

**S B**

**178**

Date of 5-DAY NOTICE 4/13/89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

finance

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035  
2/16/89

DATE TURNED INTO OFFICE 4/25/89

Mr. President:

RESOURCES

Committee considered

SB 178

review and reporting requirements of agencies of the state relating to  
the state mineral policy

and recommended:

- replace with CS SB178 (Res)  same title
- attached amendment(s) and  new title
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to

Commerce, DEC, VOA, Revenue, Fish & Game

DNR

FISCAL NOTE(S)  attached  zero % OMB  fiscal impact

appropriation no FN attached  Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Steve Frost

Colin Sturgis

Keith Halpern

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

John Thompson No Rec

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Doty's Signature Do Pass

Chairman signature and recommendation

Committee backup attached

and forward them, unedited, to the governor and the legislature

Resources  
CS

6-0790E  
Bradley  
4/20/89

Original sponsors: Coghill and Frank

new ~~sections~~  
language

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 178 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the review and reporting require-  
7 ments of agencies of the state relating to the state  
8 mineral policy."

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

10 \* Section 1. AS 44.99.110 is amended by adding new subsections to read:

11 (b) Each agency listed in (e) of this section shall review its  
12 statutory authority, its administrative regulations, and its proce-  
13 dures applicable to mineral exploration and development to determine  
14 whether there are deficiencies or inconsistencies that must be  
15 addressed in order to comply with the policy established in (a) of  
16 this section.

17 (c) Each agency listed in (e) of this section shall forward its  
18 comments and recommendations on the resolution of the deficiencies and  
19 inconsistencies in its statutory authority, its administrative regula-  
20 tions, and its procedures applicable to mineral exploration and devel-  
21 opment to the commissioner of natural resources on October 1 of each  
22 year. Each agency listed in (e) of this section shall also report on  
23 the progress that it has made on the resolution of the deficiencies  
24 and inconsistencies that were identified in earlier reports. The  
25 commissioner shall assemble the comments, recommendations, and reports  
26 and forward them, unedited, to the governor and the legislature within  
27 the first 10 days of each regular session of the legislature.

28 (d) Each agency listed in (e) of this section shall work with  
29 mining interests, coastal resource service areas, the public, and

1 other resource users to propose solutions to inconsistencies and  
2 deficiencies identified.

3 (e) The requirements of (b) - (d) of this section apply to

4 (1) the Department of Commerce and Economic Development;

5 (2) the Department of Environmental Conservation;

6 (3) the Department of Fish and Game;

7 (4) the Department of Natural Resources;

8 (5) the Department of Revenue;

9 (6) the office of management and budget;

10 (7) the Alaska Railroad Corporation;

11 (8) the University of Alaska; and

12 (9) any other agency of the state designated by the Alaska

13 Minerals Commission.

14 \* Sec. 2. AS 44.99.110(b), 44.99.110(c), 44.99.110(d), and 44.99.110(e)  
15 are repealed July 1, 1994.

CS SB 178 (Res) Relating to the review and reporting requirements of agencies of the state relating to the state mineral policy.

SPONSOR: Coghill and Frank

The Resources version of the bill recommends replacing "Each Agency" with a list of only those that relate to mining. Included in the list are:

Department of Commerce and Economic Development

Department of Environmental Conservation

Department of Fish and Game

Department of Natural Resources

Department of Revenue

the office of management and budget

the Alaska Railroad Corporation

the University of Alaska

any other agency of the state designated by the Alaska Minerals Commission.

CS SB 178 (Fin) Mineral Policy of the State

The Finance version of the bill adds an effective date.

The sponsor agrees with the changes.

There is no fiscal impact.

The original version (and all others) has a sunset provision of July 1994 for the new provisions. Enclosed is the current law 44.99.110.

Department of  
13).  
by the governor

and expenses as

provided in the  
3 (29 U.S.C. 801  
of Labor adopted

o  
ies;  
legislature at the

importance and  
st extent possi-

See editor's note for

clear freeze policy  
if policy

development  
stable employ-  
declares that the  
a through pur-  
resources and  
t this develop-

nt to Alaskans  
c base and en-

me or reduced

scal conditions

and economic  
nly after ade-

s afforded by  
acity, the log-  
that serve as

a catalyst to responsible economic development in the state for the benefit of its citizens. It is the policy of the state to

(1) develop and provide information to domestic and foreign investors to use in evaluating project feasibility;

(2) with cooperation from investors, identify constraints to orderly and beneficial economic development and work with government agencies to eliminate unnecessary impediments to economic development;

(3) with cooperation from investors, identify constraints to economic development that would impede the extraction, production, and transport of resources to markets and manufactured products, and implement capital improvement or other programs to resolve the deficiencies;

(4) provide a stable tax and regulatory climate that encourages expansion of the state's economic base;

(5) encourage "value-added" processing in the state;

(6) improve the state's domestic and international competitive position by offering economic incentives that support the constitutional mandates for utilization, development and conservation of natural resources. (§ 1 ch 63 SLA 1985)

Revisor's notes. — Enacted as AS  
44.67.010. Renumbered in 1985.

