

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

February 5, 2024

3:30 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Cathy Giessel, Co-Chair
Senator Bill Wielechowski, Vice Chair
Senator Scott Kawasaki
Senator Forrest Dunbar
Senator Matt Claman

MEMBERS ABSENT

Senator James Kaufman

COMMITTEE CALENDAR

PRESENTATION: PIKKA PROJECT UPDATE AND NET ZERO

EO 124 PROHIBITING BY REGULATION LIVE CAPTURE & POSSESSION

EO 126 ELIMINATING THE WOOD-TIKCHIK STATE PARK MANAGEMENT
COUNCIL

EO 134 ELIMINATING THE RECREATION RIVERS ADVISORY BOARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JOE BALASH, Senior Vice President
Santos Energy Solutions
Anchorage, Alaska

POSITION STATEMENT: Co-presented the Pikka Project update.

KYLE KOHMAN, Senior Manager
Santos Energy Solutions
Anchorage, Alaska

POSITION STATEMENT: Co-presented the Pikka Project update.

DOUG VINCENT-LANG, Commissioner

Department of Fish and Game (ADFG)
Anchorage, Alaska

POSITION STATEMENT: Presented EO 124 on behalf of the administration.

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

POSITION STATEMENT: Presented EO 126 on behalf of the administration.

BRENT GOODRUM, Deputy Commissioner
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Presented EO 134 on behalf of the administration.

ACTION NARRATIVE

[3:30:34 PM](#)

CO-CHAIR CATHY GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Kawasaki, Wielechowski, Dunbar, Claman, Co-Chair Giessel, and Co-Chair Bishop.

PRESENTATION: PIKKA PROJECT UPDATE AND NET ZERO

[3:32:03 PM](#)

CO-CHAIR GIESSEL announced the consideration of a presentation by Santos.

[3:32:28 PM](#)

JOE BALASH, Senior Vice President, Santos Energy Solutions, Anchorage, Alaska, co-presented the Pikka Project update. He moved to slide 2 and noted that Santos has a presence in multiple jurisdictions outside of Alaska.

[Original punctuation provided.]

Founded in 1954 and headquartered in Adelaide, Australia

- One of Australia's largest domestic gas suppliers and leading LNG supplier in the Asia Pacific region
- Merged with Oil Search in 2021

- Global footprint with operations in Australia, Papua New Guinea, TimorLeste and the United States (Alaska)
- About 4,000 employees globally
- Santos is 51 percent owner of Pikka with Repsol partnership 49 percent
- Strong stakeholder support aligned through long-term land use agreement with Kuukpik
- Current Alaska workforce of 259; growing to ~430 by year-end
- Moving to new downtown Anchorage office this year
- About Santos About Santos in Alaska About Pikka
- Discovered in 2013; Horseshoe discovery in 2017 confirmed giant oil field
- Pikka to be net zero (Scope 1 & 2 emissions, equity share) from first oil
- Core acreage position is on State land
- Other long-term benefits focused on sustainable support of community

[3:35:34 PM](#)

MR. BALASH said Santos' equity emissions will be net zero as it proceeds with project development. He said the company's core acreage is on state land and there are several other associated long-term benefits with development that accrue to the community. Santos is well accustomed to working in sandy environments, but has put a premium on attracting talent with arctic experience in Alaska. Roughly 82 percent of employees were hired from within the state.

[3:36:43 PM](#)

MR. BALASH moved to slide 3 and spoke to the map depicting core acreage and state leases in Alaska. He said Santos is a significant holder of state leases. The upper left part of the map focuses on Nanushuk Formation and includes areas with clinoforms and stratigraphic traps that exist in succession from east to west. Santos holds additional acreage positions that are excluded from the map, but the area shown is the core focus.

[3:37:44 PM](#)

MR. BALASH moved to slide 4 and summarized the Pikka project timeline:

[Original punctuation provided.]

Bringing Pikka to Life

Pikka Project: Phase 1

- Final Investment Decision (FID) taken in August 2022 - \$2.6 billion (gross)
- Completed major contracting & issued purchase orders under awarded contracts totaling more than \$2 billion
- Development drilling began in June 2023
- 45 total wells and 397 MMbbl from 1 pad
- Shortest well: 7,600 ft / Longest well: 30,000 ft
- Nanushuk Processing Facility (NPF) modular design approach with growth in mind for Phase 2
- Winter 2023: 1,200 beds on North Slope
- First oil planned for 1H 2026
- Adding 80,000 BOPD down TAPS

MR. BALASH added that the drilling commitment extends beyond the first oil extraction date and carrying costs will top over three billion dollars when the project is fully developed. Santos has completed five well projects, is currently on its sixth, and will soon start the seventh. Once the 80 thousand barrels of oil per day (BOPD) enters the Trans-Alaska Pipeline System, it will result in costs spreading across all barrels, which would result in a lower taps tariff by \$1.15 within the first ten years of development.

