

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

February 22, 2021

1:01 p.m.

**MEMBERS PRESENT**

Representative Josiah Patkotak, Chair  
Representative Zack Fields  
Representative Grier Hopkins  
Representative Calvin Schrage  
Representative Sara Hannan  
Representative George Rauscher  
Representative Mike Cronk  
Representative Ronald Gillham  
Representative Tom McKay

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

OVERVIEW(S): DEPT. OF NATURAL RESOURCES

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

CORRI FEIGE, Commissioner  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Offered an overview of the work that the Department of Natural Resources does.

BRENT GOODRUM, Deputy Commissioner  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented a PowerPoint overviewing the divisions of the Department of Natural Resources with Deputy Commissioner Sara Longan.

SARA LONGAN, Deputy Commissioner  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented a PowerPoint overviewing the divisions of the Department of Natural Resources with Deputy Commissioner Brent Goodrum.

MARTY PARSONS, Director  
Division of Mining, Land, and Water  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Responded to questions during the PowerPoint about the aquatic farm leasing program.

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

**POSITION STATEMENT:** Responded to questions during the PowerPoint presentation about projects his division is undertaking.

#### **ACTION NARRATIVE**

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**CHAIR JOSIAH PATKOTAK** called the House Resources Standing Committee meeting to order at 1:01:54 p.m. Representatives Patkotak, Hopkins, Schrage, Hannan, Rauscher, Cronk, Gillham, and McKay were present at the call to order. Representative Fields arrived as the meeting was in progress.

CHAIR PATKOTAK introduced himself to the committee and asked each member to offer a brief history on his/her district's and personal interest in state resource management.

CHAIR PATKOTAK brought about the first order of business, the nomination of a vice chair for the Committee.

REPRESENTATIVE HANNAN nominated Representative Hopkins.

CHAIR PATKOTAK declared that there being no objection, Representative Hopkins was the vice chair.

REPRESENTATIVE HOPKINS thanked the committee.

CHAIR PATKOTAK moved on and addressed some memos sent out to committee members over the weekend. The first was from the Rules Chair regarding bill hearing requests and committee protocols. The second was from Chair Patkotak himself regarding amendments and protocols for legislation brought before the House Resources Standing Committee. He encouraged committee members to reach out to his office with any questions.

REPRESENTATIVE RAUSCHER asked if it would be objectionable to propose an amendment during a meeting rather than having it drafted beforehand by Legislative Legal Services.

CHAIR PATKOTAK said those could be worked through on a case-by-case basis and offered to address protocol issues outside of the meeting.

**OVERVIEW(S): Dept. of Natural Resources**

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CHAIR PATKOTAK announced that the only order of business would be the overview of the Department of Natural Resources (DNR).

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CORRI FEIGE, Commissioner, Department of Natural Resources, offered an overview of the work the Department of Natural Resources (DNR) does. She explained that DNR connects Alaskans and gives them access and utilization of state lands, waters, and resources. Alaska is 586,412 square miles, she continued, making it twice the size of Texas and larger than all but 18 sovereign nations. Despite being 60 years after statehood, Alaska is owed 4.5 million acres of statehood entitlement lands from the federal government, and closing this gap is one of DNR's mandates. The department's mission is to develop, conserve, and maximize Alaska's natural resources in a way that is consistent with the public interest. This requires that the department be highly transparent, accountable, and balanced in its decision making and stewardship.

COMMISSIONER FEIGE then explained that DNR is responsible for management of roughly 165 million acres of state public land. This includes activities such as state land sales, leasing for oil and gas, geothermal and mineral development, and commercial land leasing focuses such as big game guide camps, mariculture, and solar and wind farms. The department is also responsible for the permitting and regulatory oversight of many of these same

activities. She further stated that DNR is also responsible for water management, timber sales, wildland firefighting, agricultural development, outdoor recreation management, and the identification and monitoring of potential geologic hazards such as volcanos and landslides.

COMMISSIONER FEIGE stressed that all these services are relied upon by Alaskans. She noted that 2019 was an exceptionally difficult fire season, and that in the wake of the COVID-19 pandemic, 2020 saw record breaking use of parks and recreational facilities. All nine of DNR's divisions have transitioned to remote work in response to the pandemic and have migrated as many functions online as possible. However, she continued, the doors were kept open to the public in a COVID-19 safe manner in places that could not operate remotely.

CHAIR PATKOTAK thanked Commissioner Feige for the overview.

