

ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE

March 20, 2023

1:03 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Josiah Patkotak

COMMITTEE CALENDAR

CONFIRMATION HEARING(S)

Big Game Commercial Services Board

Larry Kunder - Anchorage

- CONFIRMATION(S) ADVANCED

HOUSE JOINT RESOLUTION NO. 11

Urging the United States Environmental Protection Agency to develop a woodstove certification program that addresses the threat to clean and healthy winter air in Fairbanks; and urging the state Department of Environmental Conservation to develop an economically and legally defensible state implementation plan for the Fairbanks North Star Borough nonattainment area.

- MOVED HJR 11 OUT OF COMMITTEE

HOUSE BILL NO. 103

"An Act extending the termination date of the Alaska Minerals Commission."

- MOVED HB 103 OUT OF COMMITTEE

HOUSE BILL NO. 104

"An Act relating to expedited timber sales."

- HEARD & HELD

CONFIRMATION HEARING(S)

Alaska Oil and Gas Conservation Commission

Brett Huber - Anchorage

- CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: HJR 11

SHORT TITLE: ADDRESS AIR POLLUTION IN FAIRBANKS

SPONSOR(S): REPRESENTATIVE(S) STAPP

03/08/23	(H)	READ THE FIRST TIME - REFERRALS
03/08/23	(H)	RES
03/20/23	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 103

SHORT TITLE: EXTEND ALASKA MINERALS COMMISSION

SPONSOR(S): REPRESENTATIVE(S) CRONK

03/08/23	(H)	READ THE FIRST TIME - REFERRALS
03/08/23	(H)	RES
03/20/23	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 104

SHORT TITLE: EXPEDITED TIMBER SALES

SPONSOR(S): REPRESENTATIVE(S) CRONK

03/08/23	(H)	READ THE FIRST TIME - REFERRALS
03/08/23	(H)	RES
03/20/23	(H)	RES AT 1:00 PM BARNES 124

WITNESS REGISTER

LARRY KUNDER, Appointee
Big Game Commercial Services Board
Anchorage, Alaska

POSITION STATEMENT: Testified as appointee to the Big Game Commercial Services Board.

REPRESENTATIVE WILL STAPP

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HJR 11.

CLIFTON COGHILL, Staff
Representative Will Stapp
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HJR 11 on behalf of Representative Will Stapp, prime sponsor.

NICK CZARNECKI
Air Quality Engineer
Department of Environmental Conservation
Fairbanks, Alaska

POSITION STATEMENT: Answered questions during the hearing on HJR 11.

REPRESENTATIVE MIKE CRONK
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 103; as prime sponsor, introduced HB 104.

DAVE STANCLIFF, Staff
Representative Mike Cronk
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 103 and the hearing on HB 104 on behalf of Representative Cronk, prime sponsor of both.

BRONK JORGENSEN, representing self
40 Mile Mining District
Tok, Alaska

POSITION STATEMENT: Testified in support of HB 103.

BRETT HUBER, Appointee
Alaska Oil and Gas Conservation Commission
Anchorage, Alaska

POSITION STATEMENT: Testified as appointee to the Alaska Oil and Gas Conservation Commission.

ACTION NARRATIVE

[1:03:41 PM](#)

CHAIR TOM MCKAY called the House Resources Standing Committee meeting to order at 1:03 p.m. Representatives McCabe, Saddler, Wright, Armstrong (via teleconference), Mears, Dibert, Rauscher (via teleconference), and McKay were present at the call to order.

CONFIRMATION HEARING(S)
Big Game Commercial Services Board

[1:05:10 PM](#)

CHAIR MCKAY announced that the first order of business would be the confirmation hearing on the governor's appointee to the Big Game Commercial Services Board.

[1:05:45 PM](#)

LARRY KUNDER, Appointee, Big Game Commercial Services Board, explained that his interest in being on the board stemmed from a fellow board member who approached him, and he said he wanted to be on the board to serve the public. He added it would be a good way to give back and participate any way he could with the resources in Alaska.

