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# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-485-2400

March 18, 1986

The Honorable Arliss Sturgulewski  
Alaska State Legislature  
P. O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

The Department of Natural Resources has reviewed Senate Bill No. 418, which would create an Alaska Minerals Commission.

The proposed Mineral Commission has the potential for assisting the State of Alaska in developing solutions to the some of the challenges that the mining industry encounters when operating in the state. While the department supports the concept, we cannot support the bill because of its fiscal impact on the department.

If the bill is enacted, we would like to offer the following amendments for your consideration. These amendments will lower the fiscal impact of the commission and better ensure that the commission's deliberations are worthwhile. Also, attached are a marked-up version of the bill with the proposed amendments and a fiscal note.

### Section 1 (a)

This subsection includes hydrocarbons in the definition of the minerals industry, but it appears in subsection (b) and Section 2 that the intent of the legislation's author that the commission's purpose is to make recommendations regarding hard-rock and placer mining related issues. The department supports this narrower focus and recommends that the reference to hydrocarbons be deleted.

### Section 2. Alaska Minerals Commission Established

The department recommends that the number of Commission members be reduced from eleven to seven, and that the commission be in existence for only one and one-half years instead of three. Both amendments would reduce the fiscal impact of the bill and increase its efficiency without having a negative impact on the objectives of the Commission. Accordingly, preliminary results of the Commission's findings and recommend-

March 18, 1986

ations would be submitted to the Governor and Legislature in January 1987, with final recommendations being submitted in January 1988.

As noted on the attached fiscal note, the Department estimates that the cost of the commission would be approximately \$63,300 for the three-year period. If the recommendations suggested by the department are incorporated into the bill, we estimate that the cost would be reduced to approximately \$31,000. In both cases it is assumed that staff support would be provided by existing Division of Mining personnel without any additional personnel being hired.

Thank you for the opportunity to comment on the bill. Please contact my office if you have any questions.

Sincerely,



Esther C. Wunnicke  
Commissioner

Attachments

cc: Senator Bennett  
Senator Coghill  
Senator Fahrenkamp  
Commissioner Collinsworth  
Commissioner Ross  
Director Denton

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date : \_\_\_\_\_

REQUEST

Bill/Resolution No. : SB 418  
 Title : An Act relating to the  
Alaska Minerals Commission  
 Sponsor : Bennett et al.  
 Requestor : Senator Sturgulewski  
 Date of Request : March 14, 1986

FISCAL DETAIL

Agency Affected : Natural Resources  
 BRU : \_\_\_\_\_  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL		10.6	10.6	10.6		
CONTRACTUAL		2.5	1.0	2.5		
SUPPLIES		.5	.5	.5		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>22.6</b>	<b>21.1</b>	<b>22.6</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL						
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REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND		22.6	21.1	22.6	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>22.6</b>	<b>21.1</b>	<b>22.6</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attachment

Prepared by : Ned Farquhar  
 Division : Commissioner's Office

Phone : 465-2400  
 Date : 3/18/86

Approved by Commissioner : \_\_\_\_\_  
 Agency : Natural Resources

Date : 3/18/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

March 18, 1986

Attachment to the Fiscal Note for SB 418  
Alaska Department of Natural Resources

The Fiscal Note for SB 418 assumes the following:

-- Eleven Commission members, with six from the Fairbanks area, three from Southcentral, and two from Southeast.

-- Eight meetings a year attended by the eleven Commission members and two DNR employees. Six of the meetings are one-day meetings, two of the meetings are two-day meetings.

-- Printing costs of the Draft and Final report of recommendations will total \$1,500 each, for a total of \$3,000.

-- Telephone costs of \$1000 a year

-- Miscellaneous supplies at \$500 a year, which includes zexing.

Introduced: 2/14/86  
Referred: Resources and  
Finance

BY BENNETT, COGHILL  
AND FAHRENKAMP

1 IN THE SENATE

2 SENATE BILL NO. 418

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska minerals commission."

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

8 \* Section 1. (a) The legislature finds that the mineral~~s~~ <sup>industries</sup> ~~y~~  
9 which include<sup>s</sup> metallic minerals, industrial minerals, and hydro<sup>coal</sup>carbons,  
10 ~~have~~ <sup>has</sup> been traditionally and continue to be the major source of wealth and  
11 income in the state.

12 (b) The legislature further finds that there are major constraints on  
13 the continued development of a diverse mineral industry in the state,  
14 including the Environmental Protection Agency's effluent guidelines, state  
15 water quality standards and improperly classified streams and rivers,  
16 restrictions on surface access, complex and numerous permitting require-  
17 ments, a limited access to minerals through mineral closing orders and  
18 restrictions on multiple use through state and federal land use plans.

19 \* Sec. 2. ALASKA MINERALS COMMISSION ESTABLISHED. (a) The Alaska  
20 Minerals Commission is established in the Department of Natural Resources.