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BRENT GOODRUM, Deputy Commissioner, Department of Natural Resources, co-presented a PowerPoint overviewing the divisions of the Department of Natural Resources with Deputy Commissioner Sara Longan. He reiterated Commissioner Feige's point that throughout the Covid-19 pandemic, DNR has worked to be nimble, resourceful, and responsive to the needs of the people it serves and to keep the state's economy moving along, and it has remained open for business.

DEPUTY COMMISSIONER GOODRUM then moved on to the presentation with slide 2, entitled "Department of Natural Resources: Organization Chart." This slide showed the organization's structure, including department heads and the nine subdivisions within DNR. He explained that the organization of the presentation aligned with information previously shared in the department's program guide.

DEPUTY COMMISSIONER GOODRUM directed attention to slide 3, "Division of Agriculture." He began by citing the division's mission: "To promote and encourage development of an agriculture industry in the State," and mentioned that it is lead by Director David Schade. He then explained that the division works to protect Alaska's natural resources and ecosystems through invasive plant, pest, and pathogen detection eradication and management programs. He said DNR has also worked to strengthen Alaska food security through activities at the Plant Materials Center, and state and United States Department of

Agriculture(USDA) agriculture production programs. Inspectors from DNR's Division of Agriculture continued work throughout the COVID-19 pandemic to help the flow of local produce within the state, as well as phytosanitary inspections that made it possible to export over \$100 million of logs and peonies in 2020.

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DEPUTY COMMISSIONER GOODRUM directed attention to slide 4. He stated that the Division of Agriculture works to provide all Alaskan natural resource industries and adjacent state agencies with supporting technical service and native plants for reclamation projects associated with construction, mining, oil and gas activities, and other such interests. The division has recently established the Industrial Hemp program and has revamped market and grant services programs. He then highlighted the success of the Elodea project, which is believed to have eradicated 70 percent of Elodea in Sucker Lake complex.

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DEPUTY COMMISSIONER GOODRUM then began the portion of the presentation on the Division of Forestry, which is headed by Acting Director Tim Dabney. He directed attention to slide 5, sub-headed "Forest Management and Development," which read as follows [original punctuation provided]:

Mission: To develop, conserve, and enhance Alaska's forests to provide a sustainable supply of forest resources for Alaskans.

Sold 31 commercial timber sales and manages 47 million acres of forests on state land including three state forests.

- Implementation of the Forest Resources and Practices Act on private lands supported the harvest of 127.5 million bd feet of logs valued at \$124.3 million in the export markets.
- The Alaska Roadless Rule process came to conclusion with the successful removal of roadless designation on 9.3 million acres on the Tongass National Forest.
- Completed upgrades to the Vallenar Bay road (\$400.0) in support of the Good Neighbor Authority timber sale on Gravina Island, a joint timber sale project with the USFS.

DEPUTY COMMISSIONER GOODRUM directed attention to slide 6, sub-headed "Wildland Fire Management," which read as follows [original punctuation provided]:

- 348 fires burned 181 thousand acres as compared to last season when 2.5 million acres were blackened.
- Alaska Incident Management Teams (IMT), crews and individual resources provided much needed support to the L-48 states during their "fire year."
- The Alaska Type I IMT deployed to CO to manage the Grizzley Ck Fire and to CA to the August Complex, the largest in the state.
- Emergency Fire Fighter (EFF) crews and individuals earned \$3.5 million in wages
- Cost recovery efforts to date in FY21 have collected \$2.1 million from parties responsible for fires.

DEPUTY COMMISSIONER GOODRUM noted that in 2020 wildland firefighting was a major concern due to the safety challenges of the COVID-19 pandemic. The division worked with the Department of Health and Social Services (DHSS) to establish effective COVID-19 protocols for both team members and out of state resources.

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REPRESENTATIVE HANNAN asked about the status of federal cost recovery for the 2019 fire season, acknowledging that it is a multi-year process.

DEPUTY COMMISSIONER GOODRUM replied that [the Division of Forestry] is working with the federal government to be reimbursed. He noted that there were four major fires that year that qualified for reimbursement, and the division anticipates over \$30 million in reimbursement funds. He said here is still some time left on that process, however.

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REPRESENTATIVE RAUSCHER commented that a bill had been passed that allocated 25 percent of federal timber sales go to schools. He inquired if that was still current.

DEPUTY COMMISSIONER GOODRUM replied that he is not certain of the answer to that question but is happy to research the issue and get an answer back to Representative Rauscher at a later time.

