

SCR

41

BY THE SENATE SPECIAL
COMMITTEE ON NATURAL
RESOURCE DEVELOPMENT

1 IN THE SENATE

2

SENATE CONCURRENT RESOLUTION NO. 41

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

Relating to the further development of

6

Alaskan coal.

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BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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WHEREAS advances in modern mining technology, equipment, and services

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have greatly enhanced coal mining extraction and reclamation capabilities;

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and

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WHEREAS Art. VIII of the Constitution of the State of Alaska states

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that the natural resources of the state should be developed and managed as

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a public trust; and

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WHEREAS the state contains more than 40 percent of the entire known

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coal reserves in the United States; and

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WHEREAS currently the state's annual coal production of 1,600,000 tons

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comprises less than 0.2 percent of the total annual United States produc-

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tion; and

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WHEREAS there is only one active coal mine in the entire state; and

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WHEREAS between 1972 and 1987 Australian steam coal production has

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grown from 250,000 tons a year to more than 46,000,000 tons a year, with a

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value of nearly \$3.4 billion; and

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WHEREAS there is great potential for expanding both instate utiliza-

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tion and Pacific Rim export markets for Alaskan coal;

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BE IT RESOLVED that the Alaska State Legislature respectfully requests

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the Governor to encourage the commissioner of natural resources, the com-

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missioner of environmental conservation, ^{commissioner of Commerce & Economic Dev.} and the commissioner of fish and

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game, ^{and the Office of International Trade} to pursue policies that will lead to the removal of regulatory impedi-

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ments to, and further promote the development of, the crucial coal mining

1 industry within the state.

2 COPIES of this resolution shall be sent to the Honorable Judith Brady,
3 commissioner of natural resources; the Honorable Dennis Kelso, commissioner
4 of environmental conservation; the Honorable Don Collinsworth, commissioner
5 of fish and game; the Honorable J. Anthony Smith, commissioner of commerce
6 and economic development; and to the Honorable Mark Hickey, commissioner of
7 transportation and public facilities.

Alaska State Legislature

Senate Resources Committee



Sen. John B. (Jack) Coghill, Chairman
Sen. Paul Fischer, Vice-Chairman
Sen. Lloyd Jones
Sen. Artiss Sturgulewski
Sen. Jim Duncan
Sen. Fred Zharoff
Sen. Dick Eliason

Box V
Juneau, Alaska 99811
(907) 465-1907

M E M O R A N D U M

To: Members of the Senate Resource Committee

From: Senate Resource Committee Staff

Subj: SCR 41; Relating to the further development of Alaskan Coal.

Date: February 8, 1988

This resolution is self explanatory.

One WHEREAS that might be added would relate to the number of jobs created by coal mining. In the case of Usibelli Coal mine, every 1 million ton increase in production creates 80 additional jobs at the mine.

There are 2 agencies which should be considered for inclusion in the BE IT RESOLVED section. The first would be the Department of Commerce and Economic Development, which is listed only in the to be copied section. The Department of Commerce has worked on improving bonding procedures for coal mining through the Division of Insurance and is a promotional advocate for expanding markets through the office of Business Development.

The other agency that should be considered for addition is the Office of International Trade in the Governors office.

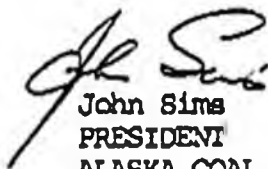
SENATE CONCURRENT RESOLUTION NO. 41

This resolution provides timely recognition of the enormous size of Alaska's coal resources and the potential that the Alaskan coal industry has to evolve as a major segment of the Alaskan economy.

Growth potential exists in the domestic in-state market and more especially in the export market. The size of that market is still growing and the Australia experience over the period 1972-1987 parallels the growth of the steam coal exports and the monetary value of this trade. Since 1985 Alaskan exports of coal, principally to Korea but more recently with additional test shipments to Taiwan and Japan, have returned more than \$78 million to the Alaskan economy.

Alaskan coal could become a significant component of international trade as countries like Taiwan and Japan together with Korea adopt policies to close trade imbalances with the U.S.A. The low-sulfur content of Alaskan coal is attracting market interest especially as strict environmental air-quality laws take effect in countries like Taiwan.

The resolution draws attention to the potential for Alaskan coal and relates this potential to state policy actions. Through supportive action by the Administration and the Legislature the Alaskan coal industry would be well served and its ability to expand into export markets facilitated. Alaska would benefit from such an obvious segment of economic diversification.



John Sims
PRESIDENT
ALASKA COAL ASSOCIATION

SENATE COMMITTEE REPORT

Rules

FURTHER

2/1/88

DATE TURNED INTO OFFICE _____

Mr. President:

Resources

~~Resources~~ *Resources*

Committee considered SCR 41

further development of Alaskan coal

and recommended

- replace with _____ CS SCR 41 (Resources) same title
- or adopt _____ CS _____ new title
- attached amendment(s) and *and a maj. of the com. records do pass*

do pass

do not pass

no recommendation

~~individual recommendations~~

further referral to _____

letter of intent adopted _____

DFN

- Committee attached or adopted fiscal note(s)
- new updated or previous
- zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature] DO PASS
 Chairman signature and recommendation

Committee Backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: Relating to the further development of Alaskan coal BRU: Division of Business Development
 Sponsor: Special Committee on Natural Resources Components: _____
 Requester: Resource Development

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULLTIME	-0-	-0-	-0-	-0-	-0-	-0-
PARTTIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: (Attach a separate page if necessary.)

This resolution recognizes the importance of coal to the Alaska economy and its great potential for growth within the State and in the Pacific Rim. It requests the Governor to encourage the resource regulatory agencies to pursue policies to remove unnecessary impediments and further promote the development of the coal mining industry in Alaska.

Prepared by: Thyes J. Shaub, Project Manager Phone: 465-2094
 Division: Business Development Date: February 8, 1988

Approved by Commissioner: J. Anthony Smith Date: February 8, 1988
 Agency: Department of Commerce and Economic Development

Distribution (by preparer):

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