

SCR

21

Alaska State Legislature

DETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

May 15, 1981
1:30 p.m.

Beltz Room
Room 211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Mulcahy
Senator Gilman
Senator Sturgulewski
Senator Eliason

Hearing:

- SB 304 An Act making a supplemental appropriation to the Department of Natural Resources for planning for the Tokositna Park.
- SB 305 An Act making a special appropriation to the Department of Natural Resources for planning for the Tokositna Park.
- SCR 21 Relating to research relating to proposed state and federal oil and gas lease sales.
- SJR 35 Relating to the exemption of Alaska hydroelectric projects from the licensing authority of the Federal Energy Regulatory Commission.
- SB 291 An Act making a special appropriation to the Department of Fish and Game for shooting and firearm safety programs.

Senator Rodey stated that SB 304 and SB 305 appropriate funds to continue the planning efforts on the Tokositna Park. He requested that the Committee consider passage of the suggested Committee Substitute and the letter of intent.

Senator Fischer put forth the motion to move CSSB 304 and CSSB 305 with individual recommendations. He also, asked for unanimous consent on the letter of intent.

SENATE RESOURCES COMMITTEE

Page: 2

May 15, 1981

Senator Parr stated that SCR 21 asks the Governor to submit a proposal in the next budget for an applied research program for proposed state and federal oil and gas lease sales.

Senator Sturgulewski put forth the motion to move SCR 21 with individual recommendations.

Dave Hutchens, Executive Director, Alaska Rural Electric Cooperatives, stated that SSSJR 35, would help shorten the time frame in which the Federal Energy Regulatory Commission issues licenses. All of FERC's personnel is located in Washington, D. C., and when they receive an application they are very ponderous in their deliberations

Senator Gilman put forth the motion to move SSSJR 35 with individual recommendations.

Robert Hinman, Deputy Director, Division of Game, Department of Fish and Game, stated that the \$5 million appropriation in SB 291 is the recommendation of the State Range Planning Committee.

Randy Smith stated that he supports SB 291. The appropriation in SB 291 is for capital projects and for the Department of Fish and Game to provide some expertise to help the local organizations to institute the programs.

Senator Gilman put forth two amendments to SB 291. Senator Gilman put forth the motion to move SB 291 with individual recommendations as amended.

The Committee adjourned at 2:45 p.m.

SCR 21

A Proposed State-Sponsored Coastal Studies
Program for Alaska Oil and Gas
Development Issues

Final Report of a Workshop Convened
by the Division of Policy Development
and Planning, Office of the Governor

State of Alaska

April 1981

TABLE OF CONTENTS

	Page
Introduction	1
Present Situation	5
Workshop Consensus Points	7
Program Management - An Option	9
Workshop Proposal for an Initial Studies Program	10

Introduction

Demands on Alaska oil and gas reserves have resulted in the scheduling of federal or State lease sales along most of the State's coastline from the eastern Gulf of Alaska north to the Alaska-Canadian border. As the pace of petroleum-related activity has quickened, it has become increasingly apparent to many that federally-sponsored socioeconomic and environmental studies need to be intensified and expanded at a commensurate pace. There are at least ten federal lease sales scheduled off Alaska's coast within the next four years and there are strong indications that even this schedule may soon become more accelerated. In addition, coastal lands within the National Petroleum Reserve - Alaska are being considered for leasing beginning in fiscal year 1982. The State of Alaska has also scheduled eleven major oil and gas lease sales on submerged lands and coastal uplands (Table 1 and Figure 1).

There is a growing awareness that federally-sponsored studies do not address nearshore and onshore impacts of federal lease sales with the intensity that offshore impacts are dealt with. Moreover, there are significant areas affected by State sales that lie beyond the geographic scope of the federal studies program.

The question of whether the State of Alaska faces an obligation to sponsor a petroleum-related studies program prompted the Division of Policy and Development and Planning in the Office of the Governor to convene a workshop on January 28, 1981. Participants included State agency representatives and representatives of both the University of Alaska and the federal agencies currently engaged in coastal studies (Table 2). The purposes of the workshop were to 1) verify the value of a State-sponsored coastal studies program, 2) attempt to reach consensus on how such a program should be organized, and 3) determine what specific studies should be proposed for the first year of a program, in the event that one is approved by both the State Administration and the Legislature.

The purpose of this report is to summarize the results of the workshop and to provide the Governor's Budget Review Committee (BRC) with a better basis from which to evaluate the merits of a coastal studies program in its budget deliberations.