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SARA LONGAN, Deputy Commissioner, Department of Natural Resources, , as co-presenter of the PowerPoint overviewing the divisions of DNR, continued onto slide 7, the first in a series of slides offering an overview on the Division of Geological and Geophysical Surveys (DGGS) which is headed by Director Steve Masterman in Fairbanks, with supplemental offices in Anchorage. The sub-headings on the slides are the sections within DGGS, she explained, and each has recent accomplishments listed. Slide 7 read as follows [original punctuation provided]:

Mission: To determine the potential of Alaska land for production of metals, minerals, fuels, and geothermal resources; the locations and supplies of groundwater and construction material; and the potential geologic hazards to buildings, roads, bridges, and other installations.

#### Mineral Resources

- Helicopter airborne geophysical survey near Pogo flown and published
- Contracted for additional 35,000 sq km of airborne geophysical surveys
- Publications include new geologic maps and mineral resources reports for the Denali Highway, Tok River, and Mount Fairplay areas

#### Energy Resources

- Rescheduled fieldwork to 2021 due to COVID-19
- Published reports on North Slope and Cook Inlet petroleum systems
- Released structure-from-motion data covering outcrops of the Nanushuk Formation on the North Slope and Usibelli Group in the Nenana basin

#### State Geospatial Program

- Hired a GIO to support inter-agency GIS coordination, which reinvigorated the Alaska Geospatial Council
- New statewide satellite imagery acquisition (50-cm resolution)
- State Geoportal launched for all agency GIS data

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REPRESENTATIVE HANNAN thanked Deputy Commissioner Longan and her staff with DGGS on the record for their response and expertise to the December landslide that was fatal in Haines. The ability to produce equipment, scientific experts, and emergency responders was critical. While the ongoing efforts are complex, she stated, the expertise and aid DGGS provided was reassuring to the community.

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REPRESENTATIVE HOPKINS thanked Deputy Commissioner Longan for discussing DGGS and noted the division does important work mapping out where future resource development may happen. He inquired how DGGS decides where to go next.

DEPUTY COMMISSIONER LONGAN explained that DGGS works with government partners, experts in industry, and the public to understand where the private sector might be interested in conducting exploration programs. She offered DGGS's work on the Nanushuk Formation as one example, as it interested private sector teams in where to go. She explained that division's technical work helped these companies know where to locate specific minerals and may lead to successful drilling for oil and gas wells. It is an ongoing collaborative and effort, she concluded, and DGGS focuses its efforts on those interests brought to its attention.

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COMMISSIONER FEIGE added Deputy Commissioner Longan's response, stating that on the mining side, DNR works closely with the United States Geologic Survey (USGS). She explained that certain areas of the state are prospective for certain metal groups. In working with the USGS through programs like Earth Mapping Resource Initiative (MRI), the state can leverage federal and state funds towards mapping areas of resource potential. The division is then able to make that data available to private sector.

REPRESENTATIVE HOPKINS asked if that meant the department received interest along the Denali Highway, the Tok River, and the Mount Fairplay areas already.

COMMISSIONER FEIGE responded by confirming interest in these areas. She noted that the Mount Fairplay area is known for its rare earth element potential, and the Denali Highway is known for platinum group elements in addition to other critical

minerals. This is particularly important when it comes to targeting, she explained, because then state and industry geologists can develop the geologic map level of data.

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DEPUTY COMMISSIONER LONGAN then moved to slide 8, which read as follows [original punctuation provided]:

#### Engineering Geology

- Continued ASTAR sand and gravel resource analysis of western NPRA in support of community roads
- Responded to landslide events in Barry Arm and Haines
- Published erosion maps for more than 40 west coast communities.

#### Geologic Information

- Published 87 new geologic maps and reports, including 2,015 square miles of new geologic mapping
- Served 1.04 million data and publication files from the division's website totaling more than 32 terabytes of information

#### Volcanology

- Upgraded volcano monitoring instruments at 142 sites on 12 volcanoes
- Expanded and increased digital data telemetry capability at 2 receive facilities and 5 repeater sites in the Aleutians and the Alaska Peninsula
- Published 386 notices of volcanic activity describing daily observations of unrest at 8 volcanoes

#### Geologic Materials

- Negotiated agreement to receive >38,000 boxes of oil and gas cores from a major Alaska producer
- Reduced visitation due to COVID-19 allowed re-organization of materials

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DEPUTY COMMISSIONER LONGAN then moved to slide 9, entitled "Geological & Geophysical Surveys: Planned for 2021," which read as follows [original punctuation provided]:

#### Resource Development

- Fly three Earth MRI-funded airborne geophysical surveys in the Eastern Interior
- Complete ~2,440 sq. mi. of geologic mapping in the Eastern Interior
- Map ~750 sq. mi in the central North Slope focusing on Brookian geology
- Collaborate with the U.S.G.S. to drill two core holes in the North Slope foothills
- Publish major reports on the reservoir quality and potential of the Nanushuk Formation in NPR-A
- Conduct the first modern lake volume assessment of lakes in the 1002 Area of the ANWR

#### Hazards and Public Safety

- Continue upgrading volcano monitoring instruments on high threat volcanoes
- Publish tsunami inundation reports and present to communities
- Publish the first regional avalanche hazard maps for southeast and south-central Alaska.
- Establish a landslide hazards program in DGGS
- New federally funded project to boost resilience in communities facing flood and erosion hazards

#### Data Delivery

- Establish web services for statewide imagery data
- Increase data accessibility e.g., provide web services for stream sediment analyses in Eastern Interior
- Publish new bedrock geology maps for the Styx River and Eastern Tanacross areas

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REPRESENTATIVE FIELDS noted that he is interested in learning about the upcoming avalanche hazard maps, for Anchorage in particular. He did not need a response at this time.

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DEPUTY COMMISSIONER GOODRUM began the next set of slides focused on the Division of Mining, Land & Water, led by Marty Parsons. Slide 10 read as follows [original punctuation provided]:

Mission: Provides for the appropriate use and management of Alaska's state-owned land and water,

aiming towards maximum use consistent with the public interest.

- The Division of Mining, Land & Water (DMLW) manages more than 160 million acres - a land base comparable in size to California and most of Oregon combined.
- DMLW supports core missions of the Department including acquiring and disposing of land and resources; providing use of and access to state lands for the public; fostering responsible development of lands; managing resource data; and protecting the State's natural resource assets consistent with the public interest.

DEPUTY COMMISSIONER GOODRUM next moved onto slide 11, sub-headed "In FY2020," which read as follows [original punctuation provided]:

- Generated \$30.7M in revenues to the state through authorizations for use of state lands and waters, royalty payments, and land sales
- A total of 3,177.85 acres of municipal entitlement land was conveyed to 5 different Boroughs
- Brought in 25,087 acres of statehood entitlement lands
- Sold 194 parcels of land, totaling approximately 2,374 acres of land
- Generated \$5.6M in revenue from land sales for the Land Income Disposal Fund
- Issued the Public Review Draft of the North Slope Area Plan, a plan covering approximately 12.5 million acres of land, for an area that has never before had a regional plan developed
- With the assistance of the Alaska Army National Guard, Bus 142, made famous from the book and movie "Into the Wild," was removed from the spot where it was abandoned off the Stampede Trail near Healy, Alaska
- Entered into a formal long-term curation Memorandum of Understanding with University of Alaska Museum of the North in Fairbanks to begin the restoration and conservation of this fascinating piece of Alaska history

DEPUTY GOODRUM continued onto slide 12 which outlined more of the division's 2020 accomplishments. He noted that recreation opportunities, broadband, and mining authorizations are just a

few of the authorizations the division is responsible for. He also explained that under the emergency declaration the division was able to suspend various fees by request to better assist Alaskans hardest hit by the COVID-19 pandemic. He concluded by adding that the division is responsible for authorizations in the aquatic farming industry and on the North Slope.

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REPRESENTATIVE RAUSCHER asked how the division monitored the number of users in the Kenny and Patti Barber Shooting Range.

DEPUTY COMMISSIONER GOODRUM replied that personnel work out of the area, and there are means of monitoring who enters the shooting range, and those methods are used to count usage.

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REPRESENTATIVE HANNAN asked about the aquatic farm leasing program backlog and how many pending applications are left.

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MARTY PARSONS, Director, Division of Mining, Land, and Water, Department of Natural Resources, answered that there are currently 45 applications.

REPRESENTATIVE HANNAN followed up asking how old the earliest of the applications is. She noted that there was a substantial backlog and wanted to know if some applications were still three years pending.

MR. PARSONS responded that there are still a few applications dating back to 2017.

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REPRESENTATIVE MCKAY asked to clarify a number from slide 12, if \$501.4 million was suspended.

DEPUTY COMMISSIONER GOODRUM responded that the number was \$501,400. He clarified that was thousands, not millions.

