

Introduced: 3/24/69
Referred: Labor and Management and Judiciary

1 IN THE SENATE

BY BEGICH AND JOSEPHSON

2 SENATE BILL NO. 296

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
7 oil and gas leases; and providing for an effective
8 date."

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

10 * Section 1. PURPOSE. It is declared to be the policy of the State of
11 Alaska in the management of oil and gas resources located upon state owned
12 property to seek and accomplish development of these resources so as to
13 provide maximum employment opportunities for its bona fide residents.

14 * Sec. 2. AS 38.05 is amended by adding new sections to read:

15 Sec. 38.05.181. APPLICABILITY. The provisions of this Act shall
16 apply to all employment with respect to the exploration for, or produc-
17 tion, transportation, or marketing of oil and gas at or from premises
18 leased from the State of Alaska, so long as the activity takes place
19 within the state and is wholly or in substantial part directly at-
20 tributable to operations at the leased premises.

21 Sec. 38.05.182. PREFERENTIAL HIRING. (a) The commissioner shall
22 cause to be incorporated into every oil and gas lease to which the
23 state is a party a provision requiring the hiring of bona fide Alaska
24 residents, in accordance with this section. The provision shall, by
25 its express terms, condition the rights of the lessee under the lease
26 upon his continuing compliance with it, and the continuing compliance
27 of any assignee, sublessee, or contractor of the lessee, or any person
28 doing work for or in conjunction with the lessee with respect to the
29 leased premises. The preferential hiring provision shall require that

1 the lessee, with respect to operations described in sec. 181

2 (1) maintain a work force during each month of which at
3 least 70 per cent, based upon the monthly weighted average, consists
4 of bona fide Alaska residents during the first year of the lease;

5 (2) maintain a work force during each month of which at
6 least 85 per cent, based upon the monthly weighted average, consists of
7 bona fide Alaska residents during the second year of the lease;

8 (3) maintain a work force during each month of which at
9 least 95 per cent, based upon the weighted monthly average, consists of
10 bona fide Alaska residents during the third year of the lease and
11 thereafter;

12 (4) maintain an on-the-job training program approved by the
13 Department of Labor to assure a sufficient pool of qualified Alaska
14 residents to comply with (a)(1), (2) and (3) of this section;

15 (5) pay to the State of Alaska in liquidated damages an
16 amount equal to .50 cents per acre of the leased premises involved in
17 which the noncompliance occurs, for each day during which the require-
18 ments of (a)(1), (2) and (3) of this section are not complied with,
19 unless compliance is excused in accordance with (b) of this section;

20 (6) to submit to the Department of Labor those monthly
21 reports relating to employment as may be required by the department
22 to assure compliance with the provisions of this Act;

23 (7) to incorporate into each agreement with an assignee,
24 sublessee, contractor or other person doing work for or in conjunction
25 with the lessee a provision requiring compliance with (a)(1), (2), (3)
26 and (4) of this section which provision shall be expressly made for
27 the benefit of the State of Alaska and shall require the payment by this
28 person of liquidated damages to the State of Alaska in accordance with
29 (a)(5) of this section and shall require the filing of reports to the

1 Department of Labor in accordance with (a)(6) of this section.

2 (b) The Department of Labor shall certify those persons coming
3 under this Act who have met the requirements of (a)(1), (2), (3)
4 and (4) of this section and submit a list of persons certified to the
5 commissioner. If the Department of Labor refuses to certify a person
6 due to noncompliance with this Act it shall schedule a hearing with the
7 person, who must appear either in person or through an attorney or
8 agent, to show cause why he should not be subject to the provisions
9 of (a)(5) of this section. If cause can be shown that failure to
10 comply was due to

11 (1) a temporary and emergency condition or other exigencies
12 for which the individual was not responsible and that the person noti-
13 fied the Department of Labor of the emergency or other exigencies upon
14 their discovery and took those measures reasonably calculated to correct
15 the condition; or

16 (2) a failure of the labor force to supply enough bona fide
17 residents of Alaska and that prior to employing other persons in such
18 numbers as to preclude compliance with (a)(1), (2) and (3) of this
19 section the person informed the Department of Labor of the situation
20 in writing and submitted a list of names and addresses of the persons
21 to be employed and received waivers for these employees from the
22 Department of Labor; the Department of Labor shall issue temporary
23 certification and require a review hearing within the time decided
24 in the original hearing to be a reasonable time to permit correction
25 of the situation causing noncompliance.

26 (c) The Department of Labor shall maintain a file consisting of
27 names of bona fide Alaska residents seeking the type of employment
28 covered by this Act and resident persons enrolled in approved on-the-job
29 training programs and shall not grant waivers as provided for in (b)

1 of this section for any position for which bona fide residents or
2 on-the-job trainees are available. If residents are not available
3 for the job sought to be filled the Department of Labor shall grant the
4 waiver requested under (b) of this section for an initial period not to
5 exceed 30 days.

6 Sec. 38.05.183. REGULATIONS AND HEARINGS. (a) The Department of
7 Labor and the Department of Natural Resources shall from time to time
8 issue, amend, or rescind regulations as deemed necessary to carry out
9 the provisions of this Act.

10 (b) Regulations and hearings under this Act shall be subject to
11 the Administrative Procedure Act (AS 44.62).

12 Sec. 38.05.184. DEFINITIONS. As used in secs. 181 - 183 of
13 this chapter

14 (1) "bona fide resident of Alaska" or "resident" means

15 (A) a person who has been physically present in the
16 state of Alaska, except for brief intervals, for a period of one
17 year; or

18 (B) a person who has not been present in the State of
19 Alaska for a period of one year, except for brief intervals, but
20 shows by all attending circumstances that his intent is to make
21 Alaska his permanent residence and the Department of Labor has
22 certified that the attending circumstances show this intent.

23 (2) "work force" means all persons employed on or with
24 respect to premises covered by an oil and gas lease who are paid on
25 an hourly or piece work basis, or who perform unskilled, semi-skilled
26 or skilled labor or any trade or craft, regardless of how paid, or
27 who are engaged in the direct supervision of employees at the situs
28 of the work, but shall not include other professional or managerial
29 personnel.

1 * Sec. 2. This Act takes effect on the day after its passage and approval
2 or on the day it becomes law without approval.
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