CHAIR MCKAY asked Mr. Kunder about his experience in the area of big game that relates to his qualifications.

MR. KUNDER replied that he started hunting at the age of 13 in Georgia and hunted in many different areas since then. In addition, he relayed several conservation groups and boards that he had been on. He said he also fished all over Alaska and that he would like to see it stay in the capacity that it is in.

CHAIR MCKAY asked Mr. Kunder what he hoped to achieve in his tenure as a board member and how many years he would be serving.

MR. KUNDER said he hoped to gain further knowledge as to how the system actually works and what can be done to better it. He said he enjoyed his time on the board as it is now and wished to gain more knowledge in relation to assisting with the board and its endeavors.

[1:09:22 PM](#)

REPRESENTATIVE SADDLER asked Mr. Kunder when he was appointed and about his participation in meetings.

MR. KUNDER replied that he was appointed last year, and he had participated in three of the meetings so far.

REPRESENTATIVE SADDLER asked Mr. Kunder what kinds of issues he had dealt with and how he foresaw his role on the board with an additional term.

MR. KUNDER related that he had seen violations on both sides from the public and the guides, how both fish and game and troopers have handled it, and how it came through the board to where the guides and transporters have worked together to keep things calm and on track, not swaying to the agenda. In reference to violations, he stated the board was looking for ways to re-educate the guides and transporters and make sure the public is aware of what they go through to get their certifications.

REPRESENTATIVE SADDLER asked Mr. Kunder what he hoped to accomplish and what his reputation would be at the end of his term.

MR. KUNDER said he would like to move further along, and he stated that he thought people would say he is honest and fair. He expressed that he wanted renewable resources to be there forever and that everyone should be held accountable.

[1:12:39 PM](#)

CHAIR MCKAY moved to advance the confirmation of Larry Kunder, appointee to the Big Game Commercial Services Board, to the joint session for consideration. He reminded the committee that signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointee, and the nominations are merely forwarded to the full legislature for confirmation or rejection.

HJR 11-ADDRESS AIR POLLUTION IN FAIRBANKS

[1:13:30 PM](#)

CHAIR MCKAY announced that the next order of business would be HOUSE JOINT RESOLUTION NO. 11, Urging the United States Environmental Protection Agency to develop a woodstove certification program that addresses the threat to clean and healthy winter air in Fairbanks; and urging the state Department of Environmental Conservation to develop an economically and

legally defensible state implementation plan for the Fairbanks North Star Borough nonattainment area.

1:14:03 PM

REPRESENTATIVE WILL STAPP, Alaska State Legislature, as prime sponsor, presented HJR 11. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

"Urging the Department of Environmental Conservation to develop an economically and legally defeasible state implementation plan for Fairbanks North Star Borough nonattainment area"

In May 2017, the United States Environmental Protection Agency reclassified the Fairbanks North Star Borough nonattainment area from moderate to serious for particulate matter 2.5 (PM2.5). The Environmental Protection Agency seems intent on turning attentions toward so-called greener sources of heat, including electric heat pumps that will not work as solutions in the Fairbanks North Star Borough

HJR 11 urges the United States Environmental Protection Agency to develop a woodstove certification program that the state, Department of Environmental Conservation and residents of the Fairbanks North Star Borough nonattainment area can rely on and acknowledges the unique challenges Alaskans face in economically and technically feasible and is legally defensible.

REPRESENTATIVE STAPP added a brief history of how the proposed legislation was conceived.

1:17:52 PM

REPRESENTATIVE STAPP described the issue of air quality in Fairbanks specifically. Rejecting the climate mitigation program effectively creates undue hardships on the community, he said, and the U.S. Environmental Protection Agency (EPA) related that they could not use the wood stoves they previously authorized them to use. He added that many changes would be required, and if these types of implementations move forward, it would result in a crushing effect on the town [Fairbanks,

Alaska] making it economically non-viable to live in, he said. He affirmed that HJR 11 would serve to lower air pollution.

