENATOR GIESSEL noted that sections 8 and 9 addressed the 90-day period to correct a deficiency and statement of annual report. She asked if there is a top filing prohibition during the 90-day period.

MR. HANNEMANN answered yes.

4:36:28 PM

GREGORY BEISCHER, President, Millrock Resources, Incorporated, Anchorage, Alaska, explained that Millrock Resources is a public company that trades on the stock exchange. He said Millrock's goal as geologists is to find a giant metallic load mineral deposit like Red Dog, Fort Knox, or Greens Creek. The company does not placer mine or operate on creeks. The company stakes its claims in Alaska and attracts capital from all over the world.

He said he will provide the committee with a couple of examples of why the state needs to fix its mineral statutes. Currently, there is a fair bit of uncertainty in tenure of mineral title. In some cases, Millrock has lost its mineral rights which is unacceptable. It is not perfectly clear whether land is open and available for staking, a major disincentive to mineral investment in the state from around the world.

He detailed that Millrock was top filed by another claimant that pointed out an error in a historic affidavit of labor to DNR. The error dated back almost 20 years prior to Millrock owning the claim. Millrock bought the claims from a prospector and he made an error on his affidavit. The DNR declared Millrock's claims void, retroactively all the way back to the date of the error. As a result, Millrock lost the claims, someone had top filed and now they have got them. The only way Millrock is going to get the claims back is to pursue it in court, an action that Millrock is unsure will be successful.

MR. BEISCHER said in another case, Millrock was also top filed. Millrock had staked a huge block of claims at significant expense. In both cases, Millrock put several millions of dollars into those claims in exploration. In the second instance, Millrock was able to work things out with the top filer, but it cost Millrock several hundred thousand dollars. In so doing, Millrock lost its major mining company partner for co-exploring

the land. Millrock put \$1.5 million into the ground and it was suddenly in doubt, in jeopardy, and the partner walked away.

MR. BEISCHER said the disincentive clearly needs legislation. He remarked that it is not right that a company can diligently explore, pay its rent, do the required work, the geophysical surveys, the geological mapping, the drilling, then to suddenly lose the claim on a technicality. The bill will go a long way to fixing the lack of clarity on title and uncertainty about ownership of the mineral rights. No one is going to invest millions if there is no mineral title assurance.

[4:40:49 PM](#)

He pointed out that the mineral statutes issue has caused the DNR a lot of angst and controversy in addition to an awful amount of time. DNR will become significantly more efficient and save money with new statutes. He summarized that the bill would result in more investment in the state and save the government money.

CHAIR MICCICHE asked if Millrock operates outside of Alaska.

MR. BEISCHER answered that Alaska is Millrock's prime focus, but Millrock has operations in Arizona and Northern Mexico.

CHAIR MICCICHE noted that his question was meant to address Millrock's capital that is at risk. He said the two examples that Mr. Beischer provided are significant. He asked if other states have similar exposure in their statutes. He remarked that Alaska's statutes have a gaping hole.

MR. BEISCHER answered that some of the Canadian jurisdictions are well advanced and have that well locked in. He pointed out that mineral and mining companies can invest all over the world. There are stories in Third World countries like Congo, Venezuela, and even Chile where the countries stripped the mines away. There is uncertainty on title and tenure after millions in investment and possibly losing mineral rights. However, losing mineral rights in a First World country like the United States and particularly Alaska is shocking.

[4:43:00 PM](#)

SENATOR GIESSEL noted that section 9, subsection (i) provides that the department may not declare a mining claim, etcetera, invalid as a result of deficiency and a statement of labor. She detailed that the subsection provides for a five-year lookback after the date of the deficient statement. She asked if the new

section would have remedied Millrock's 20-year lookback that they just experienced.

MR. BEISCHER answered yes.

MR. HANNEMAN summarized that the primary goal is efficiency and minimizing conflicts between miners in addition to conflicts between miners and DNR. The key portions of SB 155 really are to provide the opportunity to cure and maintain tenure over time. The bill is not asking DNR to do more work, but to send a notice with an opportunity to cure rather than a notice of abandonment. The bill is a roadmap for the mining industry for the next 20 years.

[4:46:39 PM](#)

SENATOR COGHILL pointed out that the bill will also help new filers as well because new filers will have a different process when working with DNR. He asked how a new entrant might see the claim staking process differently.

MR. HANNEMAN explained that the language for the MTRSC system will clearly identify a section to stake.