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CO-CHAIR BISHOP asked for confirmation of his understanding that the shortest well is 7,600 ft and the longest being 30 thousand feet.

[3:40:40 PM](#)

MR. BALASH replied that is correct.

[3:40:43 PM](#)

CO-CHAIR BISHOP asked if Santos has an extended reach drilling rig.

[3:40:45 PM](#)

MR. BALASH replied that Santos has one of the more powerful rigs on the North Slope. He noted that its vertical depth is relatively shallow, but in response to concerns from the Nuisquit community, Santos agreed to move its pad further away from the river. The consequence is that its wells are longer and steeper, which presents some challenges, but Santos has a tremendous crew

and the rig itself has one of the best safety records on the slope.

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SENATOR CLAMAN asked how far the well location was moved in response to the request by the Nuiqsut community.

[3:41:58 PM](#)

MR. BALASH said he would need to identify the specific distance, but stated his belief that the pad was moved more than one thousand feet.

[3:42:14 PM](#)

SENATOR KAWASAKI asked how many of the 1,200 occupied beds are for hires from Alaska.

[3:42:31 PM](#)

MR. BALASH responded that the 259 hires are on the organizational chart and the 1,200 hires are primarily contracted hires. The head of the operators in Fairbanks advised Mr. Balash that he prioritized hiring within the state.

[3:43:32 PM](#)

MR. BALASH moved to slide 5 and spoke to stakeholder support and vendor statistics:

[Original punctuation provided.]

**Local Content and Contribution
Strong stakeholder support aligned through royalty and
Land Use Agreement**

Long Term Land Use Agreement with Kuukpik

- Subsistence preservation and open access with close cooperation and transparency on planned activities to minimize impacts
- Provisions for employment, training and business development
- Other long-term benefits focused on sustainable support of community
- Community projects total ~US\$59 million gross (US\$31 million net 51 percent working interest)

Local Content & Contracting

- Project committed to local content and sourcing where possible

- Alaska vendors (Native and Non-Native) account for ~45 percent of vendor spend to date

Tax & Royalty Impacts to Local Stakeholders

- North Slope Borough receives 95 percent of all local tax revenue from oil and gas-related property taxes
- ASRC receives royalty payments for its mineral rights ownership

MR. BALASH added that the Pikka project is unique because the leases are issued by the state, but the surface is owned by Kuukpik, the Village Corporation for Nuiqsut, with whom Santos entered a land use agreement. Subsistence representatives live in the camp and report back to Kuukpik to ensure development activities meet expectations consistent with the spirit of the agreement. Santos also considers work opportunities for Kuukpik-affiliated companies. Most development purchases were done externally and brought to Alaska, but he anticipates that the number of Alaska Native vendors will grow over time and said every shareholder will benefit from phase 1 of the project.

[3:46:48 PM](#)

SENATOR CLAMAN asked whether the Department of Natural Resources (DNR) v. Arctic Slope Regional Corporation settlement has an impact on the state's share of royalties.

[3:47:00 PM](#)

MR. BALASH replied that the agreement struck between ASRC and DNR settled dispute over whether Alaska Slope Regional Corporation (ASRC) could select certain lands. He conveyed that the split between ASRC and the state depends on the specific lease and described the royalty breakdown.

[3:48:12 PM](#)

SENATOR DUNBAR acknowledged that challenges have arisen from the Willow Project and its impact on state finances as a result of the producer having existing production taxes in other parts of the state. He asked whether Santos or Repsol would have production taxes or other tax payments to the state that would be impacted by investment expenditures on the project.

[3:49:04 PM](#)

MR. BALASH replied that Santos does not currently produce or have a production tax in Alaska. He stated his belief that Repsol does not have one either but recommended reviewing production tables. In the initial years of production, Santos would pay royalties, property taxes, and corporate income taxes.

However, he shared his presumption that Santos would not have a large production tax to pay as a result of carried over losses.

[3:49:53 PM](#)

SENATOR WIELECHOWSKI asked for the current status of the road dispute between the state and ConocoPhillips.

[3:50:05 PM](#)

MR. BALASH responded that Santos is currently operating across the road infrastructure on the North Slope. He said Santos needed assurance and sought a multi-use land permit from Division of Oil and Gas (DOG), which was granted in April of 2022. The permit itself was appealed to the commissioner, who found in DOG's favor and the case was taken to court at the end of 2022, where it currently sits on administrative appeal in front of Judge Andrew Guidi.

[3:51:09 PM](#)

SENATOR WIELECHOWSKI said some people have agreed with the legal opinion brought forth by ConocoPhillips. He asked for further insight.

[3:51:29 PM](#)

MR. BALASH replied that the case is a complicated tale of woe. As a result of a separate road issue associated with the Mustang Road, Alaska Industrial Development and Export Authority (AIDEA) took a position similar to what was taken by ConocoPhillips in its appeal of the miscellaneous land-use permit. The argument made was that the two companies are parallel. ConocoPhillips cited litigation stating that the legislature sided with AIDEA and therefore sided with ConocoPhillips in its dispute, which Santos perceived as strange.

