

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

February 8, 2023

1:29 p.m.

**MEMBERS PRESENT**

Representative Tom McKay, Chair  
Representative George Rauscher, Vice Chair  
Representative Kevin McCabe  
Representative Dan Saddler  
Representative Stanley Wright  
Representative Jennie Armstrong  
Representative Donna Mears  
Representative Maxine Dibert

**MEMBERS ABSENT**

Representative Josiah Patkotak

**COMMITTEE CALENDAR**

OVERVIEW(S): ALASKA PERMITTING PROCESS

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

ASHLEE ADOKO, Acting Executive Director  
Office of Project Management & Permitting  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Participated in the overview of Alaska's permitting process.

JOHN CROWTHER, Deputy Commissioner  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Participated in the overview of Alaska's permitting process.

**ACTION NARRATIVE**

[1:29:41 PM](#)

**CHAIR TOM MCKAY** called the House Resources Standing Committee meeting to order at 1:29 p.m. Representatives Rauscher, McCabe, Saddler, Wright, Armstrong, Mears, Dibert, and McKay were present at the call to order.

**OVERVIEW(S): ALASKA PERMITTING PROCESS**

[1:30:45 PM](#)

CHAIR MCKAY announced that the only order of business would be the Alaska Permitting Process Overview.

[1:32:23 PM](#)

ASHLEE ADOKO, Acting Executive Director, Office of Project Management & Permitting (OPMP), Department of Natural Resources (DNR), began the Alaska Permitting Process overview via PowerPoint [hardcopy included in the committee packet]. Following the introduction on slide 1, she showed slides 2-3, which gave examples of mines in Alaska currently operating under some form of permitting from DNR. Slides 4 and 5 gave an example of an onshore and offshore oil and gas development that are operating under a lease permitted by DNR. She moved to slide 6, which described how a proposed project or development's required authorizations are to be determined, and on to slide 7, which explained the different levels of project resource management authority in Alaska.

[1:37:13 PM](#)

REPRESENTATIVE RAUSCHER asked whether the Office of History & Archaeology could stop or delay a project.

JOHN CROWTHER, Deputy Commissioner, Department of Natural Resources, answered that the Office of History & Archaeology (OHA) and the [federal] State Historic Preservation Office (SHPO) fulfill both the state and federal role of protecting historic properties and cultural artifacts. In response to a follow-up question, he confirmed that DNR does work with the Department of Transportation & Public Facilities (DOT&PF) on a variety of public projects and emphasized that compliance and cooperation with OHA and SHPO is required by law.

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REPRESENTATIVE RAUSCHER asked what projects are being impacted by the SHPO.

MR. CROWTHER offered to provide further information after the meeting.

[1:41:01 PM](#)

REPRESENTATIVE SADDLER asked why the Municipality of Anchorage doesn't have local land management authority.

MS. ADOKO answered that the list he is referencing is an incomplete list and said that the Municipality of Anchorage has local land management authority.

REPRESENTATIVE MCCABE asked what OHA and SHPO define as a cultural or historical artifact.

[1:42:19 PM](#)

MR. CROWTHER responded that DNR would do a work-up about existing regulations and guidance surrounding OHA and SHPO.

REPRESENTATIVE RAUSCHER asked how much money it costs the state to chase artifacts.

MR. CROWTHER answered that DNR would follow up with more information following the committee meeting.

[1:44:02 PM](#)

CHAIR MCKAY requested a further meeting on the topic of archaeology.

MS. ADOKO resumed the overview on slide 12, which gave a general list of major state, federal, and local agencies that would take part in a project's planning. She moved to slide 13, which explained the potential required authorizations that a project might have to receive before it may move forward.

[1:45:50 PM](#)

CHAIR MCKAY asked why the Willow Project was delayed.

MR. CROWTHER explained that the proposed Willow Project is in the National Petroleum Reserve of Alaska (NPR-A) and said that its initial environmental impact statement (EIS) required a supplemental EIS due to local community concerns. He emphasized that the project is "in its final days of initiation" and said

that DNR is expecting to see a decision made in the coming weeks.

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REPRESENTATIVE SADDLER asked what the term "authorization and regulatory oversight" meant.