TABLE 1. ALASKA LEASING SCHEDULES

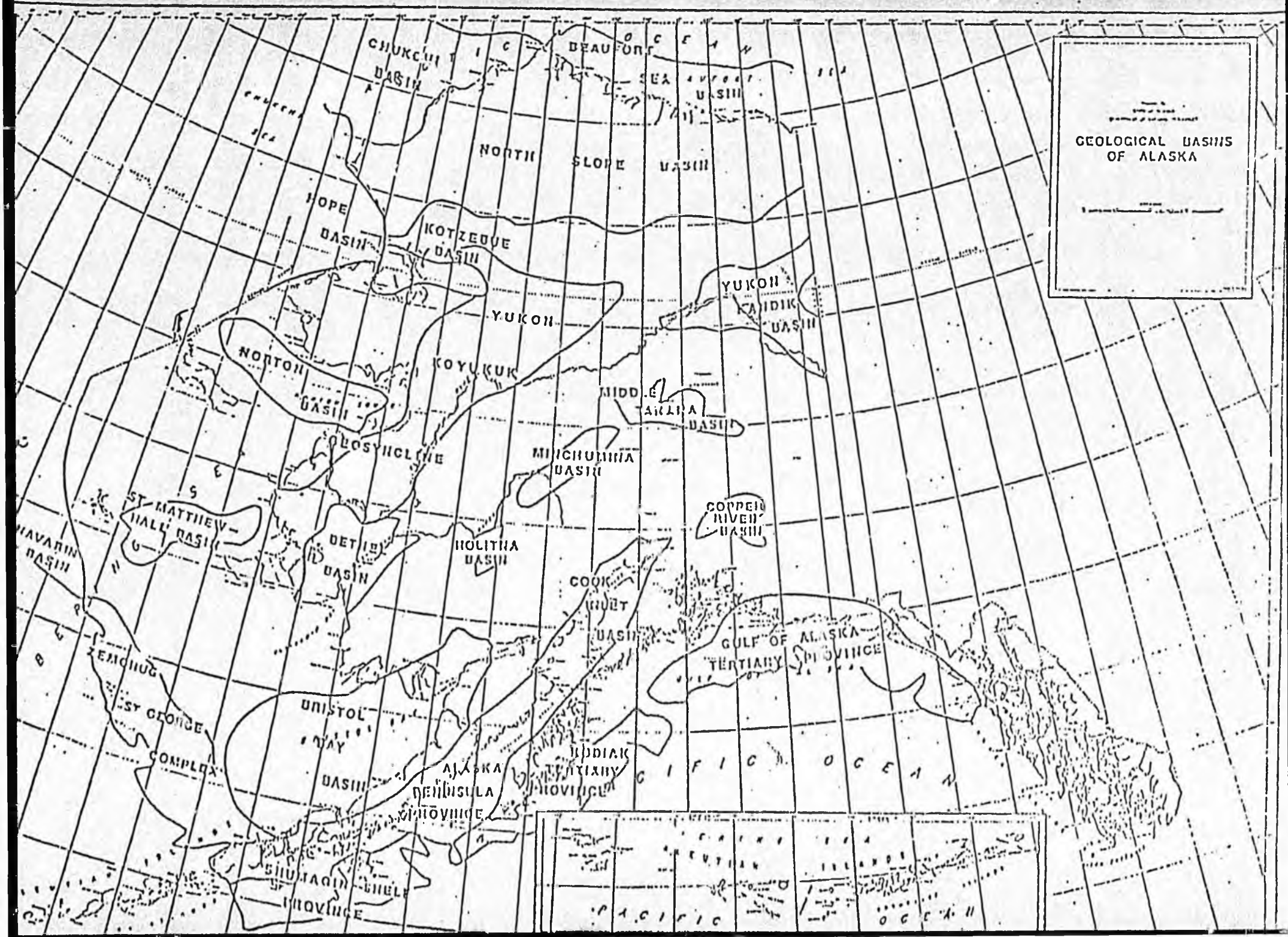
YEAR	SALE NO.	STATE DATE	AREA	SALE NO.	FEDERAL DATE	AREA
1981	33	2nd Qtr	Upper Cook Inlet (onshore and offshore, including the Susitna Valley)	NOTE - See new Federal Lease Schedule 1982-86 (attached)		
	32	3rd Qtr	Cook Inlet south of Kenai River (exempt acreage sale)	RS-1	7/81	Eastern Gulf of Alaska - re-offering sale
				60	9/81 12/81	Lower Cook Inlet NPR-A
1982	35	1st Qtr	Lower Cook Inlet (offshore and onshore)			
	34*	2nd Qtr	Prudhoe Bay Uplands			
	36*	2nd Qtr	2nd Beaufort Sea (submerged lands)			
	37	3rd Qtr	Middle Tanana Basin and Copper River Basin	57 70	7/82 9/82 12/82	NPR-A Norton Basin St. George Basin
1983	38	1st Qtr	Norton Basin	71	2/83	Beaufort Sea
	39	2nd Qtr	3rd Beaufort Sea	61	4/83	Kodiak Shelf
	40	3rd Qtr	2nd Upper Cook Inlet (offshore & onshore, including the Susitna Valley)	75	10/83	North Aleutian Shelf
1984	41	1st Qtr	SW Bristol Bay Uplands			
	42	2nd Qtr	Minchumina Basin			
	43	3rd Qtr	4th Beaufort Sea	83	12/84	Navarin Basin
1985**	44	1st Qtr	Chukchi (nearshore & onshore)***	85	2/85	Chukchi Sea***
	45	2nd Qtr	Hope Basin	86	5/85	Hope Basin
	46	3rd Qtr	Holitna Basin			

* Same day Sales

** 1981 additions to the State 5-year lease schedule

*** The holding of the Chukchi Sales at this time is contingent upon a reasonable assumption that technology will be available for exploration and development in the lease sale area.

FIGURE 1.



LIST OF PARTICIPANTS IN ALASKA COASTAL STUDIES PROGRAM CONCEPTUAL WORKSHOP
(Juneau, Alaska - January 28, 1981)

<u>NAME</u>	<u>AFFILIATION</u>
Bruce Baker*	Division of Policy Development & Planning
Paul R. Becker*	NOAA Alaska Project Office (Juneau)
Lennie Boston*	Alaska Department of Natural Resources (Commissioner's Office)
Veronica Clark	Alaska Department of Community & Regional Affairs (Division of Community Planning)
Neil Davis	Alaska Council on Science & Technology
Kurt Fredriksson*	Office of Coastal Management
R.S. Hadley*	Alaska Sea Grant Program
Glenn Harrison**	Alaska Department of Natural Resources (Division of Minerals and Energy Management)
Gary Hennigh	Socioeconomic Studies Program/BLM OCS Office
Jerry Imm*	Environmental Studies Program/BLM OCS Office
Gretchen Keiser*	Division of Policy Development & Planning
Rod Mourant	Governor's Office (Fiscal Officer)
Chris Noah	Alaska Council on Science & Technology
Dave Norton*	NOAA Arctic Project Office/University of Alaska
Doug Redburn*	Alaska Department of Environmental Conservation
Rod Swope*	Division of Policy Development & Planning
Lance L. Trasky*	Alaska Department of Fish & Game (Habitat Protection Section)
James K. Trimble*	Alaska Oil & Gas Conservation Commission
Gunter Weller*	NOAA Arctic Project Office/University of Alaska
Carol Wilson*	Alaska Department of Natural Resources (Division of Research and Development)
Mark Wittow	Legislative Aide to Representative Malone, Alaska Legislature
Blair E. Wordzell*	Alaska Oil & Gas Conservation Commission
F.F. Wright*	Division of Policy Development & Planning/ NOAA Alaska Project Office (Juneau)

* Participants whose comments on a draft version of this report were received by 4/3/81.