[1:20:58 PM](#)

REPRESENTATIVE RAUSCHER asked if HJR 11 will affect the entire state or only Fairbanks.

REPRESENTATIVE STAPP said he could not speak to how the EPA would handle other areas of the state. He further explained that each mitigation strategy is derived within local communities or state departments.

[1:22:12 PM](#)

REPRESENTATIVE SADDLER asked Representative Stapp if he had any estimation of what the cost had been either collectively or individually for the first round of compliance, and how it could affect the second.

REPRESENTATIVE STAPP explained the exponential costs on consumers and what some consumers already pay through their utility costs. He said it had already been difficult for residents to handle financially, but having to meet the standards would make Fairbanks a very unaffordable place to live.

REPRESENTATIVE SADDLER asked about the confidence level and mission of the resolution.

REPRESENTATIVE STAPP replied that Fairbanks had a history of dealing with "these types of situations," and he provided brief examples. He expressed his protectiveness of hi town.

[1:25:04 PM](#)

REPRESENTATIVE MCCABE asked a rhetorical question about how the EPA would penalize Fairbanks if it were out of compliance.

REPRESENATIVE STAPP explained that the EPA would revoke the federal highway dollars that are utilized to ensure the two highways in Fairbanks are maintained.

[1:26:41 PM](#)

REPRESENTATIVE SADDLER asked how far the containment area extends.

REPRESENTATIVE STAPP replied that it extends from Fairbanks to other parts of the North Star Borough and there are maps available on the Department of Environmental Conservation (DEC) website.

[1:27:19 PM](#)

CHAIR MCKAY asked if Eielson [Air Force Base] is considered a non-attainment zone.

CLIFTON COGHILL, Staff, Representative Will Stapp, Alaska State Legislature, on behalf of Representative Stapp, prime sponsor of HJR 11, confirmed that Eielson Air Force Base goes past Salcha, Alaska.

CHAIR MCKAY commented that he did not like the government restricting national security.

[1:28:02 PM](#)

CHAIR MCKAY opened public testimony on HJR 11. After ascertaining that there was no one who wished to testify, he closed public testimony. Immediately after, he learned there was someone who wished to testify, so he re-opened public testimony.

[1:29:12 PM](#)

NICK CZARNECKI, Program Manager, Air Non-Point & Mobile Sources, Division of Air Quality, Department of Environmental Conservation (DEC), explained that he did not have any specific testimony but that he would be available for questions regarding the resolution.

[1:29:40 PM](#)

CHAIR MCKAY, after ascertaining that no one else wished to testify, closed public testimony on HJR 11.

REPRESENTATIVE SADDLER asked Mr. Czarnecki for DEC's perspective of the air quality situation, and if he had any bureaucratic insights.

MR. CZARNECKI replied that Fairbanks had been making some good progress, and he reiterated that this is a wood smoke issue and EPA has provided DEC with a "broken tool" to fix the problem and

then penalized them by taking away federal highway funds as well as imposing other restrictions. From DEC's perspective, he said he believed there is a plan in place to get clean air for the Fairbanks area so it can thrive as a healthy community. He added that it could still be done economically by maintaining the use of wood stoves if they could get EPA to put forth a functioning certification program and approve Alaska's plan as-is without forcing additional controls and mandates to DEC's power sector. In reference to the non-attainment area, Eielson Air Force Base is not in the zone, but Fort Wainwright is, he confirmed.

REPRESENTATIVE SADDLER asked how air quality in Fairbanks is sampled and tested.

MR. CZARNECKI explained that EPA's national certification program for wood stoves is referring to the tests done to certify wood stoves for sale in the U.S. to show that they are clean enough, and he further explained that the tests are flawed and easily manipulated by test labs and manufacturers. The state of Alaska, along with other agencies, found that wood stove manufacturers and test labs have used the leniency in those methods to get stoves certified; they are much dirtier than what the tests say, he stated. He added that EPA is not providing the clean wood stoves that they are supposed to for this non-attainment area.

[1:34:21 PM](#)

REPRESENTATIVE STAPP thanked the committee for its time and asked for support for Fairbanks.