21 (b) The commission is composed of <sup>7</sup> members appointed by the  
22 governor for ~~three~~ <sup>a one and one-half year</sup> year terms. In making appointments to the commission,  
23 the governor shall appoint individuals who have experience in the various  
24 aspects of the minerals industries in the state.

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development in the state.

28 (d) The commission shall make its preliminary recommendations to the  
29 governor and the legislature during the first 10 days of the First Regular

1 Session of the Fifteenth Legislature and shall make its final report to the  
2 governor and the legislature during the first 10 days of the <sup>Second</sup> ~~First~~ Regular  
3 Session of the <sup>Fifteenth</sup> ~~Sixteenth~~ Legislature.

4 \* Sec. 3. This Act is repealed February 1, 198<sup>8</sup>.

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



POUCH V  
JUNEAU, ALASKA 99811  
(907) 465 4907

## Senate Committee on Resources

M E M O R A N D U M

March 18, 1986

TO: All Members  
Senate Resources Committee

FROM: Staff, *H* Senate Resources Committee

RE: SB 418 "An Act relating to the Alaska Minerals  
Commission"

SB 418 would establish an Alaska Minerals Commission to examine ways to mitigate the constraints on mineral development in the state.

The eleven-member commission shall make its preliminary recommendations to the Governor and legislature during the first ten days of the first session of the Fifteenth Legislature and its final report to the first session of the Sixteenth Legislature.

The legislation is repealed on February 1, 1989.

The committee substitute would add travel and per diem as authorized for boards and commissions.

Enclosure:  
Resolution of Alaska Miners Association

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 485-4907

## Senate Committee on Resources

April 8, 1986

Betty Adler  
11976 Wilderness Drive  
Anchorage, Alaska 99516

Dear Betty:

I am pleased to report that SB 418 has passed the Senate Resources Committee with a unanimous "do pass" recommendation. The bill now goes to the Senate Finance Committee for further action.

I have enclosed a copy of the committee substitute for SB 418 which added travel and per diem for the commission members.

Thank you for your interest in this legislation.

Sincerely yours,

Senator Arliss Sturgulewski  
Chairman, Senate Resources Committee

Enclosure  
CSSB 418

*Same letter to  
Melton Volk*

FA

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI  
FROM: BETTY ADLER  
11976 WILDERNESS DRIVE  
ANCHORAGE 99516  
345-3048

BILL NO: SB 418

SUBJECT: ALASKA MINERALS COMMISSION

MESSAGE:

I WOULD LIKE YOU TO SUPPORT SB 418. PLEASE PETITION THE GOVERNOR TO INTERVENE IN THE SIERRA CLUB VS BLM LAWSUIT TO SUPPORT OUR LOCAL MINERS.

DATE: 04/02/86 TIME: 15:56:51 SENT BY: ANCHORAGE LIO

COPIES TO: HOUSE MEMBERS  
SENATE MEMBERS

Bradley ✓

A M E N D M E N T

Offered in the SENATE

By Fahrenkamp

TO: SB 418

Page 1, lines 21 - 24, delete all material and insert:

"(b) The commission is composed of 11 members appointed for three-year terms. The commission shall be composed of individuals who have experience in the various aspects of the minerals industries in the state. The governor shall appoint five members of the commission. The president of the Senate shall appoint three members of the commission. The speaker of the House of Representatives shall appoint three members of the commission."

*at least 5 years*

Introduced: 2/14/86  
Referred: Resources and  
Finance

BY BENNETT, COGHILL  
AND FAHRENKAMP

1 IN THE SENATE

2 SENATE BILL NO. 418

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska minerals commission."

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

8 \* Section 1. (a) The legislature finds that the minerals <sup>coal</sup> industries <sup>has</sup>  
9 which include metallic minerals, industrial minerals, and hydrocarbons,  
10 ~~have~~ been traditionally and continue to be the major source of wealth and  
11 income in the state.

12 (b) The legislature further finds that there are major constraints on  
13 the continued development of a diverse mineral industry in the state,  
14 including the Environmental Protection Agency's effluent guidelines, state  
15 water quality standards and improperly classified streams and rivers,  
16 restrictions on surface access, complex and numerous permitting require-  
17 ments, a limited access to minerals through mineral closing orders and  
18 restrictions on multiple use through state and federal land use plans.

19 \* Sec. 2. ALASKA MINERALS COMMISSION ESTABLISHED. (a) The Alaska  
20 Minerals Commission is established in the Department of Natural Resources.

21 (b) The commission is composed of 11 members appointed by the  
22 governor for <sup>a one and one-half year</sup> ~~three-year~~ terms. In making appointments to the commission,  
23 the governor shall appoint individuals who have experience in the various  
24 aspects of the minerals industries in the state.

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development in the state.

28 (d) The commission shall make its preliminary recommendations to the  
29 governor and the legislature during the first 10 days of the First Regular

1 Session of the Fifteenth Legislature and shall make its final report to the  
2 governor and the legislature during the first 10 days of the <sup>Second</sup> ~~First~~ Regular  
3 Session of the <sup>Fifteenth</sup> ~~Sixteenth~~ Legislature.  
4 \* Sec. 3. This Act is repealed February 1, 198<sup>8</sup>.