** Did not attend workshop but submitted comments on a draft version of this report.

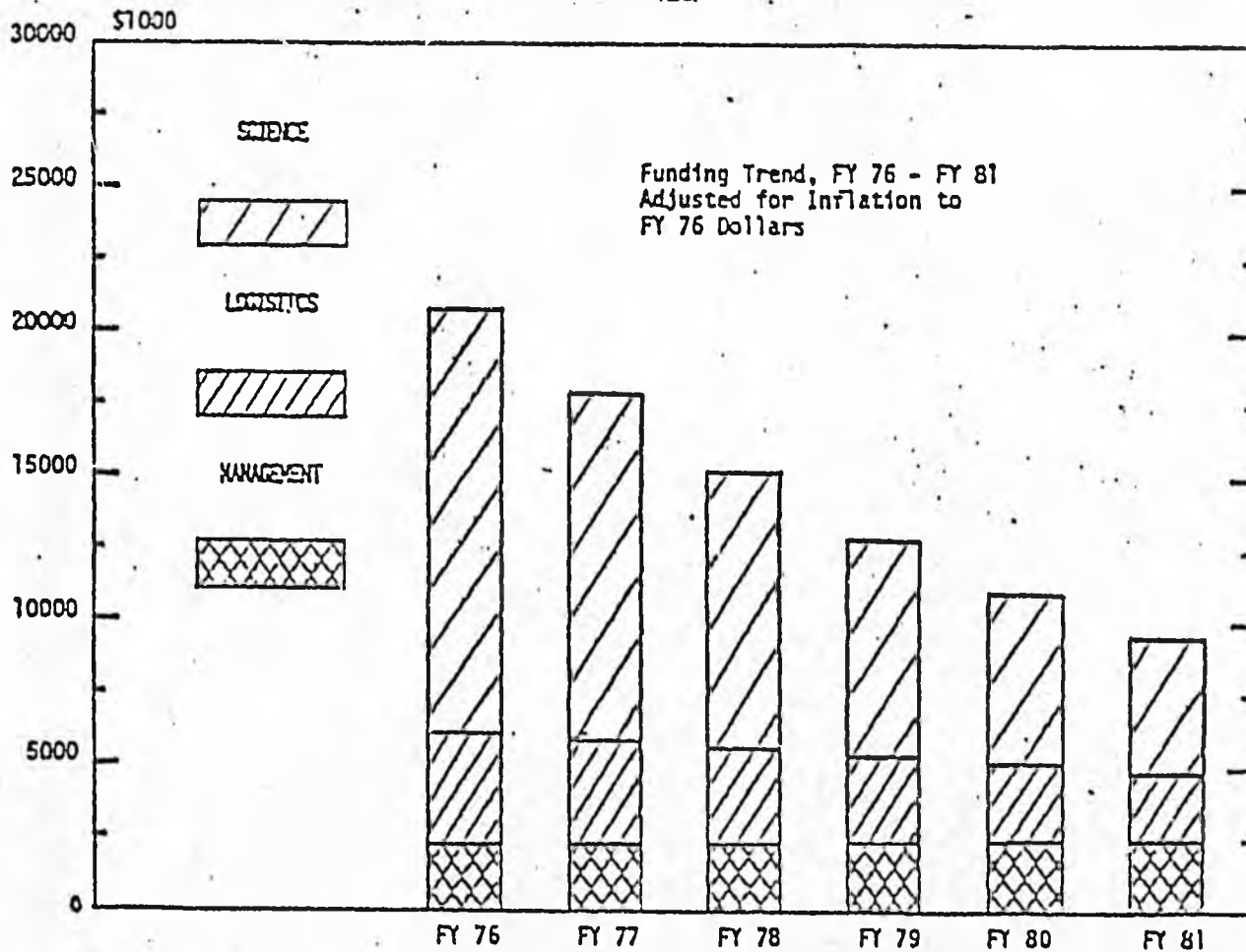
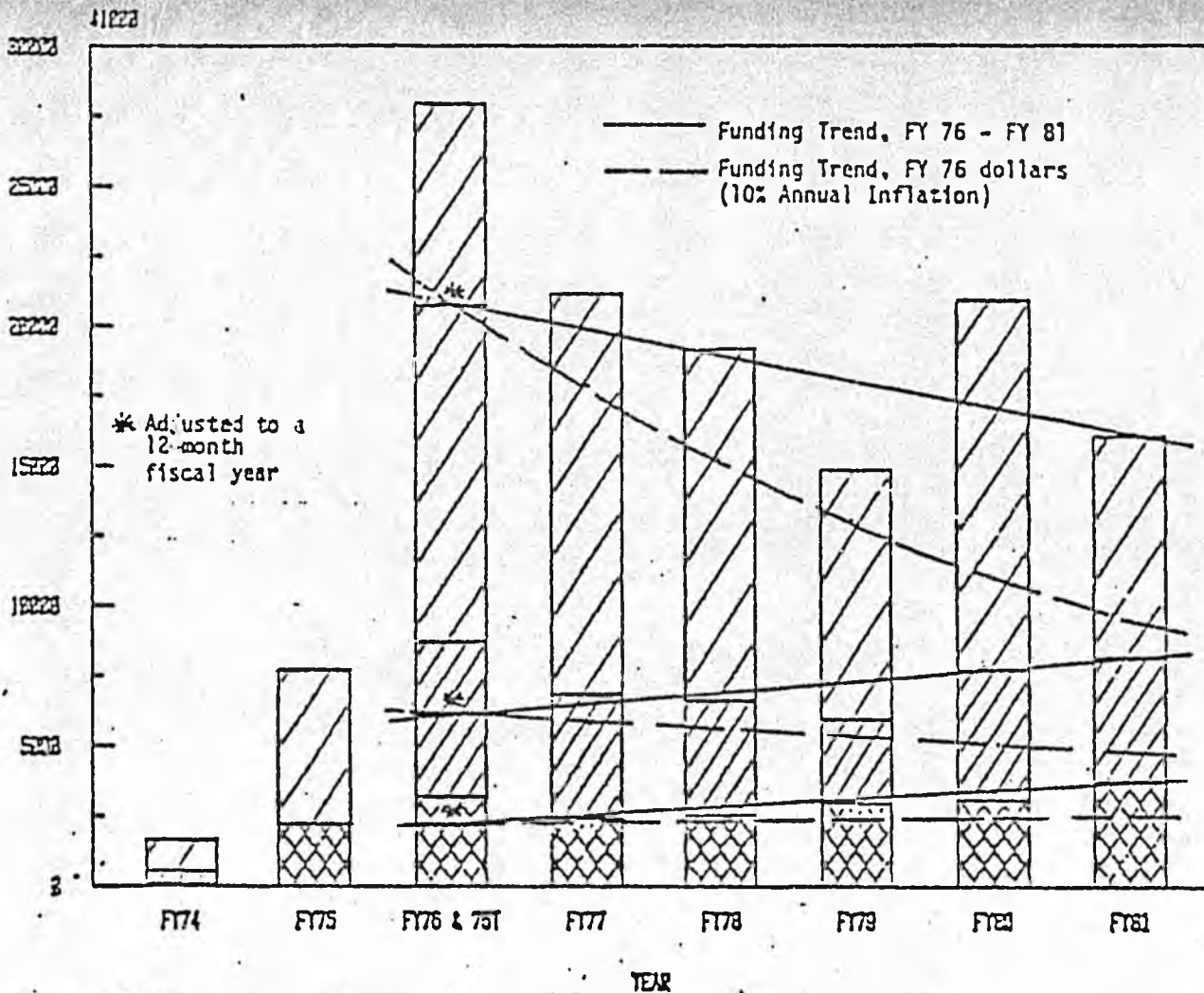
Present Situation

The existence of well-coordinated and integrated coastal studies in Alaska offshore petroleum provinces began in 1974 with the advent of the Bureau of Land Management's (BLM) Studies Program. This program consists of the Socioeconomic Studies Program (SESP), conducted under BLM's immediate direction and the Outer Continental Shelf Environmental Assessment Program (OCSEAP), funded and directed by BLM and administered by the Department of Commerce through its National Oceanic and Atmospheric Administration (NOAA). The State has been a major beneficiary of these federal studies. Study results have enabled the State to develop informed policy positions regarding 1) the pace of federal leasing off Alaska, 2) the configuration of lease sale areas that afford both economic development opportunities and renewable resource protection, and 3) the development of realistic lease sale terms and conditions.