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REPRESENTATIVE RAUSCHER asked how far away Alaska is from opening a seventh large mine.

DEPUTY COMMISSIONER GOODRUM responded that there are many smaller mines that the state almost considers to be the equivalent of a large mine. He pointed out that the Donlin Gold Project successfully made its way through the federal permitting process, along with the Ambler Road Project. He explained that permitting of large mines takes a considerable amount of time. He also noted that in active mining locations there has been expansion of activities. However, he finished, he could not give an exact time frame.

REPRESENTATIVE RAUSCHER thanked Deputy Commissioner Goodrum for his explanation and asked to meet at a future time to discuss this.

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DEPUTY COMMISSIONER LONGAN began the next section of slides about the Division of Oil & Gas. She presented slide 13 which read as follows [original punctuation provided]:

Mission: Manage lands for oil, gas & geothermal exploration and development in a fair and transparent manner to maximize prudent use of resources for the greatest benefit of all Alaskans; facilitates safe & environmentally conscious operation & maintenance of common carrier pipelines.

In FY2020

- Verified and receipted \$1.0 billion in royalty, net profit share lease revenues, rents, bonus bids, unit actions, and federal payments
- Held five area-wide lease sales resulting in \$7.7M in bonus bids and more than 150,000 acres leased
- Collected \$20.5 million in lease rentals on 1,548 leases
- Issued six net profit share lease audits and one state royalty audit, collecting \$7.5 million including interest
- Expanded the boundary of the Cook Inlet sale area to include an additional 169,000 acres of leasable tracts on and around the Iniskin Peninsula
- Continued releasing seismic and well datasets for oil and gas exploration projects that received tax credits under AS 43.55.025 through the Alaska Geologic Materials Center, with fee structure covering DNR's admin costs

DEPUTY COMMISSIONER LONGAN continued to present slide 14 which read as follows [original punctuation provided]:

In FY2020

- Reviewed and approved four new unit applications: Alkaid Unit, Talitha Unit, Seaview Unit, and West Harrison Bay Unit.
- Implemented online lease bidding system and successfully held its first online lease sale event.
- Administered approximately 2,000 leases and licenses, covering nearly 4.2 million acres.
- Issued 110 permits and amendments to authorize surface activities for exploration and development on State land
- Negotiated two new financial assurance agreements and amended four major financial assurance agreements with North Slope and Cook Inlet lessees to ensure dismantlement, removal, and restoration occur on the State's leased land.
- Published the final Best Interest Findings for the Beaufort Sea Areawide, the Supplement to the Cook Inlet Areawide and the preliminary finding for the Gulf of Alaska Exploration License.
- Evaluated and interpreted data for the Public 2D Seismic Data, Northern Gulf of Alaska, Katalla Area project to identify structures and potential reservoir traps.

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DEPUTY COMMISSIONER LONGAN continued onto slide 15, "BP & Hilcorp Transaction" which read as follows [original punctuation provided]:

- \$5.6B of upstream and midstream interest sale announced on August 27, 2019.
- On June 29, 2020, the commissioners of Alaska's Department of Natural Resources (DNR) and Department of Environmental Conservation approved the transfer of BP's oil and gas leases to Hilcorp as part of the \$5.6 billion sale.
- On September 21, 2020, the midstream was completed. It was determined Harvest Alaska was fit, willing, and able to take on the respective responsibilities and

obligations for TAPS, Milne Pipelines, PTEP, and Badami Pipelines.

- DNR economists analyzed Hilcorp's economic models for the acquisition on the upstream and the midstream sides of the deal. The National Economic Research Association also did its own analysis of the upstream.
- Negotiated financial assurance agreements to adequately protect the State for Hilcorp and Harvest's respective upstream and midstream dismantlement, removal, and restoration (DR&R) obligations.
- Negotiated separate agreements with BP Corporation North America and BP Pipelines (Alaska) Inc for their respective secondary liability of upstream and midstream DR&R obligations.

DEPUTY COMMISSIONER LONGAN further noted that all the information from all the public meetings is available on the Division of Oil & Gas's website.

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DEPUTY COMMISSIONER LONGAN next introduced the Office of Project Management & Permitting (OPMP) which is led by Director Kyle Moselle in Juneau. She directed attention to slide 16 which read as follows [original punctuation provided]:

Mission: Coordinate multi-agency regulatory reviews and authorizations, while collaboratively engaging federal agencies on land use planning and policy initiatives to maintain and enhance the state's economy, quality of life, and maximize the value of Alaska's vast natural resources.