[3:53:25 PM](#)

SENATOR WIELECHOWSKI asked about the potential impact on either the state or the Pikka project if the state loses the lawsuit.

[3:53:40 PM](#)

MR. BALASH asked Senator Wielechowski to clarify whether he would like the perspective of Santos or as a former DNR commissioner.

[3:54:02 PM](#)

SENATOR WIELECHOWSKI clarified that he would like to know the state's perspective to understand the risks.

[3:54:09 PM](#)

MR. BALASH responded that Santos believes it was presented with a certain demand for compensation for road use that amounted to hundreds of millions of dollars, resulting in a 20 percent increase in project costs. If Santos was required to pay an uncapped amount determined by the incumbent, constraints would be placed on the Pikka project and future projects. It would result in having to wait to identify, discover, permit, and develop a resource. Mining companies and others would experience investment obstacles if the legislature changed tax provisions. He asked how a made up road fee is different.

[3:56:24 PM](#)

SENATOR CLAMAN requested an estimated timeline for a court decision and whether an unfavorable ruling would stop the Pikka project in its tracks or is there a path forward in the event of an appeal.

[3:57:10 PM](#)

MR. BALASH responded that Santos has not yet reached the litigation stage where merits are argued. It doesn't seem a decision is imminent. He stated his belief that the state has multiple tools to assure access and the department would continue to work with Santos to ensure access. He opined that the company could continue to operate but would potentially need to pay fees in the worst case scenario.

[3:59:11 PM](#)

MR. BALASH moved to slide 6 and spoke to the project costs and the project execution risk reduction:

[Original punctuation provided.]

**Facilities Design & Logistics Approach
Phasing & standardized truckable design reduce cost
and risk**

Project costs reduced through:

- Standardized truckable NPF ~\$200MM savings vs. typical North Slope sealift design
- Driven by standardization of design and equipment
- 14' x 130' x 16' x 90-ton modules
- Facilities built in Canada and then transported via barges and trucks to Alaska development site

Project execution risk reduced through:

- Contracting: Engineer Procure Fabricate (EPF lump sum)

- Utilizing proven and standard equipment / designs
- Truckable modules
- Increasing seasonal transport window from 1 month to 10 months
- Reducing peak activity levels
- River lift modules increasing fabrication window up to 3 months
- Leveling workforce needs
- Installing modules that are trial fit in fabrication yard
- New build Seawater Treatment Plant (STP) versus de-bottlenecking existing 40-year-old Kuparuk River Unit (KRU) STP

[4:00:00 PM](#)

CO-CHAIR BISHOP asked if the modules would be intact and without damage from roads.

[4:00:08 PM](#)

MR. BALASH replied that there may be some risk involved in transporting modules on the Dalton Highway, but reassembly would be more costly. Certain production modules have sensitive electronic components that need to remain intact. Santos estimates savings of \$200-300 million.

[4:01:10 PM](#)

SENATOR KAWASAKI asked for confirmation that the transportation route for truckable loads would move from the ALCAN to Fairbanks to Deadhorse.

[4:01:23 PM](#)

MR. BALASH replied that many of the loads follow that route, but some are routed to tide water and barged to Valdez.

[4:01:45 PM](#)

SENATOR KAWASAKI alluded to a trucking disagreement on the Alcan Border near Fairbanks.

[4:01:58 PM](#)

MR. BALASH moved to slide 7 and spoke to Phase 1 infrastructure:

[Original punctuation provided.]

Beyond Phase 1

Lower capital requirements and breakeven, higher returns for subsequent phases

Expansions leverage Phase 1 infrastructure

- Roads and pipelines
- Seawater treatment plant
- Pad space for facility expansion

Processing facility concept (future phases)

- Design once build multiple
- Install proven module designs
- Significant cost savings targeted through: -
Minimizing North Slope work - Minimal footprint increase

Post-phase 1 activities

- Entered concept select for Phase 2
- Evaluating expansion plans
- High-grading well stock
- Quokka delineation late 2024-2025

MR. BALASH added that Santos could conceivably take on the next phase by 2026.

[4:03:00 PM](#)

MR. BALASH moved to slide 8 and spoke to financial running room:

[Original punctuation provided.]

**Significant, Long-Term Supply Portfolio
Self-funding development pipeline plus providing
significant returns**

- Cash flow from Phase 1 will be very robust
- Self fund whilst providing returns to shareholders

MR. BALASH added that the map on the right shows net resources by unit and the graph on the left depicts a stylistic representation of anticipated future growth. He stated that Santos expects that rocks could sustain multiple projects in 80 thousand BOPD increments for a long time.

[4:04:32 PM](#)

MR. BALASH moved to slide 9. He ascribed the points as "how Santos describes Alaska to investors."

[Original punctuation provided.]