Figure 2 indicates the general trend in federal funding that supports BLM's OCSEA Program in recent years. The decline in federal expenditures runs counter to the trend in increased federal leasing activity off Alaska's coast and is a concern that Governor Hammond has consistently expressed to the federal government.

As a result of both federal and State leasing activities, the State has rapidly developed considerable scientific, management, and planning expertise to address the pressures of coastal energy development. Cook Inlet, Prudhoe Bay, and the Beaufort Sea continue to be the focal points of the State's learning process. Some of the lessons learned include:

1. The existence of an adequate resource information base enables the State to competently direct State lease sale activities and to fully participate in federal leasing activities. The State was able to do both in the 1979 Joint State/Federal Beaufort Sea Lease Sale.
2. Adequate knowledge of the physical, biological, and social conditions that prevail before a lease sale or activity occurs can optimize mitigative and regulatory strategies. This approach ensures renewable resource protection yet minimizes litigative delays, costly buy-back situations such as in Kachemak Bay, and unnecessary burdens on industry. An example of the latter would be the unnecessarily stringent prohibitions on offshore disposal of drilling muds and cuttings in Cook Inlet. Once adequate knowledge of flushing and dilution rates was obtained, disposal regulations were modified.
3. Continuous monitoring of ongoing activities provides informational feedback which can be used to refine, strengthen, or relax mitigating requirements in future decisions.



SOURCE: NOAA/OCSEAP Arctic Project Office, University of Alaska, Fairbanks.

Workshop Consensus Points

Workshop participants represented natural resource development and protection interests, the scientific community, and managers of federally-sponsored studies. The workshop also benefited from the participation of those familiar with administrative, fiscal, or legislative processes.

The following points represent the general consensus of workshop participants.

1. There should be a State-sponsored coastal studies program that is focused on current and future oil and gas leasing activities. The program should include the following objectives:
 - a. To help ensure that informed decisions are made by State agencies responsible for coastal planning, resource development, or the regulation and permitting of petroleum-related activities.
 - b. To help resolve high-priority issues in areas of particular geographic importance to the State, such as waters within its three-mile jurisdiction and nearshore or onshore coastal areas likely to be influenced by State or federal oil and gas lease sales.
 - c. To initiate "problem-solving" studies designed to provide useful information which would thereby clarify and simplify the State's regulation of oil and gas development.
 - d. To contribute site-specific socioeconomic information to minimize impacts on coastal communities likely to be affected by oil and gas development.
 - e. To provide resource information to local communities for their comprehensive and coastal management planning.
2. A State-sponsored coastal studies program should be well-coordinated with studies sponsored by the federal government to ensure that State and federal efforts are complementary rather than duplicative.
3. A studies program should be implemented as soon as possible. Fiscal year 82 funding would produce the earliest possible results. Fiscal year 83 funding would be the next best alternative for producing timely results.
4. Overall administration of the program should utilize existing organizations and processes to the maximum extent possible, thereby avoiding unnecessary additions to the size of State government.
5. Although direct management of administrative or research studies is likely to be divided among different agencies and the University of Alaska, there should be one centralized funding entity which is vested with a degree of administration and coordination responsibility. The

consensus of the group was that the Office of the Governor could serve well in this capacity and that the Division of Policy Development and Planning may be an appropriate source of staff support within the Governor's Office.

6. Policy direction should largely be provided by existing forums such as the Governor's Agency Advisory Committee on Leasing (AACL), the Alaska Coastal Policy Council (ACPC), Alaska Council on Science and Technology, and the University of Alaska. The AACL is co-chaired by the Commissioner of Natural Resources and the Director of Policy Development and Planning. Other members include the Attorney General and the Commissioners of Fish and Game, Environmental Conservation, Community and Regional Affairs, Transportation and Public Facilities, Revenue, and Labor. The ACPC is co-chaired by the Director of the Division of Policy Development and Planning and a public member, the Mayor of Haines. Other members include the Commissioners of Community and Regional Affairs, Fish and Game, Environmental Conservation, Commerce and Economic Development, and Transportation and Public Facilities. Public members appointed by the Governor to the ACPC include representatives from the regions of northwest Alaska, the Bering Straits, southwest Alaska, the Kodiak-Alutians area, Upper Cook Inlet, Lower Cook Inlet, Prince William Sound, northern southeast Alaska, and southern southeast Alaska.
7. The composition of an annual coastal studies program should be determined by a technical review committee, comprised of voting representatives appointed by the Commissioners of the Departments of Community and Regional Affairs, Environmental Conservation, Fish and Game, Natural Resources, and the Director of the Division of Policy Development and Planning. These State agencies have community planning, management, regulatory, or policy authority in oil and gas matters and should, therefore, be the primary decision-makers in the structuring of an annual program. All State agencies and the University of Alaska could submit detailed study suggestions or proposals to the technical review committee for consideration. The AACL, the University of Alaska, and other research managers such as the Directors of BLM's OCS Office and NOAA's OCSEA Program could provide advisory input to the technical review committee.
8. Individual studies performed within this program, whether administrative or research, should be issue-oriented and designed to achieve measurable objectives within specified time periods. The technical review committee would have the key responsibility for ensuring this program orientation.
9. As a minimum, it would be helpful if those authorizing program funds could recognize the need for funding continuity in studies extending more than one year. Ideally, multi-year funding should be provided, perhaps through the Capital Budget. This would ensure a well-balanced mixture of short- and long-term studies.

Program Management - An Option

During the workshop, the group benefited considerably from a brief presentation by Mr. Rod Mourant, Fiscal Officer in the Governor's Office. Mr. Mourant identified various funding and management options available for a studies program. He indicated that either the State's Operating or Capital Budgets could be utilized and that the latter could provide for multi-year funding. He also suggested that were such a program to be administered out of the Governor's Office, the Division of Policy Development and Planning may be a suitable option for staff support. This option would involve the pass-through of study funds to State agencies and the University of Alaska by use of Reimbursable Service Agreements (RSA's). This option would also result in centralized funding and an opportunity for coordinated expenditure accountability. According to Mr. Mourant, it normally takes six to eight weeks to process administrative paperwork once funding is authorized.

