

Introduced: 2/24/69
Referred: Labor and
Management and Judiciary

1 IN THE SENATE

BY BEGICH, PALMER AND RADER

2 SENATE BILL NO. 194

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to hiring requirements under state oil
7 and gas leases; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 38.05.180 is amended by adding new subsections to read:

10 (s) The commissioner shall incorporate into every oil and gas
11 lease executed or renewed after the effective date of this Act in which
12 the state is a part, a provision requiring the hiring of qualified
13 residents of the state by the lessee or any person who does work for
14 or with the knowledge of the lessee where the person or lessee engages
15 in the exploration for, production, transportation or marketing of oil
16 and gas at or from the leased premises so long as this activity takes
17 place within the state. This lease provision shall provide for the
18 maintenance, by the lessee, of an on-the-job training program approved
19 by the Department of Labor aimed at qualifying Alaska residents presently
20 lacking in the requisite technical skills of the activity involved.
21 This training program shall be geared so that Alaska residents comprise
22 70 per cent of the employees during the first year of the oil and gas
23 lease development, 85 per cent during the second year, and 95 per cent
24 during the third year of the oil and gas lease development thereafter
25 so long as the lease in question is viable. Each lessee, or person
26 performing work for or with the knowledge of the lessee, engaged in an
27 activity covered by this subsection shall, before the 10th of the
28 month, file with the Department of Labor a schedule for the previous
29 month, setting out in detail the number of persons employed, the type of

1 work performed by each employee, the present address of each employee,
2 and the number of months each employee has been in the state. If a
3 lessee, or person performing work for or with the knowledge of the
4 lessee, falsifies a monthly schedule required under this subsection,
5 the Department of Labor shall notify the commissioner who shall cancel
6 the lease if the false schedule is from the lessee or shall impose a
7 fine of \$10,000 for each false schedule if the schedule is submitted by
8 a person performing work for or with the knowledge of the lessee. If,
9 during a given year the Department of Labor determines that the weighted
10 average resident employees of a person covered by this subsection is
11 falling below the percentage required it shall notify the person in-
12 volved. If, at the end of a given year, the person still has not
13 complied with the requirements for resident hiring the Department of
14 Labor shall hold an informal hearing with the person to determine the
15 cause. If the person shows by convincing evidence that he is unable to
16 meet the resident hiring requirements due to an inadequacy of the
17 state labor market to supply the needed skills the Department of Labor
18 shall excuse the lessee, or person performing work for or with the
19 knowledge of the lessee, only if he has, in the judgment of the Depart-
20 ment of Labor, complied with the requirements to the full extent of his
21 ability. The Department of Labor's decision on this point shall be the
22 final administrative decision on the point. If a lessee, or person
23 performing work for or with the knowledge of the lessee, fails to show
24 an excuse the Department of Labor shall forward this information to the
25 commissioner. The commissioner shall cancel the lease if the lessee
26 is the person failing to comply or be excused from complying. If a
27 person performing work for or with the knowledge of the lessee is the
28 person failing to comply or failing to be excused from complying the
29 commissioner shall impose a penalty of \$10,000 for each month of this

1 failure. The person performing work for or with the knowledge of the
2 lessee may apply to the Department of Labor for a rehearing within one
3 month of the imposition of this penalty but in order to be granted a
4 hearing he must show by the application that substantial changes have
5 occurred which will excuse them from further penalty.

6 * Sec. 2. AS 38.05 is amended by adding a new section to read:

7 Sec. AS 38.05.181. DEFINITIONS. "Resident" as used in subsection
8 (s) of AS 38.05.180 means a person who has been physically present in
9 the state for a period of one year and shows by all attending actions
10 and circumstances that it is his intent to reside permanently in Alaska.

11 * Sec. 3. This Act takes effect on the day after its passage and approval
12 or on the day it becomes law without approval.