Alaska

World-class resource in tier 1 jurisdiction, with significant optionality

World-class resource base of scale with 2P reserves of 165 mmboe and 2X o 438 mmboe

Significant free cash flow: modular design can self-fund future development phases and fund returns to shareholders

Leveraging significant infrastructure in place

Operational team with significant North Slope experience

Stable regulatory environment and supportive stakeholders

[4:05:41 PM](#)

KYLE KOHMAN, Senior Manager, Santos Energy Solutions, Anchorage, Alaska, co-presented the Pikka Project update. He briefly spoke to slide 10 on the net zero commitment:

[Original punctuation provided.]

"Pikka Phase 1 will be net zero (Scope 1 and Scope 2 emissions, equity share) from first oil."

[4:06:33 PM](#)

MR. KOHMAN moved to slide 11 and highlighted the three types of scope emissions:

- Scope 1 includes the bulk of emissions that are directly from company operations. A lot of the field is electrified, so most operations are run by the processing facility electric generation.
- Scope 2 emissions are emitted on the company's behalf.
- Scope 3 emissions are up- and downstream emissions associated with the manufacturing products used. Santos only sells products to countries or companies with a net zero commitment.

[4:08:03 PM](#)

MR. KOHMAN moved to slide 12 and described the corporate vision and strategy.

[The list below is in chronological order from the earliest goals to longer-term objectives.]

Vision 2040: Purpose and Plan

"We are a global energy company committed to helping the world decarbonize to reach net zero emissions through reliable, affordable and sustainable energy."

- Backfill and sustain
- Decarbonisation
- Low carbon fuels

MR. KOHMAN added that existing assets are on decline, so Alaska production would fulfill the backfill and sustain approach. Santos seeks to decarbonize legacy assets and maintain a net zero approach for new projects.

[4:09:13 PM](#)

MR. KOHMAN moved to slide 13 and summarized the net zero philosophy:

[Original punctuation provided.]

Alaska Decarbonization Net zero philosophy, approach, and plan

- **Avoid**
 - Design and operate efficiently to cost-effectively minimize direct emissions from operations
- **Reduce**
 - Direct reduction of operated emissions post-design
- **Offset**
 - Indirectly reducing emissions through nature-based or technology solutions, including carbon capture and storage (CCS)

[4:10:16 PM](#)

MR. KOHMAN moved to slide 14 and explained the 'avoid' point:

[Original punctuation provided.]

Pikka Phase 1 - Net Zero

Avoid - Low GHG Intensity by Design

Minimized emission design

- Central power generation
- Waste heat recovery units for turbines to reduce heat needs
- Highest EPA standards for rig emissions

Top quartile carbon intensity for Pikka Phase 1 within global oil and gas GHG performance

- 14tCO₂e/mboe at 53% lower than average conventional onshore developments

Paris Agreement aligned low GHG intensity oil produced in an environmentally responsible manner

[4:11:33 PM](#)

MR. KOHMAN moved to slide 15 and explained the 'reduce' point:

[Original punctuation provided.]

Pikka Phase 1 - Net Zero

Reduce - Carbon Abatement

Post-design emission reduction

- Strategic alliance with ASRC Energy Services to develop carbon abatement solutions for Pikka
- Drawing from global corporate experience to further reduce direct emissions
- Longer term: alternative power solutions for North Slope operations

MR. KOHMAN said Santos is seeking to bring the Australian approach that involves legacy assets to Alaska.

[4:12:35 PM](#)

MR. KOHMAN moved to slide 16 and explained the 'offset' point:

[Original punctuation provided.]

Pikka Phase 1 - Net Zero

Offset - Nature-Based

Near-term nature-based carbon solutions

- Letter of Intent (LOI) signed with large Alaska Native landowner to develop a forestry management project

- Initial scope could completely offset Santos share of Pikka Phase 1 carbon emissions with high-quality credits registered for the voluntary market
- Additional beneficial social outcomes for local communities

Supported Alaska legislation to form state nature-based offsets program (SB48 - Passed)

[4:14:03 PM](#)

SENATOR CLAMAN asked whether Santos negotiated the offset agreement with one of the Alaska Native Regional Corporation or the state.

[4:14:12 PM](#)

MR. KOHMAN replied that Santos negotiated an agreement with one of the regional corporations but said he could not disclose specifics.

[4:14:37 PM](#)

SENATOR KAWASAKI asked when Santos adopted its net zero philosophy.

[4:14:52 PM](#)

MR. KOHMAN responded that Santos is based in Australia and implemented a compliance regime or "cap & trade system" in 2012. The vision for 2040 was announced in 2022.

[4:15:58 PM](#)

SENATOR KAWASAKI asked if the federal 45Q tax credit incentive shaped the 2040 plan.

[4:16:16 PM](#)

MR. KOHMAN stated his belief that the 45Q tax credit did not have a strong influence on the net zero commitment because there's currently no regulatory framework to do carbon capture in Alaska. Santos views the United States as a favorable regime to deploy the company's corporate expertise. The net zero commitment was based on shareholder expectations and board requirements.