Were funding authorized and directed to the Division of Policy Development and Planning within the Office of the Governor, the Division could fulfill the following functions:

1. Establish RSA's for disbursement of study funds to State agencies following recommendations of study priorities by the technical review committee. The RSA's would include sufficient detail to ensure management accountability (e.g., individual study work summaries, anticipated products, and synthesis of research results within specific timetables).
2. Monitor expenditures of funds within the overall studies program through quarterly reports required in RSA's between State agencies. DPDP would also coordinate end-of-the-year expenditure accountability.
3. Coordinate meetings of the technical review committee and provide information about the studies program to the public, upon request.

Within the coastal studies program, study interests of State agencies and the University of Alaska tend to sort out along the following lines:

Department of Community and Regional Affairs and Office of Coastal Management These agencies are well qualified to sponsor administrative and research studies involving social and economic impacts on coastal communities.

Departments of Natural Resources, Fish and Game, and Environmental Conservation These departments are deeply involved in the development of well-balanced measures designed to mitigate potentially adverse environmental and social impacts. They could sponsor or actually conduct certain administrative or research studies within the overall studies program. They, as well as the Department of Community and Regional Affairs, would also be major beneficiaries of research performed by other organizations such as the University of Alaska.

University of Alaska The Arctic Project Office (APO) within the Geophysical Institute is a University unit which could be involved in the management of certain physical and biological research studies identified within the studies program. The APO could receive guidance from the technical review committee identified earlier in this report, award contracts, and make logistical arrangements for contractors. Based on its experience, the APO could provide regular synthesis reports that summarize research results and translate results into recommended decision options.

At the end of the workshop, Mr. Mark Wittow of the Legislative staff expressed interest in the results of the meeting and in response to his request, the above consensus points were summarized.

In summarizing workshop results, three additional management considerations became evident. First, an office directly managing part of the overall studies program should figure on an overhead allowance of about ten percent of the total studies funding it requests. Second, funding to be used in any given year should be authorized in time to permit adequate planning, purchasing of equipment and supplies, and logistical arrangements for the summer and winter field seasons. Third, a year's study program should be closely coordinated with complementary federal programs administered by BLM, NOAA, or other agencies.

Workshop Proposal for an Initial Coastal Studies Program

Workshop participants agreed that the initial year of a Coastal Studies Program must involve a pragmatic selection of high-priority studies. Emphasis should be placed on those studies which are directly applicable to State agency information needs and which provide data within a relatively short time. The program should also include longer term studies, required to address more difficult resource concerns. While there is no clear indication of obtainable funding at this time, a program should be contemplated in case funds are authorized.

Readers of this report should realize that the studies proposed herein are preliminary. They would need to be carefully evaluated and screened by a technical review committee and, perhaps in some cases, revised by their proponents before a recommendation could be made to the Governor's Budget Review Committee. One purpose of identifying potential studies in this report is simply to enhance reader understanding of the overall direction that a studies program could take. A second purpose is to provide material for consideration by a technical review committee in the event that the concept of the program is approved.

Table 3 is a summary list of draft proposals developed as a result of the January 29th workshop, subsequent discussions among participants, and review of a draft version of this report. The table indicates clusters of potential study proposals. The design of companion proposals would need to be closely coordinated to prevent overlap.

The proposals are divided into four categories:

- I. Long-range issue and resource identification analysis.
- II. Monitoring the effectiveness of existing mitigating measures, regulations, and stipulations on oil and gas activities.
- III. Pre-sale and pre-activity evaluations.
- IV. Logistical and management tasks.

There is one new proposal addressing the effectiveness of existing stipulations and mitigating measures designed to minimize disturbance in the Kuparuk calving grounds of the Central Arctic caribou herd. The Alaska Department of Fish and Game has proposed this study, and it is included as a companion proposal to the study monitoring the effects of oil and gas activities, calving behavior, and calf survival of the Kenai caribou herd.

Table 4 identifies individual draft study proposals, those proposing the studies, potential managing agencies, study duration, and initial cost estimates.

TABLE 3

Summary of Alaska Coastal Studies Program Draft Proposals

I. Long-range issue and resource identification analysis:

1. Issue and resource identification in areas proposed for State oil and gas leasing. As a result of this analysis, the following companion proposals may be identified as significant study needs in specific lease areas:
 - a. Coastal sensitivity and oil spill trajectory studies.
 - b. Identification of endangered and protected wildlife species habitat.
2. Public opinion survey and analysis of the compatibility of oil and gas leasing/development with public use of State game refuges and critical habitat areas.

II. Monitoring the effectiveness of existing mitigating measures, regulations, and stipulations on oil and gas activities:

3. Monitoring the seasonal drilling restriction (November 1 - March 31) on downhole exploratory operations in the Arctic: An evaluation of oil spill risk and existing oil spill containment and cleanup technology.

A companion proposal is:

4. Oil spill cleanup technology for ice-covered waters.
5. Monitoring of the existing seasonal restriction (March 20 cutoff) on seismic operations in the Arctic.
6. Evaluation of the prohibition on continuous-fill causeway construction in the Arctic.

A companion proposal is:

7. Effects of causeways and artificial islands on nearshore circulation in the Arctic.
8. Monitoring the effects of oil and gas activities on waterfowl nesting and staging.
9. Colville River whitefish populations monitoring.
10. Monitoring existing stipulations designed to manage gravel and water resources in the Arctic.

11. Evaluation of current restriction on activities in the Stefansson Sound Boulder Patch areas.
12. Monitoring of current operating stipulations governing the disposal of drilling fluids and produced waters.
13. Evaluation of innovative, cost-effective approaches to aquatic monitoring.
14. Effectiveness of selected and temporary bird nesting enhancement possibilities by North Slope lessees.
15. Monitoring of existing stipulations and mitigating measures designed to minimize disturbance in the Kuparuk calving grounds of the Central Arctic caribou herd.

A companion proposal is:

16. Monitoring the effects of oil and gas activities on calving behavior and calf survival in the calving grounds of the Kenai caribou herd.
17. Monitoring the effects of oil and gas activities on fishing and hunting opportunities and harvest.

III. Pre-sale and/or pre-activity evaluations:

18. Effects of unburied submarine pipelines on commercial crab species.
19. Effects of continuous refinery, petrochemical, and offshore platform discharges on coastal embayments.
20. Nearshore mixing and pollutant transport studies in Alaskan estuaries: optimizing the location of new onshore development.
21. Sensitivity of coastal environments and wildlife to spilled oil (Prince William Sound).
22. Yukon Delta ecological processes studies.
23. Northern Chukchi Sea freshwater, anadromous, and nearshore marine fisheries.
24. Occurrence and management of "nuisance species" in upland, coastal, and marine areas.
25. Alaska marine and freshwater food-web studies utilizing natural stable and radio-isotopes.
26. Biological investigations of Belukha whales in the coastal waters of Alaska.