The Office of Project Management & Permitting (OPMP) supports private industry, regulators, and the general public by coordinating multi-agency project reviews to secure consistent, defensible, transparent, and timely permit decisions.

This model is unique to Alaska and offers a level of assurance to the public and companies investing in Alaska that permit reviews are robust and transparent.

DEPUTY COMMISSIONER LONGAN next presented slide 17. She explained that OPMP coordinates many of Alaska's largest projects, including oil & gas, mining, and transportation. She also noted OPMP's contribution to the Large Mine Permitting Team (LMPT), comprised of regulators from multiple state agencies, is

responsible for coordinating the permitting compliance of all active mines in Alaska. She next referred to the list on the slide of federal actions that OPMP had coordinated, noting that OPMP serves as a unified voice representing many state agencies. She offered the Coastal Plain Oil & Gas Leasing Program, the National Petroleum Reserve in Alaska (NPR-A) Integrated Activity Plan, and the Central Yukon Resource Management Plan as examples of what OPMP has coordinated. Deputy Commissioner Longan also pointed out that many of the federal projects OPMP engages in are multi-year endeavors. She continued that OPMP has been responsible for community outreach on the Arctic Strategic Transportation and Resources (ASTAR) project, working closely with the North Slope Borough and its communities.

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DEPUTY COMMISSIONER GOODRUM clarified an earlier question from Representative Rauscher about timelines to open a new mine. The project, he explained, has scheduled five years of construction prior to start up, and the Golden Peak Tetlin Project by Kinross Gold Corp. anticipates a start-up sometime in 2024-2025.

DEPUTY COMMISSIONER GOODRUM then continued to an overview of the Division of Parks & Outdoor Recreation, led by director Ricky Gease, on slide 18. He began with the division's mission, stating that it "provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historical resources for the use, enjoyment, and welfare of the people." He noted that the division operates the largest state park system in the United States, and prioritizes public protection, economic development, education, and resource management by providing access to Alaska's world class outdoor recreation.

DEPUTY COMMISSIONER GOODRUM explained that park facilities provided health, wellness, refuge, and relief from the isolation of the "Hunker Down" orders. Without tourists, he opined, Alaskans were able to rediscover what makes Alaska beautiful and unique. He informed the committee that during the pandemic, state park use increased in Alaska by 20 percent, almost exclusively all Alaskan users. The division launched an improved reservation system, issued permits and recreational grants, installed additional electronic fee stations, thus reducing additional money handling in the COVID-19 environment. Park rangers assisted in over 60 search and rescue missions, and the boating safety class taught safety lessons virtually. Last, he concluded, the State Historic Preservation Office reviewed

over 2,000 projects and signed 14 major project related agreements.

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REPRESENTATIVE RAUSCHER asked about a boat launch in the Gulkana area, stating that there was a trade for some land, and a boat launch was in question. He asked for clarification on any agreement that may have transpired.

MR. GOODRUM offered his understanding that the Department of Transportation & Public Facilities (DOTPF) once acquired land that had belonged to the Eklutna village, and those lands were later returned as part of a right-of-way that existed some time ago. His understanding is that the boat launch area is still in its current location. He believes there is some anticipated work to help improve access, but those lands have been returned to the Eklutna people.

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REPRESENTATIVE HANNAN asked how many additional electronic fee stations are still on the list to add and how close the division is to completing that to-do list.

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RICKY GEASE, Director, Division of Parks and Outdoor Recreation, Department of Natural Resources, responded that the division is about half-way through efforts to put electronic fee stations in places such as boat launches and parking areas, as it is important to remove cash handling and remove opportunities for theft. These programs for the electronic fee stations are either funded through capital budgets or with additional revenues through general fund designated program receipts (GFPR) monies. The division makes investments as they have opportunities, he explained.

REPRESENTATIVE HANNAN said that sounds great.

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REPRESENTATIVE FIELDS complimented the Division of Parks and Outdoor Recreation on a great job keeping the parks open and giving individuals a chance to socialize safely outside during the pandemic. He stated that use in Anchorage was overwhelming.

He then asked how many cabins in the state park system the division was planning to build in the future.

MR. GEASE replied there are opportunities probably for about 30-40 more. Those are opportunity based through GFPR funds or grants such as the Land Water Conservation Fund and the Recreational Trails programs. The division tries to match those funds with available funds with the legislature through capital improvement projects, he explained.

REPRESENTATIVE FIELDS thanked Mr. Gease for his response. He then inquired about trail access equality for lower income citizens and families who cannot afford user fees.