[4:16:58 PM](#)

MR. KOHMAN moved to slide 17 and spoke to CCS technologies:

[Original punctuation provided.]

Alaska CCS Consortium

Offset - Technology-Based

- Unique interest in Arctic-capable CCS technology and pursuing equity ownership
- Extensive project execution, stakeholder engagement, technical, and regulatory experience
- Interest in utilizing federal funding to accelerate project development
- Supporting Alaska legislation to form CCS regulatory framework

Direct Air Capture (DAC)

DAC Technologies in the Arctic: **1 MTA** (gross) of carbon capture potential

Point Source Capture

Prudhoe Bay Unit (PBU): **3 MTA** (gross) of Carbon Capture potential

Carbon Storage

Subsurface evaluation: World-class Carbon Storage potential on North Slope (275 GT gross) and Cook Inlet (43 GT gross)

AK LNG H2 Hub Storage: **2 MTA** (gross) carbon capture potential partnering with Alaska LNG

MR. KOHMAN stated that Santos desires equity ownership of projects and would like to utilize federal funding to accelerate project development and associated technologies. The company has both Alaska-based and global experience on project design, execution, and development. Santos applied for federal funding to develop and evaluate direct air carbon capture and is reviewing operational capabilities of various technologies suitable for the Arctic. It was then awarded with a feasibility phase, which provided early funding to establish four direct air capture hubs in the United States that could fund up to \$550 million at a 50 percent match could establish at least one hub. He noted that point-source capture million ton/year (MTA) is closer to five per year of carbon capture potential. There are over 20 frame five turbine generators in the Prudhoe Bay area, which could be replicated across the field with funding support.

[4:20:17 PM](#)

SENATOR CLAMAN asked if other companies are making investments similar to Santos.

[4:20:41 PM](#)

MR. KOHMAN replied that the Alaska consortium has been approached by several interested companies seeking to decarbonize assets, but some operators are self-reliant and do not have any interest in outsourcing, citing Prudhoe Bay as an example. He stated his belief that other companies in Alaska and in other states are pursuing carbon capture technology.

[4:21:34 PM](#)

MR. KOHMAN continued speaking to slide 17. He said Santos is considering establishing hubs on the North Slope and in the Cook Inlet region that could serve industrial emitters and pair with direct air capture technologies. Alaska liquefied natural gas (LNG) applied for a federal grant for a hydrogen hub designation and asked Santos to conserve and support the hub as a carbon capture and storage solution.

EO 124 PROHIBITING BY REGULATION LIVE CAPTURE, POSSESSION, TRANSPORT, OR RELEASE OF NATIVE/EXOTIC GAME OR EGGS

[4:23:43 PM](#)

CO-CHAIR GIESSEL announced the consideration of EO 124 Prohibiting by Regulation Live Capture, Possession, Transport, or Release of Native/Exotic Game or Eggs.

[4:24:21 PM](#)

DOUG VINCENT-LANG, Commissioner, Alaska Department of Fish and Game (ADFG), Anchorage, Alaska, presented EO 124 on behalf of the administration. He referenced the clean list in statute that outlines exotic game allowed and prohibited in the state. Many non-native species are acceptable, such as cats and dogs, that do not pose a threat to the environment. In the past, the clean list was administered by the Alaska Board of Game. The Governor found that it is in the state's best interest to transfer regulatory authority to the Board of Fish and Game. Approved exotic mammals, birds, and reptile species are found on the clean list under 5 AAC 92.029. Before an exotic animal is added to the clean list, a careful analysis must be conducted. EO 124 would allow proposals to be acted on more quickly. An emu was brought into the state and a decision was drawn-out, so the Governor and ADFG agreed that the process was too time-consuming and determined that transferring authority would ensure efficiency. He noted that robust scientific review and a public process would remain under EO 124. He emphasized that there would still be a public process, it wouldn't just be the commissioner of Fish and Game deciding. The Alaska

Administrative Procedures Act would be used for the process instead of the Board of Game regulatory process. The fiscal impact would be minimal, but ADFG determined that it would likely be zero.

[4:28:38 PM](#)

SENATOR KAWASAKI asked for the outcome of the pet emu case.

[4:28:46 PM](#)

MR. VINCENT-LANG replied that the emu was confiscated and underwent a lengthy three-year process for a decision to be made.

[4:29:24 PM](#)

SENATOR KAWASAKI inquired on the types of studies required before a decision is made by Alaska Board of Game.

[4:29:50 PM](#)

MR. VINCENT-LANG replied that the ADFG reviews literature consults with their veterinarians, looks at survivability, and conducts an analysis that is provided to the Alaska Board of Game.

[4:30:37 PM](#)

SENATOR KAWASAKI mentioned a specific case regarding non-native fish species. He asked if the potential introduction of a non-native fish, such as tilapia, would be determined by the commissioner.

[4:31:24 PM](#)

MR. VINCENT-LANG stated he would review conditions to determine the impact on the environment and native species in the area.