27. Ecological processes studies of the northern Chukchi Sea coast.
28. Technology development for Arctic marine transport operations.
29. Operation of Seismic Networks in Alaska.
30. Behavior and transport of oil spilled in ice.
31. Ice- and permafrost-related hazards in nearshore areas.
32. Bering Sea energy facility siting project.
33. Identification of primary socioeconomic data sources and an assessment of additional community survey needs.

The following are two companion proposals:

34. Coordination and transfer of information relating to research, coastal planning, and oil and gas development.
35. Impacts of oil and gas activities on local communities: a public education and planning tool.

IV. Logistics and research and information management tasks:

36. Logistics support, contract management, delivery and synthesis of research information.

TABLE 4

Alaska Coastal Studies Program Draft Proposals

Title	Proposing Agency	Managing Agency	Duration	Cost (\$k)		Comments
				First Year	Total	
1. Issue and resource identification in areas proposed for State oil and gas leasing.	ADF&G (Trasky)	DPDP(?)	5 yrs. (plus)	250	1,502	Begin with 1984 lease sales: SW Bristol Bay Uplands and 4th Beaufort Sea. SW Bristol Bay study should be closely coordinated with Bristol Bay Co-operative S/F Management planning.
a. Coastal sensitivity and oil spill trajectory studies.	ADF&G (Trasky)	Arctic Project Office	5 yrs.	200(-400)	1,000 (low est.)	
b. Identification of endangered and protected wildlife species habitat.	ADF&G (Trasky)	ADF&G	5 yrs.	125	625	
2. Public opinion survey and analysis of the compatibility of oil and gas leasing/development with public use of State game refuges and critical habitat areas.	ADF&G (Trasky)	ADF&G	1 yr.	125	125	
3. Monitoring the seasonal drilling restriction (November 1 - March 31) on downhole exploratory operations in the Arctic: An evaluation of oil spill risk and existing oil spill containment and cleanup technology.	ADF&G (Trasky)	APO	2 yrs.	75	150	Also recommended by G. Harrison of DHEM/DNR
4. Oil spill cleanup technology for ice-covered waters.	APO (Weller)	APO/ADEC	5 yrs. (plus)	350	1,750	Companion proposal to No. 3.
5. Monitoring of the existing seasonal restriction (March 20 cutoff) on seismic operations in the Arctic.	ADF&G (Trasky)	APO	3 yrs.	140	400	Also recommended by G. Harrison of DHEM/DNR

Table 4 (Cont'd)

Alaska Coastal Studies Program Draft Proposals

Title	Proposing Agency	Managing Agency	Duration	Cost (\$k)		Comments
				First Year	Total	
6. Evaluation of the prohibition on continuous-fill causeway construction in the Arctic.	ADF&G (Trasky)	APO	3 yrs.	33	100	
7. Effects of causeways and artificial islands on nearshore circulation in the Arctic.	APO (Weller)	APO	5 yrs.	150	1,650 (one 3-yr. case study)	Companion proposal to No. 6. Both should be coordinated closely with industry-sponsored water-flood monitoring.
8. Monitoring the effects of oil and gas development on waterfowl nesting and staging.	ADF&G (Trasky)	ADF&G	2 yrs.	100	175	Begin with synthesis of existing Canadian information.
9. Colville River whitefish populations monitoring.	ADF&G (Trasky)	ADF&G or APO	5 yrs.	86	430	
10. Monitoring existing stipulations designed to manage gravel and water resources in the Arctic.	APO (Norton)	APO	5 yrs.- ongoing	160	1,500	Analysis of both onshore and offshore gravel resources.
11. Evaluation of current restriction on activities in the Stefansson Sound Boulder Patch areas.	APO	APO	3 yrs.	150(-190)	230	
12. Monitoring of current operating stipulations governing the disposal of:	ADEC (Redburn)	ADEC				
a. drilling fluids			3 yrs.	100	200	
b. produced waters			2 yrs.	150	300	

Table 4 (Cont'd)

Alaska Coastal Studies Program Draft Proposals

Title	Proposing Agency	Managing Agency	Duration	Cost (\$k)		Comments
				First Year	Total	
13. Evaluation of innovative, cost-effective approaches to aquatic monitoring.	ADEC (Redburn)					Applicability to all coastal development.
a. Phase 1: Literature search and conference.		ADEC	1 yr.	75	75	
b. Phase 2: Site-specific field testing.		APO	3 yrs.	-0-	150	
14. Effectiveness of selected and temporary bird nesting habitat enhancement possibilities by North Slope lessees.	APO (Horton)	APO	3 yrs.	29	121	
15. Monitoring of existing stipulations and mitigating measures designed to minimize disturbance in the Kuparuk calving grounds of the Central Arctic caribou herd.	ADF&G (Trasky)	ADF&G (Game Division)	5 yrs.	75	375	
16. Monitoring the effects of oil and gas activities on calving behavior and calf survival in the calving grounds of the Kenai caribou herd.	ADF&G (Trasky)	ADF&G (Game Division)	5 yrs.	30	150	Companion proposal to No. 15 with possible reduced effort if No. 15 is undertaken.
17. Monitoring the effects of oil and gas activities on fishing and hunting opportunities and harvest.	ADF&G (Trasky)	ADF&G	3 yrs.	50	150	

Table 4 (Cont'd)

Alaska Coastal Studies Program Draft Proposals

Title	Proposing Agency	Managing Agency	Duration	Cost (\$k)		Comments
				First Year	Total	
18. Effects of unburied submarine pipelines on commercial crab species.	ADF&G (Trasky)	ADF&G	1 yr.	50	50	Small scale field testing study in southcentral Alaska.
19. Effects of continuous refinery, petrochemical, and offshore platform discharges on coastal embayments.	ADEC (Redburn)	APO	1 yr.	75	75	
20. Nearshore mixing and pollutant transport studies in Alaskan estuaries: optimizing the location of new onshore development.	DPDP(w/ ADEC) (Wright)	ADEC	5 yrs. (plus)	100	500+	Applicability to all coastal development; two sites/year.
21. Sensitivity of coastal environments and wildlife to spilled oil (Prince William Sound).	DPDP (Wright)	ADF&G	1 yr.	55	55	Finish a project 2/3 completed.
22. Yulon Delta ecological processes studies (Norton Sound, Bering Sea).	Juneau Project Office (Becker)	APO	2 yrs.	100	200	
23. Northern Chukchi Sea freshwater, anadromous, and nearshore marine fisheries.	APO (Norton)	APO	3 yrs.	150	350	
24. Occurrence and management of "nuisance species" in coastal, upland, and marine areas.	APO (Norton)	APO	3 yrs.	130	550	Applicability/to all coastal development.
25. Alaska marine and freshwater food-web studies utilizing natural stable and radio-isotopes.	APO (Norton)	APO	2 yrs.	180	225	