SENATOR COGHILL remarked that the clarity for both new filers and those who have filed will provide huge benefits.

CHAIR MICCICHE said the philosophy often from investors, both mom-and-pop and multinationals, is that investment requires reliable, predictable and durable expectations. He stated that he likes the bill because the legislation goes from the widow who lost a generation-long opportunity to the risking of capital that requires processes to be tight and expectations understood for investment.

[4:48:54 PM](#)

CHAIR MICCICHE held SB 155 in committee.

**HB 122-FUNTER BAY MARINE PARK: UNANGAN CEMETERY**

[4:49:33 PM](#)

CHAIR MICCICHE announced the consideration of HOUSE BILL NO. 122 "An Act relating to the Funter Bay marine park unit of the state park system; relating to protection of the social and historical significance of the Unangax cemetery located in Funter Bay and providing for the amendment of the management plan for the Funter Bay marine park unit; and providing for an effective date."

[4:49:47 PM](#)

REPRESENTATIVE SARA HANNAN, Alaska State Legislature, Juneau, Alaska, sponsor of HB 122, explained that the bill will move a parcel of land in Funter Bay, which is 15 miles west of Juneau on the Mansfield Peninsula, but a long ways away in time and history.

She referenced slides 1, 2, and 3 from her presentation on HB 122 as follows:

- HB 122 will:
  - Provide protection of the Unagax Cemetery in Funter Bay for future generations;
  - Transfer cemetery site and surrounding area from Division of Land Mining and Water (DNR) to the Division of Parks and Recreation (DNR) - ;
  - Transferred land will become part of, and continued to be maintained by, as part of the Funter Bay Marine Park.
- HB 122-Funter Bay Unagax Cemetery Map, approximately 30 miles from Juneau.

She said an existing state marine park in Funter Bay, created in 1983, would add the parcel of land. The land is currently under the management of the Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water. The bill will transfer the parcel into the existing marine park. The Funter Bay Marine Park is an undeveloped state park with no plan, intention, or budget to promote usage or visitation to the Unangan Cemetery.

She detailed that the cemetery on the parcel of land in Funter Bay comes about starting in World War II. On June 3 and 4 of 1942, the Japanese bombed Dutch Harbor. Three days later the Japanese invaded Kiska Island that resulted in the capture of U.S. Navy personnel. The following day the Japanese captured the native residents of Attu Island, those citizens remained in Japan as prisoners of war.

REPRESENTATIVE HANNAN said on June 12, 1942, Commanding General Simon Buckner in charge of the U.S. Army in Alaska, issued orders to remove the residents of St. Paul and St. George in the Pribilof Islands and to burn their homes in advance of the enemy's movement. Residents had an hour to gather belongings and board the vessel. On June 16, 1942, the transport ship USAT Delarof left the Pribilof Islands with 560 people from St. Paul

and St. George. The U.S. Navy at that point did not know where the evacuated Alaskans were going to. The villagers of the Pribilof Islands arrived at Funter Bay on June 24, 1942. The villagers occupied an abandoned cannery that had not been in operation for over 10 years. The cannery was never meant to be a year-round location.

[4:52:47 PM](#)

REPRESENTATIVE HANNAN detailed that over the course of the summer of 1942, there were additional voyages from other communities to a total of six relocation camps settled in Southeast Alaska. However, Funter Bay was by far the worst circumstances with the highest death rate.

She explained that technically in Funter Bay, there were two relocation camps. One at the site of the old cannery and one at the site of the old mine, but the two camps shared the cemetery. There was little access to town, to services, there were no residents year-round in Funter Bay at that point. Of course, the rain forest environment in Funter Bay is dramatically different than the Pribilof Islands. By the end of that summer it was clear, babies had been born and a cemetery required. Today, there are approximately 30 known marked graves, but many more graves are unmarked.

REPRESENTATIVE HANNAN noted that there are no cemeteries at the other relocation camps, except in Killisnoo. The cemetery in Killisnoo is on private land and there is no intention from the state to ever use it. She said a few years ago the descendants of the Killisnoo relocation camp cemetery did not receive approval to access to the land. The denial escalated what has been a 78-year journey to protect the cemetery and the grave sites.

She remarked that legislators know that they carry water for somebody else's work most of the time. She said there are many people who have worked on protecting the ancestral grave sites for decades and the legislation is a very satisfactory zero fiscal note way to achieve that. There is no intent to develop and no additional cost to the state, but it would mean that descendants would be assured that those grave sites would never be developed, and they would always have access to visit their ancestors who are buried there.