[4:32:05 PM](#)

SENATOR WIELECHOWSKI asked if EO 124 would give the commissioner the authority to adopt regulations and make two-way changes to the clean list.

[4:32:31 PM](#)

MR. VINCENT-LANG replied that it would go both ways. He provided the example of wild boars that could be both beneficial and detrimental to the environment, but it is unlikely ADFG would authorize this type of species.

[4:33:17 PM](#)

SENATOR WIELECHOWSKI asked for a list of prohibited species.

[4:33:23 PM](#)

MR. VINCENT-LANG replied that the list exists under administrative code 5 AAC 92.029 and listed several examples.

[4:34:34 PM](#)

SENATOR WIELECHOWSKI asked whether the department should allow the introduction of farmed species like salmon or pike in certain areas under the provision. He stated that scientists have expressed concerns over the breeding of certain species.

[4:35:22 PM](#)

MR. VINCENT-LANG replied that fish are covered by a fish transport permit and managed under a different authority.

[4:35:57 PM](#)

SENATOR WIELECHOWSKI sought clarification of his understanding that pike could not be transferred under current law and whether a future commissioner could use their discretion.

[4:36:35 PM](#)

MR. VINCENT-LANG responded that the clean list deals with game species, so fish are covered under ADFG's fish transport authority.

[4:37:02 PM](#)

CO-CHAIR GIESSEL added clarification that the clean list only includes game.

MR. VINCENT -LANG replied yes.

[4:37:14 PM](#)

SENATOR CLAMAN sought confirmation of his understanding that the emu case was the only incident that prompted permitting challenges and wondered if any other situation created problems.

[4:37:42 PM](#)

MR. VINCENT-LANG said he could not identify any other case at this time. He highlighted the impact of exotic food imports and the likelihood of faster permitting under the new process. The need to increase permitting flexibility and expedite the process was mentioned during an Alaska Food Security and Independence Task Force meeting.

[4:38:53 PM](#)

SENATOR CLAMAN stated his understanding that a public board would no longer exist to review these types of cases. He said he finds it interesting that EO 124 would transfer full authority

to the commissioner and would potentially bring in more exotic species as a result of the individual emu case.

[4:40:15 PM](#)

MR. VINCENT-LANG replied that the Administrative Procedures Act would continue to allow public input.

[4:40:29 PM](#)

SENATOR CLAMAN asked if a mechanism exists to approve species at a faster pace than the three-year process.

[4:40:56 PM](#)

MR. VINCENT-LANG responded that despite ADFG's efforts, the emu case demonstrated that under current provisions it was not possible to shorten the three-year process.

[4:41:14 PM](#)

SENATOR KAWASAKI spoke to a presentation on biology from 2005 that he found on the ADFG website that cautions managing invasive species using a non-scientific approach. He expressed concerns that EO 124 would neglect science if the decisions are made through an administrative process.

[4:43:22 PM](#)

SENATOR WIELECHOWSKI commented that he would likely prefer to maintain a slower process when considering the introduction of non-native species. He listed several examples of non-native species that have caused problems with the natural habitat of those areas.

[4:44:06 PM](#)

CO-CHAIR GIESSEL held EO 124 in committee.

**EO 126 ELIMINATING THE WOOD-TIKCHIK STATE
PARK MANAGEMENT COUNCIL**

[4:44:21 PM](#)

CO-CHAIR GIESSEL announced the consideration of Executive Order 126 Eliminating the Wood-Tikchik State Park Management Council.

[4:44:50 PM](#)

RICKY GEASE, Director, Division of Parks & Outdoor Recreation, Department of Natural Resources (DNR), Anchorage, Alaska, presented EO 126 on behalf of the administration. He spoke to slide 2:

[Original punctuation provided.]

Wood-Tikchik State Park

- 1,541,759 acres near Dillingham
- Established by Legislature in 1978 (AS 41.21.161)
- Primary purpose: protect the area's fish and wildlife systems (important breeding grounds) and continued subsistence and recreational activities
- Largest state park in the U.S., managed by 1 park employee

[4:46:14 PM](#)

MR. GEASE moved to slide 3 and spoke to the Alaska State Constitution:

[Original punctuation provided.]

Wood-Tikchik State Park

- Alaska State Constitution Article 8, Section 7:
 - Special Purpose Sites: Legislature may reserve land from the public domain
- Legislature closed the park land and water to "multiple use" and dedicated area as special purpose site (closed to oil and gas leasing, mineral entry) (AS 41.21.160-167)
- Alaska Department of Fish and Game (ADF&G) is responsible for managing fish and game resources within park

[4:46:54 PM](#)

MR. GEASE moved to slide 4 and summarized the 7-member Wood-Tikchik State Park Management Council makeup.

[Original punctuation provided.]