MS. ADOKO answered that an authorization is the document that allows the entity to proceed with the activities described in said document.

REPRESENTATIVE MCCABE asked how current regulation and requirements of authorization came to be law.

MR. CROWTHER replied that state statutes are created by the legislature and enacted by the departments with which the legislature interacts.

REPRESENTATIVE MCCABE asked what the basis for the amount of regulation in Alaska is.

MR. CROWTHER explained the obligations that the Alaska State Constitution outlines and described how those obligations influence regulatory evolution and growth.

[1:54:55 PM](#)

REPRESENTATIVE RAUSCHER asked if it would be plausible to create legislation to go around federal regulation.

MR. CROWTHER replied that there has been an effort by DNR to address the problem of duplicity between state and federal statutes.

CHAIR MCKAY explained a brief history of federal regulations that have affected the development of Alaska's resources.

[1:58:43 PM](#)

MS. ADOKO continued the overview on slides 15-16, which displayed a map of the Fort Knox mine in Alaska and gave an overview of its history of authorizations and permits.

REPRESENTATIVE MCCABE asked what the current statutory structure is as it relates to the Alaska Railroad Corporation's (ARRC's) right-of-way entitlement.

MR. CROWTHER answered that DNR doesn't control the ARRC's land.

MS. ADOKO continued through slide 20, which detailed a number of funding sources DNR may utilize for certain projects, and slide 21, which gave background to the steps an entity wishing to acquire an authorization must take in order to obtain one.

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MS. ADOKO moved to slide 22, which described timeline and situational challenges faced by developments in Alaska.

[2:06:51 PM](#)

MR. CROWTHER gave specific explanation for each mine mentioned in the overview and explained their permitting process. He touched on the Pikka and Willow projects and their expected development timelines and explained that their parent companies are actively involved with DNR to advance their permitting process.

MS. ADOKO, in response to Representative Dibert, gave the committee an update on the status of the Manh Choh project.

REPRESENTATIVE SADDLER asked whether the permitting process might take away time with which the company could be developing the resources under its lease.

MR. CROWTHER confirmed that the permitting process might detract from a project's lease time.

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MS. ADOKO resumed the overview on slide 25, which gave an overview of timelines set in law by federal grants and gave a list of certain federal grants in which this set timeline law applies.

REPRESENTATIVE RAUSCHER asked whether the state or federal government has more authority in how the National Historic Preservation Act (NHPA) is applied to projects.

MR. CROWTHER, in response, described how the federal and state governments interact with and enforce NHPA as it relates to resource development projects.

[2:17:00 PM](#)

CHAIR MCKAY asked whether the State of Alaska is trying to remove the primacy clause of Section 404 of the Clean Water Act.

MR. CROWTHER answered that Alaska is actively trying to change who has the authority to make decisions under Section 404 of the Act.

MS. ADOKO continued through slides 26-28. Slide 26 described the National Environmental Policy Act (NEPA) and NHPA and explained how they interact with both state and federal agencies in relation to a resource development project. Slide 27 explained the different levels of review that a project might face under NEPA laws and slide 28 gave an overview of the multitude of challenges that a project might face under NEPA or NHPA.

[2:21:19 PM](#)

MR. CROWTHER skipped to slide 31, which described how DNR is making efforts to streamline the permitting/authorization process for resource development projects in Alaska. He gave specific examples of certain advances in that effort.

REPRESENTATIVE SADDLER asked why a large resource development project would not want to utilize the services of [OPMP].

MR. CROWTHER explained the services that OPMP provides and the resources it uses within the agency to provide services.

REPRESENTATIVE RAUSCHER asked why the permitting process for a gravel extraction operation takes as long as it currently does.

MR. CROWTHER answered that he would follow-up with Representative Rauscher with that information later.

[2:25:51 PM](#)

REPRESENTATIVE DIBERT asked for an online list of agencies with which DNR collaborates.

MS. ADOKO replied by giving a directory on the DNR website to reach a list of projects that DNR is involved with and explained where within that directory Representative Dibert may find the list of agencies that the DNR works with in relation to resource development projects.

2:29:26 PM

**ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:29 p.m.