[4:55:21 PM](#)

REPRESENTATIVE HANNAN addressed slide 4, Funter Bay SMP, as follows:

- Funter Bay Shoreline Master Program (SMP) map
  - o A01 - Existing Funter Bay Marine Park. 162 acres.
  - o A02 - Areas to be added by HB 122
  - o A03 - Island in bay to be added by HB 122
  - o Total acreage added - 251 acres

REPRESENTATIVE HANNAN noted that questions arose in the House that the land transfer is bigger than the cemetery's borders. DNR said they preferred not to have a little carveout that they would be responsible for and requested the land transfer to State Parks.

[4:56:35 PM](#)

She referenced slide 5, photos of Old Bunk House used for housing and a headstone of 18-month-old child that died at camp.

REPRESENTATIVE HANNAN said the Division of Parks & Outdoor Recreation is in attendance and is supportive of the transfer of land as well as a group called The Friends of Admiralty Island. Much of Admiralty Island is part of the Admiralty Island National Monument. Both the Funter Bay and the Killisnoo relocation camps are on Admiralty Island. The Friends of Admiralty Island have worked with descendants of both camps' cemeteries for a number of years to seek federal protection under monument status, but the request did not meet the threshold for monument protection.

She displayed slide 6, Resettlement Sailings Map in 1942:

- USAT Delarof, June 17-24 to Funter Bay Cannery, Funter Bay Mine, Killisnoo near Angoon.
- SS Columbia, July 3-6 to Wrangell Institute on Wrangell Island and Ward Lake near Ketchikan.
- SS Alaska, July 26 to Wrangell Institute on Wrangell Island and Burnett Inlet on Etolin Island.

SENATOR COGHILL asked if the bill would impact any potential mining in Funter Bay.

REPRESENTATIVE HANNAN answered that there is an abandoned mine located on the southern shore of the bay. The land transfer does not include the abandoned mine. It remains as a private holding.

[4:58:01 PM](#)

CHAIR MICCICHE asked why the bill includes an island transfer. He remarked that the island transfer seems inconsistent with the intent of the bill.

REPRESENTATIVE HANNAN explained that DNR probably included the island as part of the marine park that already exists.

SENATOR GIESSEL noted that similar bills ultimately exhibited property description errors. She asked if the property descriptions for the bill were doublechecked.

REPRESENTATIVE HANNAN answered yes. She explained that due to an amendment on the House floor, DNR verified that the current coordinates are accurate.

SENATOR GIESSEL replied that was reassuring.

5:00:36 PM

RICKY GEASE, Director, Division of Parks & Outdoor Recreation, Alaska Department of Natural Resources, Anchorage, Alaska, introduced Superintendent Preston Kroes from Southeast who will address committee members in person. He said Mr. Kroes has been working with Representative Hannan on the bill and can fill in specifics.

5:00:54 PM

PRESTON KROES, Superintendent-Southeast Area, Division of Parks & Outdoor Recreation, Juneau, Alaska, said he is going to address some of concerns that committee members have already voiced with Representative Hannan.

SENATOR COGHILL asked for an explanation of land footprints for both the cemetery and the land that is going to become a park.

MR. KROES answered that cemetery is approximately an acre and a half. The reason for the larger parcel is that the Division of Mining, Land, and Water asked that the Division of Parks & Outdoor Recreation take over management. Not transferring the land would have resulted in bits and pieces of acreage to manage by the Division of Mining, Land, and Water.

SENATOR COGHILL asked how the division plans to manage the land, are forest resources present, and will the land be multi-use.

MR. KROES answered that state parks are generally multi-use and does not allow resource development, which is part of the reason why becoming part of the state park will protect the cemetery.

The bill states that the management for the parcels will be identical to the state marine park.

[5:03:19 PM](#)

SENATOR COGHILL asked if the land transfer requires a park plan.

MR. KROES answered that the division would like to, but it is not a priority. The division has other parks with greater accessibility that do need plans. The division will absorb and manage the land as it currently does. The division will develop or advertise the land. The division will answer questions if people inquire about the park. The division will visit the land a minimum of once a year to check on the park unit and adjust any management if needed.

SENATOR COGHILL asked if there will be fishing restrictions in Funter Bay.