Management Council Members

- 7-member Wood-Tikchik State Park Management Council is established in AS 41.21.163.
- Governor appoints one member from three nominations submitted by each of the following:
 - the village council of Koliganek
 - the village council of New Stuyahok
 - the village council of Aleknagik
 - the city council of Dillingham

- the Bristol Bay Native Association, Inc.
- the commissioner of natural resources
- the commissioner of fish and game

[4:47:39 PM](#)

MR. GEASE moved to slide 5 and listed management council responsibilities:

[Original punctuation provided.]

Management Council Responsibilities

- Management council provides feedback, recommendations and local insight regarding management, operations, facilities
- Meetings serve as a forum for public input on park management
- Members set agenda items, discuss topics such as park user conflicts, resource issues, proposed developments and proposed regulation changes
- The Wood-Tikchik State Park Management Council *shall* develop a management plan for the park with the advice and assistance of the department (AS 41.21.164)
- DNR, ADF&G must consult with each other and the management council before adopting regulations

[4:49:00 PM](#)

MR. GEASE moved to slide 6 and listed ways in which DNR supports the management council:

[Original punctuation provided.]

DNR's Support Role

Division of Parks & Outdoor Recreation coordinates and supports the Management Council by:

- Providing staff to develop management plan
- Issuing public notice for meetings
- Assisting with agendas
- Taking meeting minutes and/or recording meeting
- Posting meeting minutes and/or recording meeting

- Coordinating appointments through Governor's office
- Filling requests for information from DNR Council has met online since 2020 and the most recent meeting was February 1, 2024.

[4:49:44 PM](#)

MR. GEASE moved to slide 7 and explained the intent of EO 126:

[Original punctuation provided.]

Executive Order 126

WHAT:

- Sunsets the management council. DNR will develop management plans and receive stakeholder input through traditional channels and creation of citizen advisory board

WHY:

- Creates efficiency and establishes single point of contact for park management
- Eliminates duplication within state government
- Aligns management activities with those of other parks

FUTURE:

- Management processes don't change - revisions subject to robust public process and multiple input opportunities
- Alaska Department of Fish & Game remains involved in management plan development, associated activities

[4:51:01 PM](#)

MR. GEASE moved to slide 8 and listed stakeholder engagement tools:

[Original punctuation provided.]

Future Stakeholder Engagement

DNR has other important engagement tools:

- Creation of a local citizen advisory board covering the parks in the local region (Lake Aleknagik State Recreation Site)
- Citizen advisory boards assist park staff with management and development issues

- Alaska State Parks director appoints members for up to 3-year terms
- Members are representative of multiple user groups
- Active boards in Chugach, Juneau, Kachemak Bay, Ketchikan, Kodiak, Mat-Su, Northern Region and Seward

[4:53:00 PM](#)

SENATOR DUNBAR asked to move back to slide 4. He expressed appreciation for the diversity in the makeup of the management council and wondered if there were problems with seats being unfilled.

[4:53:54 PM](#)

MR. GEASE stated his belief that one vacancy exists in Dillingham. There are eleven regional advisories around the state.

[4:54:39 PM](#)

SENATOR DUNBAR asked if the EO doesn't go through, is there anything currently preventing a statutory change.

[4:55:06 PM](#)

MR. GEASE replied that it is in the purview of the legislature to designate statutory change. He said there are fewer vacancies when councils are filled at the local level.

[4:55:34 PM](#)

SENATOR CLAMAN asked if there were any problems with the current management council successfully fulfilling its duties.

[4:55:50 PM](#)

MR. GEASE replied no. He said one restriction is the limit to Wood Tikchik State Park and suggested that a parallel board could be created.

[4:56:50 PM](#)

SENATOR CLAMAN commented that the largest state park in the country is currently managed by one park employee. He stated that the new proposal would remove meaningful public contact. He expressed concerns over EO 124 given the successful performance of the current board.

[4:58:08 PM](#)

MR. GEASE replied that the Governor's office sought efficiency and a reduced layer of bureaucracy. He expressed appreciation for public input received through regional advisory councils.

[4:58:35 PM](#)

SENATOR CLAMAN stated his belief that the public likes the current structure.

[4:58:50 PM](#)

CO-CHAIR GIESSEL commented that the single park employee who manages the largest state park is minimally compensated. She stated her belief that he doesn't have a pension.

[4:59:04 PM](#)

CO-CHAIR GIESSEL held EO 126 in committee.

EO 134 ELIMINATING THE RECREATION RIVERS ADVISORY BOARD

[4:59:06 PM](#)

CO-CHAIR GIESSEL announced the consideration of EO 134.

[4:59:30 PM](#)

BRENT GOODRUM, Deputy Commissioner, Department of Natural Resources (DNR), Anchorage, Alaska, presented EO 134 on behalf of the administration. He spoke to slide 2 of the presentation:

[Original punctuation provided.]