MR. GEASE replied that the parks have free days including the day after Thanksgiving. He also noted the Kids in the Park Program. He further assured the committee that the division is aware of the disparities and tries to provide opportunities for all users in Alaska. He also noted that there are free campground passes for disabled veterans nationwide.

REPRESENTATIVE FIELDS further pressed that there may be families below a certain income threshold who cannot afford park use. He asked if a low-income exemption or discount could help more members of the public enjoy state parks without having a large negative impact on revenue.

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REPRESENTATIVE GILLHAM noted that the slide said the division issued 412 commercial permits in 2020, and that seemed low for the state. He also asked for information regarding the 259 special permits.

MR. GEASE explained that during a typical year the state issues 600-700 commercial use permits, and that is about a one-third dip on commercial use permits. He attributed this to the absence of cruise ship traffic last season and the lack of out-of-state travelers due to the COVID-19 pandemic. The division anticipates similar numbers in 2021 but expects those numbers to go back up as the travel industry recovers.

MR. GEASE said that special use permits cover a wide variety of events and activities, such as group events, special use days, and firewood harvesting. Many things need special use permits, he explained, and those are usually done through the regional headquarter offices.

[2:04:11 PM](#)

DEPUTY COMMISSIONER GOODRUM directed attention to slide 19, "Support Service Division" which read as follows [original punctuation provided]:

Mission: Provide client-focused, efficient, and cost-effective financial, budget, procurement, human resource, information technology and recording services to the Department of Natural Resources and the public.

- Successfully served our customers during the pandemic by creating and improving processes.
- Recorders Office increased eRecording's and retained services levels with an overall increase in revenue.

Numbers by Fiscal Year:

- FY2019 - \$4,503,083
- FY2020 - \$5,438,244
- FY2021 - \$3,579,484 (1/2 way through year)

- Continue to work with DOA to consolidate procurement and human resources to ensure a smooth and stable transition that will bring standardized processes across all agencies.

[2:05:17 PM](#)

DEPUTY COMMISSIONER LONGAN introduced slide 20, "Trust Land Office," which read as follows [original punctuation provided]:

Mission: Protect and enhance the value of Alaska Mental Health Trust Lands, including minerals, coal, oil and gas, timber and real estate, while maximizing revenue from those lands over time to support mental health services.

Generating revenue for the Alaska Mental Health Trust to improve lives of its beneficiaries

- Generated \$11.5 M to fund programs for ~85,000 Alaska Mental Health Trust beneficiaries
- Completed sale of 3-acre Juneau Support parcel for \$20 million (included in FY21)

- Completed Phase 2A of the USFS/Trust land exchange and sold timber from those lands
- Viking Lumber harvested 13.4 mmbf of timber at Naukati generating \$1.8 million in FY20
- Sealaska completed the Icy Cape timber harvest in FY20 generating \$3.7 million from the sale

DEPUTY COMMISSIONER LONGAN continued discussing the Trust Land Office with slide 21, which read as follows [original punctuation provided]:

#### Initiatives

- Created new online commercial leasing program
- Created new exclusive access permit program for professional hunting guides
- Created new online general permit for certain uses of Trust land

#### Coming in FY2021

- Finish Phase 2B of the USFS Land Exchange
- Further Exploration of Icy Cape Mineral Project

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DEPUTY COMMISSIONER LONGAN finished the presentation with slide 22, "Commissioner's Office," which read as follows [original punctuation provided]:

- Reducing backlog of administrative appeals - adjudicated 52 in 2019.
- Actively promoting Alaska resources to global investors.
- Enhanced federal engagements to further assertion of state's authority over submerged lands and RS2477 protection.
- Working effectively with other resource agencies to ensure protection of State's rights and assertion of rights under ANILCA

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REPRESENTATIVE RAUSCHER asked if there are any state lands adjacent to electric utility rights of way and how vegetation on those lands is managed between utilities and the state of Alaska.

COMMISSIONER FEIGE responded that she assumes his concern regards the clearing of potential hazard trees that can fall on powerlines and cause wildfires. She offered her understanding that local utilities are responsible for clearing hazard trees and other vegetation that may pose a wildland fire hazard. In 2019, especially in the Matanuska-Susitna (Mat-Su) Valley where there is a large, standing dead spruce beetle kill population of trees, DNR worked with the Matanuska Electrical Association (MEA) to contract private landowners if something could pose a fire hazard. This land is then cleared by the Division of Forestry. This is part of the governor's bond package. The department is establishing a fire fuel mitigation program, which is in direct response to the 2019 fire year. During 2019, she said, fuel breaks were important for stopping the progress of major fires. The department is actively setting up a very large program and is working to determine areas in the state where it needs to establish fire fuel breaks in order to guard the urban/wildland interface.