MR. KROES answered no. He said the division does not plan on adding or changing any regulations. Any changes attempted in the future will strictly be to help protect the historic cemetery site.

SENATOR KIEHL pointed out that state marine parks have a specific provision in statute that parks may not place any restrictions on hunting and fishing beyond what the Alaska Department of Fish and Game places for the surrounding game management unit.

[5:05:01 PM](#)

CHAIR MICCICHE noted that the committee will hold the bill to look at any impact on land and possible opportunities. He remarked that evaluations often did not happen in his area for lands turned into parks. He said he strongly supports preserving the cemetery and bringing it into park management. He conceded that he is a little bit concerned at this point about the other pieces of property. He emphasized that there should be no alarm because he just wants to learn more.

MR. KROES addressed some of Chair Micciche's concerns. He referenced a map on a previous slide that showed the U.S. Forest Service surrounded most of the land. The U.S. Forest Service land already has trails developed that interact with the state marine park and the A-2 parcel. The parcel is relatively small, and the historic park will provide a good buffer. He said private landowners in the area will testify in support.

MR. KROES addressed Chair Micciche's previous comment and noted that part of the reason the division was also accepting the full 251 acres transfer was to help connect the parks instead of having a bunch of disjointed parcels.

[5:07:24 PM](#)

CHAIR MICCICHE opened public testimony.

[5:08:20 PM](#)

DANIEL MONTEITH, Board President, Friends of Admiralty Island, Juneau, Alaska, testified in support of HB 122. He said the organization has 350 to 400 members who represent many different communities in Southeast Alaska from Juneau, Angoon, Hoonah, and areas surrounding Admiralty Island.

He explained that the Friends of Admiralty Island became involved because one of its missions is research, education, and outreach of Admiralty Island and the monument. In 2014 the organization took the public to view the Aleut burial sites at the Killisnoo cemetery. In 2017, kind of the seedling for HB 122, the organization sponsored a trip called A Pathway to Healing to Funter Bay, and that is where he met his colleague, Mr. Stepetin, who is also a board member for the Friends of Admiralty Island. The organization became very interested in a pathway for preserving and protected the Funter Bay site when members realized the location was on state land.

He said the Friends of Admiralty Island and the Division of Parks & Outdoor Recreation are committed to working together. The organization will also have an interpretive exhibit at the City Museum in Juneau. The organization is committed to helping provide funding for personnel to conduct research and outreach on interpretive panels with the division for the historic cemetery site.

He remarked that as an educator in Alaska, furthering the bill is important in terms of protecting the Unangan's historic cemetery. He said respecting one's ancestors is important to the respect of the Unangan culture, descendants, and people today.

[5:11:49 PM](#)

MARTIN STEPETIN SR., Board Member, Friends of Admiralty Island, Juneau, Alaska, testified in support of HB 122. He said he is from St. Paul and a direct descendent of interned individuals at Funter Bay. He expressed that the bill is near and dear to his heart. With Friends of Admiralty Island working on different ways to protect the lands.

MR. STEPETIN explained that he learned about the relocation lands when he went to Killisnoo on the Friends of Admiralty Island trip in 2014. He said the cemetery at Killisnoo is on private property and in terrible shape. The landowners made it clear that they do not want anything to do with trying to do anything with their land, and rightfully so. He remarked that because the cemetery in Killisnoo is on private land, visitation and the tending of 17 burial sites of people from Atka will never happen. The biggest difference is the cemetery in Funter Bay is on state land.

He emphasized that the State of Alaska had nothing to do with the resettlement camps and is not at fault. He said the fault lies with the federal government. He noted that his father was born in Douglas, Alaska in 1942. He said he did not know how his grandparents got to Douglas, but luckily, they did because many other babies died in Funter Bay.

MR. STEPETIN stated that the purpose of the bill is to recognize the history and significance of the Aleuts and Unangans and their time in Southeast Alaska. It was a terrible time and to honor that history, this is now not just Unangan history, it's not just State of Alaska's history, this is American history that now recognized on state land.

CHAIR MICCICHE remarked that the bill is very important. He said he is supportive and assumes that the committee is supportive of honoring and respecting Mr. Stepetin's ancestors.

[5:15:10 PM](#)

CHAIR MICCICHE held HB 122 in committee.

[5:15:39 PM](#)

There being no further business to come before the committee, Chair Micciche adjourned the Senate Resources Standing Committee meeting at 5:15 p.m.