Susitna Basin Recreation Rivers Advisory Board

Created by Recreation Rivers Act of 1988 (AS 41.23.400-510):

- The primary purpose of the Act is for the establishment of the six recreation river corridors for their maintenance and enhancement of fish and wildlife population for recreation and economic use ensuring multiple use management.
- Established a Governor-appointed, 13-member advisory board representing:
 - (1) commercial fishing;
 - (2) sport fishing;
 - (3) sport hunting;
 - (4) conservation;
 - (5) subsistence
 - (6) forest products;
 - (7) mining;

- (8) powerboat users;
- (9) recreationally-oriented commercial users;
- (10) other recreational users;
- (11) private property owners within the recreation river corridors;
- (12) the Matanuska-Susitna Borough Planning Commission from the membership of the planning commission; and (13) the mayor of the Matanuska-Susitna Borough or the designee of the mayor

- Six Recreation Rivers
 1. Little Susitna River
 2. Deshka River (Moose/Kroto Creeks)
 3. Talkeetna River
 4. Lake Creek
 5. Talachulitna River
 6. Alexander Creek
- 460 River Miles
- Mile-wide corridors totaling 260,000 acres

[5:01:10 PM](#)

MR. GOODRUM moved to slide 3:

[Original punctuation provided.]

Susitna Basin Recreation Rivers Advisory Board

- Requires DNR write a management plan
 - Original Management Plan adopted in 1991
- Plan establishes management guidelines
 - Manage activities consistent with statutory purposes
 - Protect fish, wildlife, and the river's free flow
 - Identify special recreation values and manage intensity and types of recreational use
 - Designate management guidelines for development activities
 - Designate management guidelines for commercial recreation activities or development
 - Provide for transportation and utility corridors, public safety, and law enforcement
 - Provide for reasonable access
 - Establish criteria and timelines to review future proposed uses for compatibility with AS 41.23.400

[5:01:43 PM](#)

MR. GOODRUM moved to slide 4 and spoke to advisory board responsibilities:

Advisory Board Responsibilities

The Board assists in preparing, adopting, and revising the recreation river management plan and regulations affecting use and management of the recreation rivers.

MR. GOODRUM added that there have been many errors since the board was re-constituted in November of 2021. He said 18 meetings have been scheduled since.

[5:02:33 PM](#)

MR. GOODRUM moved to slide 5 and summarized EO 134:

[Original punctuation provided.]

Executive Order 134

WHAT:

- Sunsets the advisory council; transfer the functions and duties of the Susitna Basin Recreation Rivers Advisory Board to DNR

WHY:

- Creates efficiency and establishes single point of contact for management
- Eliminates duplication within state government
- Resulting in increased performance and accountability

FUTURE:

- Any changes to the Susitna Basin Recreation Rivers management plan must already go through a robust public process in consultation with affected municipalities, state agencies, and stakeholders that requires public notice, public comment periods, and meetings in the affected communities

[5:03:51 PM](#)

MR. GOODRUM moved to slide 6 and presented the sectional analysis for EO 134:

EO 134 Sectional Analysis Detail

Sec. 1, Page 1: Provision adds a new section to the uncodified law providing the governor's findings that it is in the best interests of efficient administration to transfer the functions of the Recreation Rivers Advisory Board to the Department of Natural Resources, and to eliminate the board as it is no longer needed

Sec. 2, Page 1: Provision amends AS 41.23.440(a) (relating to management plans for recreation rivers and corridors) to delete the reference to the advisory board. The DNR commissioner would no longer be required to consult with the board when preparing or revising a management plan for each of the six recreation rivers and their corridors. The commissioner and each affected municipality would still be required to consult with public and state agencies

Sec. 3, Page 2: Provision repeals AS 41.23.430 which established the Recreation Rivers Advisory Board

Sec. 4, Page 2: Provision adds a new section to the uncodified law to provide guidelines for the transition period that would be required by this executive order

Sec. 5, Page 3: Provision established an effective date of July 1, 2024

[5:04:58 PM](#)

SENATOR CLAMAN asked if the board has experienced any challenges completing its work since it was re-constituted.

[5:05:17 PM](#)

MR. GOODRUM replied that four of 18 meetings were cancelled due to quorums, which presented challenges. He said when the board was convened in the late 1980-90s, getting stakeholders together proved difficult.

[5:06:06 PM](#)

SENATOR CLAMAN asked for the timespan of the 18 meetings.

[5:06:14 PM](#)

MR. GOODRUM replied that 18 meetings have occurred since 2021.

[5:06:29 PM](#)

SENATOR KAWASAKI asked for the current number of appointed members.

[5:06:40 PM](#)

MR. GOODRUM replied that of the 13 members, 10 are currently appointed and 3 are currently vacant.

[5:06:49 PM](#)

SENATOR KAWASAKI asked if certain members are automatically appointed under statute.

[5:07:16 PM](#)

MR. GOODRUM replied that is correct.

[5:07:22 PM](#)

CO-CHAIR GIESSEL held EO 134 in committee.

[5:08:31 PM](#)

There being no further business to come before the committee, Co-Chair Giessel adjourned the Senate Resources Standing Committee meeting at 5:08 p.m.