CHAIR MCKAY entertained a motion.

[1:34:52 PM](#)

REPRESENTATIVE MCCABE moved to report HJR 11 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HJR 11 was reported out of the House Resources Standing Committee.

[1:35:18 PM](#)

The committee took an at-ease from 1:35 p.m. to 1:37 p.m.

HB 103-EXTEND ALASKA MINERALS COMMISSION

[1:37:29 PM](#)

CHAIR MCKAY announced that the next order of business would be HOUSE BILL NO. 103, "An Act extending the termination date of the Alaska Minerals Commission."

[1:37:55 PM](#)

REPRESENTATIVE MIKE CRONK, Alaska State Legislature, as prime sponsor, introduced HB 103 by reading the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

HB - 103 is a technical change to statute.

The Mineral Commission's present sunset date is February 2024.

HB - 103 amends that date to February 2034. (A ten-year extension.)

[1:38:26 PM](#)

CHAIR MCKAY asked what duties the Alaska Minerals Commission performs.

DAVE STANCLIFF, Staff, Representative Mike Cronk, Alaska State Legislature, on behalf of Representative Cronk, prime sponsor of HB 103, explained that the Alaska Minerals Commission (AMC) had been around since 1985 and it makes recommendations, files an annual report, and strives to give good advice to policymakers and administration on how best to expand and stimulate the economy through the extraction of minerals. He stated that he had heard nothing but good things about AMC and he added that the commission is not a "huge expense" to the state.

CHAIR MCKAY asked about a fiscal note.

MR. STANCLIFF related there was a zero fiscal note.

[1:41:03 PM](#)

CHAIR MCKAY opened public testimony on HB 103.

[1:41:15 PM](#)

BRONK JORGENSEN, representing self, told the committee that he is a trustee for the 40 Mile Mining District and has served two terms on the Alaska Mineral Commission. He described the commission as excellent for the industry; it raises hidden concerns among the industry that can be brought to light by various agencies. Agencies can bring problems to the commission for resolution. He highly recommended the term of the commission be extended [as proposed under HB 103]. He pointed out that there is [a zero] fiscal note; those who serve on the commission pay their own "per diem and way," and everyone on the commission "is very committed to the goals stated." He spoke in support of extending the commission. In response to Chair McKay, he confirmed that he supports HB 103.

[1:42:34 PM](#)

CHAIR MCKAY, after ascertaining there was no one else who wished to testify, closed public testimony on HB 103.

CHAIR MCKAY ascertained that no one on the committee had an amendment to offer.

REPRESENTATIVE CRONK thanked the committee.

CHAIR MCKAY entertained a motion.

[1:43:11 PM](#)

REPRESENTATIVE RAUSCHER moved to report HB 103 out of committee with individual recommendations and the accompanying zero fiscal note.

[1:43:41 PM](#)

REPRESENTATIVE SADDLER objected to note that he had carried a bill ten years previously to extend the commission. He then removed his objection. There being no further objection, HB 103 was reported out of the House Resources Standing Committee.

[1:44:19 PM](#)

The committee took a brief at-ease at 1:44 p.m.

HB 104-EXPEDITED TIMBER SALES

[1:45:03 PM](#)

CHAIR MCKAY announced that the next order of business would be HOUSE BILL NO. 104, "An Act relating to expedited timber sales."

[1:45:23 PM](#)

REPRESENTATIVE MIKE CRONK, Alaska State Legislature, as prime sponsor, presented HB 104 and paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House Bill- 104 is written to accomplish five main goals:

1. To increase public safety by reducing wildfire risks.
2. Provide timber resources in abundance for industry growth.
3. Reduce firefighting costs to the state.
4. Provide fuel for biomass energy production and expansion.
5. Increase local job opportunities.

Alaska's timber resources are plentiful and sorely underutilized. In the Interior when a tree is harvested it is one less tree for mother nature to burn. When insect infestation occurs, timber dies by the millions of board feet. Even so much of this dying or dead timber is usable. We must aggressively make this fire ready, and beetle killed timber available before it deteriorates.