Bradley  
3/14/86 ✓

Original sponsors: Bennett, Coghill  
and Fahrenkamp

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 418 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska minerals commission."

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

8 \* Section 1. (a) The legislature finds that the minerals industries,  
9 <sup>that</sup> which include metallic minerals, industrial minerals, and hydrocarbons,  
10 have been traditionally and continue to be the major source of wealth and  
11 income in the state.

12 (b) The legislature further finds that there are major constraints on  
13 the continued development of a diverse mineral industry in the state,  
14 including the Environmental Protection Agency's effluent guidelines, state  
15 water quality standards and improperly classified streams and rivers,  
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19 \* Sec. 2. ALASKA MINERALS COMMISSION ESTABLISHED. (a) The Alaska  
20 Minerals Commission is established in the Department of Natural Resources.

21 (b) The commission is composed of 11 members appointed by the gover-  
22 nor for three-year terms. In making appointments to the commission, the  
23 governor shall appoint individuals who have experience in the various  
24 aspects of the minerals industries in the state.

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development in the state.

28 (d) A member of the commission serves without compensation but is  
29 entitled to receive the per diem and travel expenses authorized for members

1 of a commission under AS 39.20.180.

2 (e) The commission shall make its preliminary recommendations to the  
3 governor and the legislature during the first 10 days of the First Regular  
4 Session of the Fifteenth Legislature and shall make its final report to the  
5 governor and the legislature during the first 10 days of the First Regular  
6 Session of the Sixteenth Legislature.

7 \* Sec. 3. This Act is repealed February 1, 1989.

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Bradley  
3/14/86 ✓

Original sponsors: Bennett, Coghill  
and Fahrenkamp

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 418 (Resources)

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4 FOURTEENTH LEGISLATURE - SECOND SESSION

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11 income in the state.

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13 the continued development of a diverse mineral industry in the state,  
14 including the Environmental Protection Agency's effluent guidelines, state  
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23 governor shall appoint individuals who have experience in the various  
24 aspects of the minerals industries in the state.

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26 the legislature on ways to mitigate the constraints, including governmental  
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3 governor and the legislature during the first 10 days of the First Regular  
4 Session of the Fifteenth Legislature and shall make its final report to the  
5 governor and the legislature during the first 10 days of the First Regular  
6 Session of the Sixteenth Legislature.

7 \* Sec. 3. This Act is repealed February 1, 1989.  
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OK  
          

Bradley ✓

A M E N D M E N T

Offered in the SENATE

By Fahrenkamp

TO: SB 418

Page 1, lines 21 - 24, delete all material and insert:

"(b) The commission is composed of 11 members, ~~appointed for three-year terms.~~ <sup>AT LEAST 5 YRS</sup> The commission shall be composed of individuals who have experience in the various aspects of the minerals industries in the state. The governor shall appoint five members of the commission. The president of the Senate shall appoint three members of the commission. The speaker of the House of Representatives shall appoint three members of the commission."

Bradley  
3/14/86 ✓

Original sponsors: Bennett, Coghill  
and Fahrenkamp

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 418 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

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9 ~~which~~ <sup>THAT</sup> includes metallic minerals, industrial minerals, and hydrocarbons,  
10 ~~have~~ <sup>has</sup> been traditionally and continue to be the major source of wealth and  
11 income in the state.

12 (b) The legislature further finds that there are major constraints on  
13 the continued development of a diverse mineral industry in the state,  
14 including the Environmental Protection Agency's effluent guidelines, state  
15 water quality standards and improperly classified streams and rivers,  
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18 restrictions on multiple use through state and federal land use plans.

19 \* Sec. 2. ALASKA MINERALS COMMISSION ESTABLISHED. (a) The Alaska  
20 Minerals Commission is established in the Department of <sup>Comm + Econ DEV.</sup> Natural Resources.

21 ~~(b) The commission is composed of 11 members appointed by the gover-~~  
22 ~~nor for three-year terms. In making appointments to the commission, the~~  
23 ~~governor shall appoint individuals who have~~ <sup>AT LEAST 5 YRS</sup> ~~experience~~ in the various  
24 ~~aspects of the minerals industries in the state.~~

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development, <sup>of minerals including coal</sup> in the state.

28 (d) A member of the commission serves without compensation but is  
29 entitled to receive the per diem and travel expenses authorized for members

1 of a commission under AS 39.20.180.

2 (e) The commission shall make its preliminary recommendations to the  
3 governor and the legislature during the first 10 days of the First Regular  
4 Session of the Fifteenth Legislature and shall make its final report to the  
5 governor and the legislature during the first 10 days of the First Regular  
6 Session of the Sixteenth Legislature.

7 \* Sec. 3.4 This Act is repealed February 1, 1989.

8 *Sec 4 IMMEDIATE EFFECTIVE DAY*

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