

Original sponsor: Rules Committee by request
of the Joint Pipeline Impact
Committee by request

Offered: 6/8/72
Referred: Rules

1 IN THE HOUSE

BY THE LABOR AND MANAGEMENT COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 726

FCC

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the leasing of state land for the
7 purposes of oil and gas pipeline construction and
8 operation and oil and gas exploration and production;
9 and providing for an effective date."

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

11 * Section 1. AS 38 is amended by adding a new chapter to read:

12 CHAPTER 40. LOCAL HIRE UNDER STATE LEASES.

13 Sec. 38.40.010. STATE POLICY. It is the policy of the state in
14 the development of its natural resources to seek and accomplish the
15 development of its human resources by providing maximum employment
16 opportunities for its residents in conjunction with natural resource
17 management.

18 Sec. 38.40.020. LEGISLATIVE FINDINGS. The legislature finds that
19 Alaska has a uniquely high unemployment record among the states due
20 both to cultural and geographical migration barriers which record has
21 existed for many years and which experts have attested to will persist
22 without drastic governmental intervention. The legislature further
23 finds that employment opportunities which do from time to time occur in
24 the areas of the state which suffer from the largest chronic unemploy-
25 ment problem are nonrecurring and usually relate to the exploitation
26 of the state's natural resources and that the state has an obligation
27 to assure that the benefits of this employment enure to the benefit
28 of residents of the state.

29 Sec. 38.40.030. RESIDENT HIRE. (a) The commissioner of natural

1 resources shall incorporate into all oil and gas leases, easements or
2 right-of-way permits for oil or gas pipeline purposes, unitization
3 agreements or any renegotiation of any of the preceding to which the
4 state is a party a provision requiring the hiring of qualified Alaska
5 residents, and a provision prohibiting discrimination against Alaskan
6 residents, in accordance with the provisions of this chapter.

7 (b) The commissioner of labor shall determine the amount of
8 work which must be performed by qualified Alaskan residents under this
9 chapter. In making this determination the commissioner shall consider
10 the nature of the work, the classification of workers, availability of
11 residents, the willingness of residents to perform the work and shall
12 require the maximum feasible effort by employers to fill available
13 jobs with qualified Alaskans.

14 (c) The commissioner of labor shall adopt regulations prohibiting
15 discrimination against Alaska residents in hiring practices.

16 Sec. 38.40.040. REPORTING PROVISIONS. (a) Persons obligated
17 to meet resident hiring requirements under this chapter shall comply
18 with those reporting provisions which the commissioner of labor deter-
19 mines are reasonably necessary to carry out the purposes and intent of
20 this chapter.

21 (b) The Department of Labor shall maintain a file consisting of
22 the names of qualified Alaskan residents seeking the type of employment
23 covered by this chapter and resident Alaskans enrolled in approved
24 on-the-job training programs who are qualified to perform the work
25 required under this chapter.

26 Sec. 38.40.050. APPLICABILITY OF CHAPTER. (a) The provisions
27 of this chapter apply to all employment which is a result of oil and
28 gas leases, easements, leases or right-of-way permits for oil or gas pipe-
29 line purposes, unitization agreements or any renegotiation of any of

1 the preceding to which the state is a party after the effective date
2 of this chapter; however, the activity which generates the employment
3 must take place inside the state and it must take place either on the
4 property under the control of the person subject to this chapter or be
5 directly related to activity taking place on the property under his
6 control and the activity must be performed directly for the person
7 subject to this chapter. If the lessee includes in all contracts a
8 provision that the contractor will comply with all of the provisions
9 of this Act and that the obligations and penalties provided herein
10 will be undertaken and performed fully by the contractor, then the
11 lessee, itself, shall not be subject to the penalties contained herein
12 for violations by a contractor.

13 (b) The Department of Labor shall determine a dollar amount
14 value of each project or activity covered by this chapter and set a
15 minimum dollar figure below which this chapter does not apply. In
16 arriving at this minimum dollar figure the department shall consider
17 the benefit which enures to Alaska residents versus administrative and
18 enforcement costs. The department, by appropriate investigation and
19 ruling, shall insure that projects or activities within projects are
20 not artificially divided to prevent coverage under this chapter. The
21 burden is upon the person covered by this chapter to show that artifi-
22 cial division has or is not occurring.

23 Sec. 38.40.060. REGULATIONS AND HEARINGS. (a) The Departments
24 of Labor and Natural Resources shall promulgate appropriate regulations
25 to implement the provisions of this chapter. Regulations and hearings
26 promulgated or conducted under this chapter are subject to the Adminis-
27 trative Procedure Act (AS 44.62) except as provided in (b) of this
28 section.

29 (b) It shall be the employer's responsibility to determine and

1 adjudge the qualifications of the prospective employee. A person who
2 is qualified and has applied for a job covered by the provisions of
3 this chapter, and who has been rejected may request a hearing before
4 the Department of Labor to determine if the potential employer is in
5 compliance with the provisions of this chapter. The department shall
6 set a date for and hold a hearing on the question within 10 days of
7 receipt of the request unless the person applying requests a longer
8 period of time.

9 Sec. 38.40.070. PENALTIES. The Department of Natural Resources,
10 upon certification of noncompliance of a person by the Department of
11 Labor, after appropriate investigations and hearings may impose any
12 of the following appropriate penalties:

13 (1) increase in rental or fees received by the state by a
14 factor of no more than 10 per cent;

15 (2) require a noncompliance payment in liquidated damages
16 to the state.

17 Sec. 38.40.080. INJUNCTIVE RELIEF. The Department of Labor or
18 the Department of Natural Resources, in addition to the imposition
19 of any penalties under sec. 70 of this chapter, may seek injunctive
20 relief against a person not in compliance with the provisions of this
21 chapter.

22 Sec. 38.40.090. DEFINITIONS. In this chapter "resident" means
23 a person physically present in the state for one year prior to the
24 time he enters into a contract of employment (verbally or in writing)
25 and who shows by all attending circumstances that his intent is to make
26 Alaska his permanent residence.

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