This legislation directs our State Forester and the Division to focus on areas of commercial timber where fire dangers are high as well as areas under insect infestation as a priority.

HB - 104 has the support of: Governor Dunleavy, Commissioner of Natural Resources, Alaska Forestry Association, and other Industry users.

[1:46:56 PM](#)

REPRESENTATIVE MEARS expressed her interest in a committee substitute (CS) for a comparison.

[1:47:16 PM](#)

REPRESENTATIVE MCCABE asked if the bill would be added to the 20-year timber sale.

REPRESENTATIVE CRONK replied that he is working on all options in a CS.

REPRESENTATIVE MCCABE commented that he had several conversations recently about timber sales, and he urged that the CS include some sort of payment schedule that is not an entire 20 years up front.

REPRESENTATIVE CRONK offered his belief that when the CS comes about, it would be a very thorough bill and everyone in the industry would approve.

[1:48:17 PM](#)

CHAIR MCKAY announced that HB 104 was held over.

CONFIRMATION HEARING(S) :
Alaska Oil and Gas Conservation Commission

[1:48:38 PM](#)

CHAIR MCKAY announced that the final order of business would be the confirmation hearing on the governor's appointee to the Alaska Oil and Gas Conservation Commission.

[1:49:03 PM](#)

BRETT HUBER, Appointee, Alaska Oil and Gas Conservation Commission (AOGCC), provided a personal and professional background and noted that he is presently the chair of the commission since January 9, 2023. He stressed that AOGCC has an extremely important role in the state as an independent, quasi-judicial agency regulating the oil and gas industry in Alaska. He offered his belief that as a public member, his responsibilities include asking many questions, doing his homework, approaching issues fairly and impartially, listening to staff and the public, and making sound and fair decisions while adhering to the statutory and regulatory guidelines.

[1:54:25 PM](#)

REPRESENTATIVE RAUSCHER thanked Mr. Huber for his public service and asked what direction the oil and gas industry is heading.

MR. HUBER pointed out that the commission is not the policy side, but the regulator of the industry. He said there were foreseeable challenges and he stated that there were a few new prospects. He added that there was more activity in the North Slope which requires different operational techniques. He said he thought it important for the commission to share the story of the job that it does, as the industry becomes more scrutinized.

REPRESENTATIVE RAUSCHER commented that he always had a fondness for trying to improve the permitting process to where it could be faster.

[1:58:13 PM](#)

REPRESENTATIVE MCCABE brought up Title 6 primacy and asked Mr. Huber what he could do as a regulator to make the permitting go faster.

MR. HUBER replied that regulations are supposed to be about purpose, not process. He further noted that the legislation that moved out of the House Resources Standing Committee would give AOGCC the authority to seek primacy, and he offered his belief that AOGCC would be the right agency to have that primacy. He said it would be a fairly big regulatory lift between the passage of the legislation and regulations being ready to put in place.

[1:59:59 PM](#)

REPRESENTATIVE SADDLER asked about the gas off-take program in North Slope and the decisions AOGCC would consider taking on in the future.

MR. HUBER replied that currently, AOGCC is dealing with shallow gas zones in specific areas of the state, as well as dealing with issues of plug and abandonment. He further noted the industry is interesting being that it's new and old at the same time. He said AOGCC is making sure it is taking on those issues while working through the rest of the process.

REPRESENTATIVE SADDLER asked if AOGCC would approve things until faced with evidence to deny it, or to deny things until persuaded that it was ok to approve.

MR. HUBER restated that regulations are about purpose and not process. It is important to try to find a way to get to the "yes" in a responsible manner, he said.

[2:02:34 PM](#)

CHAIR MCKAY moved to advance the confirmation of Brett Huber, Alaska Oil and Gas Conservation Commission, to the joint session for consideration. He reminded the committee that signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointee, and the nominations are merely forwarded to the full legislature for confirmation or rejection.

[2:03:58 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:04 p.m.