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COMMISSIONER FEIGE, in response to a follow up question from Representative Rauscher, replied that [the Division of Agriculture] has been working very hard and has made food security the number one priority during the COVID-19 crisis. Just in the past week the division has received 2,600 applications for microgrants. Many of these are for establishing things like community gardens and expansion of neighborhood or private gardens, specifically for the purpose of food security. She concluded that DOA and the Division of Agriculture would be happy to return to present these projects to the committee.

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REPRESENTATIVE HOPKINS thanked the commissioner for mentioning the \$20 million in the bond package for fire breaks and mitigations. He noted that another \$10 million had been allocated for fire prevention in addition to fire suppression. He then said he would like the Division of Forestry to discuss what this will look like with the committee when they have an opportunity to present later in the session.

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REPRESENTATIVE CRONK explained that firefighting was once a big source of income in his district. He opined that he does not

think village fire crews are being used to their maximum benefit and commented that instead money is being spent on [out of state fire] crews. He would like to reverse that trend and return a fire academy to Tok, where he believes one was once very successful. He asked who he needs to work with to accomplish this, stressing the need to focus on getting villagers back to work.

COMMISSIONER FEIGE said she would connect Representative Cronk with the Division of Forestry and explained that changes at the federal level have directly impacted Alaska's ability to utilize the crews from remote communities. She stated that DNR agrees that putting those crews back to work is crucial and would work with him to reestablish that program.

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REPRESENTATIVE HANNAN stated that the Division of Mining, Land & Water has a set of regulations about public water use permitting out for public comment that has "started to rattle" some of her constituents. She wondered how the regulations may affect many communities that use local water sources but have never put in an application, because they always presumed that they had the right of use.

COMMISSIONER FEIGE explained that those regulations are still out for public comment, and therefore she cannot respond in detail at this time. However, she assured Representative Hannan that it is not the department's intent to make this harder for water users, and that the public comment period is meant to be a clarification of process. She reiterated the importance of public comment, asking Representative Hannan to encourage her constituents to testify. Commissioner Feige then assured Representative Hannan she would be happy to sit down to discuss this in greater detail after the public comment phase has concluded.

REPRESENTATIVE HANNAN asked this regulation proposal package intercepts with the Alaska Department of Fish and Game (ADFG) and the Department of Environmental Conservation (DEC), and if those departments were part of the same public comment process.

COMMISSIONER FEIGE said DNR is working with those two agencies, and both ADFG and DEC are taking part in the same process.

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REPRESENTATIVE SCHRAGE asked about the third bullet point on slide 12, which noted record high numbers for active applications for different types of mining. He wondered what is driving record high numbers.

COMMISSIONER FEIGE responded that the numbers are reflective of several different factors. First, she noted, there are high commodity prices presently. She also mentioned new policy initiatives from the federal government in the last few years [that are] relative to divesting the United States from a public and national security perspective and away from sourcing minerals from adversarial nations. Plus, she added, there has been tremendous exploration success. Moreover, she concluded, Alaska is highly ranked globally as a mineral investment and mining friendly province.

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REPRESENTATIVE CRONK asked what the legislature can do to help speed up developing a mine. He noted his excitement about the Tetlin-Kinross partnership as this will produce jobs in his district and give students a focus on education to help fill those jobs.

COMMISSIONER FEIGE explained that mining permitting is "authorization heavy." The National Environmental Policy Act (NEPA) review is a large part of that. She explained that mining has a larger footprint than oil and gas development and there are [considerations for] water use, which leads to much more required environmental documentation. One way the legislature and House Resource Standing Committee can help is to message the federal government that having a streamlined the NEPA process that is robust, transparent, predictable, and is not prone to "being taken off on a side tangent." Within the state, exploration and mapping can be increased with more funding.

COMMISSIONER FEIGE circled back to her answer to Representative Schrage's question, noting that she referenced the Fraser Report regarding Alaska's standing as global powerhouse in mineral exploration and development.

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CHAIR PATKOTAK thanked Commissioner Feige and offered a synopsis of follow-ups the committee expects to see from the department regarding topics discussed in the meeting.

2:27:14 PM

**ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:27 p.m.