Table 4 (Cont'd)

Alaska Coastal Studies Program Draft Proposals

Title	Proposing Agency	Managing Agency	Duration	Cost (\$k)		Comments
				First Year	Total	
26. Biological investigations of Belukha whales in the coastal waters of Alaska.	APO (Norton)	APO	4 yrs.	160	680	Possible State/federal matching of funds.
27. Ecological processes studies: northern Chukchi Sea coast	APO (Norton)	APO	3 yrs.	435	1,655	Inter-disciplinary studies in coastal lagoons.
28. Technology development for Arctic marine transport operations.	APO (Sackinger)	APO	4 yrs.	600	2,150	
29. Operation of Seismic Networks in Alaska	APO (Weller)	OCSEAP or DGGG(DNR)	long-term	750	3,750 (5 years)	Applicability to all coastal development.
30. Behavior and transport of oil spilled in ice.	APO (Weller)	APO	3 yrs.	250	750	
31. Ice and permafrost-related hazards in nearshore areas.	APO (Weller)	APO	3 yrs.	500	1,500	
32. Beering Sea energy facility siting project	DPDP/ADC&RA (Keiser & Clark)	ADC&RA	1 yr.	30	30	State matching funds to federal CEIP grant application.
33. Identification of primary socioeconomic data sources and an assessment of additional community survey needs.	DPDP (Keiser)	ADC&RA	1 yr.	50	50	
34. Coordination and transfer of information relating to research, coastal planning and oil and gas development.	DPDP (Keiser)	ADC&RA	5 yrs. (plus)	75	375 (5 years)	Companion proposal to No. 35. These two proposals are subject to revision in order to emphasize dissemination of information at the regional level.

Table 4 (cont'd)

Alaska Coastal Studies Program Draft Proposals

Title	Proposing Agency	Managing Agency	Duration	Cost (\$k)		Comments
				First Year	Total	
i. Impacts of oil and gas activities on local communities: a public education and planning tool.	DPDP (Kaiser)	ADC&RA	1 yr.	50	50	level.
ii. Logistics support, contract management, delivery and synthesis of information:	APO	APO	ongoing			
a. Logistics				1,700	not	35% of total science budget.
b. Management				500	estimated	10% of total science budget.
TOTAL DRAFT COST ESTIMATE:				8.633	24.153	

BRIAN ROGERS

Alaska State Legislature

3 April 1981

Honorable Jay Hammond
Governor - State of Alaska
Pouch A (Mail Stop 0101)
Juneau, Alaska 99811

Dear Governor Hammond,

It has come to my attention that the federal government is cutting back on the funding of scientific research related to oil and gas development at the same time that it is proposing an accelerated leasing schedule. Since the state is also planning a number of lease sales during the next few years, it seems imperative that we take the lead in funding the research required to obtain the necessary scientific and socio-economic data. This data is necessary in order to develop lease stipulations and adopt mitigating measures both to protect our environment and to protect the oil and gas industry from undue restrictions.

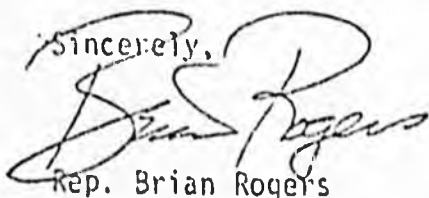
I understand that the federal cuts are effective this year and that, unless the state moves quickly, insufficient funds will be available to continue the research through FY 82. If we were to wait until FY 83 to reinstate a research program we would lose valuable time as well as continuity in the studies.

Do you intend to submit a budget amendment to the legislature to address this?

I'd like to encourage you to request the level of funding needed to replace the federal funds now supporting the oil and gas related research in various state agencies and the University. I believe that \$8.5 million is an amount that can easily be justified for FY 82. I would recommend that it be appropriated to your office and that DPDP be responsible for its oversight.

Please let me know whether you plan to request such funding this year. I assure you that, once such a request is presented to the legislature, I'll do my best to see that it wins approval.

Sincerely,



Rep. Brian Rogers

CC: Lt. Governor Terry Miller
Rep. Terry Gardiner
Rep. Sam Cotten
Senator Charlie Parr



PAKR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 8, 1981

The Honorable Brian Rogers
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative *Brian* Rogers:

Thank you very much for your recent letter regarding potential federal budget cuts in research related to oil and gas development.

Several months ago I initiated an internal review process at the Cabinet level to assess the impact of President Reagan's proposed budget reductions. That process is in its final stages and recommendations from my Budget Review Committee will soon be placed on my desk. I intend to carefully evaluate all of the proposed budget cuts and then make a decision on those programs in which general fund monies should be used to replace lost federal funds.

I have asked Jerry Reinwand to work directly with you on this issue and to keep you fully informed of our efforts in this regard.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jay S. Hammond".

Jay S. Hammond
Governor

MEMORANDUM

TO: Jim Palmer, Staff Director
Senate Resources Committee

FROM: D. W. Norton
NOAA Arctic Projects Office

DATE: May 9, 1981.

RE: SCR 21

Although SCR 21 is self-explanatory, several points of confusion have arisen in discussions of the resolution.

- 1) SCR 21 (and eventual appropriations legislation) is NOT just another bail-out of a federal program. Rather, it is a state agency-designed effort, tailor-made to fit state information needs pertinent to state oil and gas leasing.
- 2) SCR 21 and legislation do not represent a University of Alaska appropriations request, nor one of a particular geographic focus within the state; rather they are state-wide multi-agency efforts.
- 3) While SCR 21 requests the Governor to include an applied research program in his FY 83 budget, various state agency representatives, University scientists and representatives and federal agency representatives had already convened independently of this resolution (but exactly as it requests the Governor to accomplish). This conference resulted in the preparation of an FY 82 Studies Plan and consensus points. The cost of the research, logistics support and information delivery for this FY 82 plan was estimated at \$8.6 million (It is sheer coincidence that that is almost exactly the expected FY 82 federal expenditure on the Alaskan OCS Environmental Assessment Program). Senator Parr and Representative Rogers have been informed by the agency scientists that implementation of a similar program in FY 83 may cost considerably more than the \$8.6 million estimated for FY 82--perhaps twice as much--because the machinery of science support, and the scientists themselves, who through FY 82 received federal support, are being withdrawn from the state. Both would have to be brought back, or created from start.
- 4) The Studies Plan suggests that DPDP disburse funds for the studies to the various agencies, but this was a recommendation made not by DPDP but by the agencies. As such it does not represent a bail-out of DPDP or the Coastal Management Program. Rather, DPDP was selected because of its broad, multi-agency purview, to best meet the multidisciplinary information needs of the state. Alternative disbursing mechanisms to that of DPDP do exist (each with fiduciary problems to overcome). These include DNR, the Alaska Council on Science and Technology, and the University of Alaska.

ALASKA LEASING SCHEDULES

Yr	State (1981 Proposed)			Federal		
	Sale No.	Date	Area	Sale No.	Date	Area
1981	33	2nd Qtr	Upper Cook Inlet (onshore and offshore, including the Susitna Valley)			
	32	3rd Qtr	Cook Inlet South of Kenai River (except acreage sale)	60	(9/81)	Cook Inlet
1982	35	1st Qtr	Lower Cook Inlet Offshore and Onshore			
	34*	2nd Qtr	Prudhoe Bay Uplands			
	36*	2nd Qtr	2nd Beaufort Sea (Submerged Lands)			
	37	3rd Qtr	Middle Tanana Basin and Copper River Basin	57	(9/82)	Norton Basin
1983				70	(12/82)	St. George Basin
	38	1st Qtr	Norton Basin	71	(2/83)	Beaufort Sea
	39	2nd Qtr	3rd Beaufort	61	(4/83)	Kodiak
	40	3rd Qtr	2nd Upper Cook Inlet (onshore and offshore, including the Susitna Valley)	75	(10/83)	North Aleutian Shelf
1984	41	1st Qtr	SW Bristol Bay Uplands			
	42	2nd Qtr	Minchumina Basin			
	43	3rd Qtr	4th Beaufort Sea	83	(12/84)	Navarin Basin
1985**	44	1st Qtr	Chukchi nearshore & onshore***	85	(2/85)	Chukchi-Sea***
	45	2nd Qtr	Hope Basin	86	(5/85)	Hope Basin
	46	3rd Qtr	Hollna Basin			

*Same day sales

**Proposed additions to schedule

***The holding of the Chukchi Sale at this time is contingent upon a reasonable assumption that technology will be available for exploration and development of the tracts included in the Sale.

BRIAN ROGERS

Alaska State Legislature

3 April 1981

Honorable Jay Hammond
Governor - State of Alaska
Pouch A (Mail Stop 0101)
Juneau, Alaska 99811

Dear Governor Hammond,

It has come to my attention that the federal government is cutting back on the funding of scientific research related to oil and gas development at the same time that it is proposing an accelerated leasing schedule. Since the state is also planning a number of lease sales during the next few years, it seems imperative that we take the lead in funding the research required to obtain the necessary scientific and socio-economic data. This data is necessary in order to develop lease stipulations and adopt mitigating measures both to protect our environment and to protect the oil and gas industry from undue restrictions.

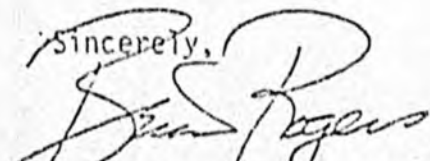
I understand that the federal cuts will be effective this year and that, unless the state moves quickly, insufficient funds will be available to continue the research through FY 82. If we were to wait until FY 83 to reinstate a research program we would lose valuable time as well as continuity in the studies.

Do you intend to submit a budget amendment to the legislature to address this?

I'd like to encourage you to request the level of funding needed to replace the federal funds now supporting the oil and gas related research in various state agencies and the University. I believe that \$8.5 million is an amount that can easily be justified for FY 82. I would recommend that it be appropriated to your office and that DPDP be responsible for its oversight.

Please let me know whether you plan to request such funding this year. I assure you that, once such a request is presented to the legislature, I'll do my best to see that it wins approval.

Sincerely,



Rep. Brian Rogers

CC: Lt. Governor Terry Miller
Rep. Terry Gardiner
Rep. Sam Cotten
Senator Charlie Parr



PAK

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 8, 1981

The Honorable Brian Rogers
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative *Brian* Rogers:

Thank you very much for your recent letter regarding potential federal budget cuts in research related to oil and gas development.

Several months ago I initiated an internal review process at the Cabinet level to assess the impact of President Reagan's proposed budget reductions. That process is in its final stages and recommendations from my Budget Review Committee will soon be placed on my desk. I intend to carefully evaluate all of the proposed budget cuts and then make a decision on those programs in which general fund monies should be used to replace lost federal funds.

I have asked Jerry Reinwand to work directly with you on this issue and to keep you fully informed of our efforts in this regard.

Sincerely,

Jay S. Hammond
Governor

MEMORANDUM

TO: Jim Palmer, Staff Director
Senate Resources Committee

FROM: D. W. Norton
NOAA Arctic Projects Office

DATE: May 9, 1981

RE: SCR 21

Although SCR 21 is self-explanatory, several points of confusion have arisen in discussions of the resolution.

- 1) SCR 21 (and eventual appropriations legislation) is NOT just another bail-out of a federal program. Rather, it is a state agency-designed effort, tailor-made to fit state information needs pertinent to state oil and gas leasing.
- 2) SCR 21 and legislation do not represent a University of Alaska appropriations request, nor one of a particular geographic focus within the state; rather they are state-wide multi-agency efforts.
- 3) While SCR 21 requests the Governor to include an applied research program in his FY 83 budget, various state agency representatives, University scientists and representatives and federal agency representatives had already convened independently of this resolution (but exactly as it requests the Governor to accomplish). This conference resulted in the preparation of an FY 82 Studies Plan and consensus points. The cost of the research, logistics support and information delivery for this FY 82 plan was estimated at \$8.6 million (It is sheer coincidence that that is almost exactly the expected FY 82 federal expenditure on the Alaskan OCS Environmental Assessment Program). Senator Farr and Representative Rogers have been informed by the agency scientists that implementation of a similar program in FY 83 may cost considerably more than the \$8.6 million estimated for FY 82--perhaps twice as much--because the machinery of science support, and the scientists themselves, who through FY 82 received federal support, are being withdrawn from the state. Both would have to be brought back, or created from start.
- 4) The Studies Plan suggests that DPDP disburse funds for the studies to the various agencies, but this was a recommendation made not by DPDP but by the agencies. As such it does not represent a bail-out of DPDP or the Coastal Management Program. Rather, DPDP was selected because of its broad, multi-agency purview, to best meet the multidisciplinary information needs of the state. Alternative disbursing mechanisms to that of DPDP do exist (each with fiduciary problems to overcome). These include DNR, the Alaska Council on Science and Technology, and the University of Alaska.