**Sec. 44.99.110. Declaration of state mineral policy.** The legislature, acting under art. VIII, sec. 1 of the Constitution of the State of Alaska, in an effort to further the economic development of the state, to maintain a sound economy and stable employment, and to encourage responsible economic development within the state for the benefit of present and future generations through the proper conservation and development of the abundant mineral resources within the state, including metals, industrial minerals, and coal, declares as the mineral policy of the state that

(1) mineral exploration and development be given fair and equitable consideration with other resource uses in the multiple use management of state land;

(2) mineral development be encouraged through reasonable and consistent nonduplicative regulations and administrative stipulations;

(3) mineral development and the entry into the market place of mineral products be considered in developing a statewide transportation infrastructure system;

(4) mineral development be encouraged through appropriate public information and education, scientific research, technical studies, and University of Alaska program involvement;

(5) economic development with respect to the state mineral industry be encouraged with Pacific Rim nations. (§ 1 ch 138 SLA 1988)

Editor's notes. — Section 2, ch. 138, SLA 1988, provides:

"(a) Within 10 months after June 9, 1988, each department, board, commission, or agency of the state shall review its statutory authority, its administrative regulations, and its procedures applicable to mineral exploration and development to determine whether there are deficiencies or inconsistencies that must be addressed in order to comply with the policy enacted in sec. 1 of this Act.

"(b) Each department, board, commission, or agency of the state shall forward its comments and recommendations to the

commissioner of natural resources. The commissioner of natural resources shall assemble the comments and recommendations and forward them unedited to the governor and the legislature within the first 60 days of the First Session of the Sixteenth Alaska State Legislature.

"(c) If inconsistencies or deficiencies are identified under (a) of this section, a state department, board, commission, or agency should work with mining interests, coastal resource service areas, the public, and other resource users to propose solutions to the inconsistencies or deficiencies."

**Sec. 44.99.120. Declaration of nuclear freeze policy.** It is the policy of the State of Alaska:

(1) to recognize that the greatest challenge facing the earth is to prevent the occurrence of nuclear war by accident or design;

(2) to recognize that the nuclear arms race is dangerously increasing the risk of a holocaust that would be humanity's final war;

(3) to promote a mutual and verifiable freeze followed by reductions in nuclear warheads, missiles, and other delivery systems in order to halt the nuclear arms race and to reduce the risk of nuclear war. (1986 Initiative Proposal No. 1, § 1)

**Sec. 44.99.125. Implementation of policy.** (a) The governor shall conduct the affairs of state and carry out state programs in conformity with this policy.

(b) The lieutenant governor shall deliver copies of this Act to Congress and the President of the United States. (1986 Initiative Proposal No. 1, § 2)

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: An Act relating to state mineral policy  
 Sponsor: Senator Coghill  
 Requestor: Senator Coghill

Agency Affected: DEC  
 BRU: Environmental Quality  
 Components: \_\_\_\_\_

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

<b>REVENUE</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS: None**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

Prepared by: Amy D. Kyle  
 Division: Commissioner's Office

Phone: 465-2600  
 Date: 4/27/89

Approved by Commissioner: AD Kyle  
 Agency: Department of Environmental Conservation

Date: 4/27/89

**Distribution (by preparer):**

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

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 178(Res)

PUBLISH DATE: 4/25/89

### FISCAL NOTE

REQUEST: \_\_\_\_\_

REVISION DATE: 4-25-89  
TITLE: An Act relating to the state mineral policy

AGENCY: Natural Resources  
BRU: Mining Management

SPONSOR: Coghill  
REQUESTOR: Senate Resources Committee

COMPONENTS: Mining Management

#### EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL		0	0	0	0	0
CAPITAL						
REVENUE						

#### FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

#### POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

#### ANALYSIS:

PREPARED BY: Larry Ostrovsky, Commissioner's Office

*LO* 4/25/89

DATE: 4-25-89  
PHONE NO.: 465-2400

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Reporting requirements for  
state mineral policy  
Sponsor: Coghill, Frank  
Requester: Senate Resources

Agency Affected: Commerce & Economic Dev.  
BRU: Business Development and  
Alaska Railroad Corporation  
Components: \_\_\_\_\_

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Passage of this legislation is not expected to result in increased costs for either the department itself or the Alaska Railroad Corporation, administratively located within DCED.

Prepared by: Guy Bell, Director  
Division: Administrative Services

Phone: 465-2505  
Date: 4-21-89

Approved by Commissioner: Larry Mercurieff  
Agency: Department of Commerce & Economic Development

Phone: 465-2500  
Date: 4-21-89

Distribution (by preparer):

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

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Fish and Game  
 Title: An Act relating to the mineral BRJ: Habitat  
policy of the state.  
 Sponsor: Coghill and Frank Components: \_\_\_\_\_  
 Requestor: Coghill

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
----------------	----------	----------	----------	----------	----------	----------

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Bruce H. Baker Phone: 465-4105  
 Division: Habitat Date: 4/24/89

Approved by Commissioner: Donli Callenworth Date: 4.24.89  
 Agency: Fish and Game

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

FISCAL NOTE

(e)

REQUEST:

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to the review and reporting requirement of agencies...."  
 Sponsor: Cochill and Frank  
 Requestor: Senate Resources Committee

Agency Affected: Office of the Governor  
 BRU: Office of Management and Budget  
 Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Michael A. Nizich, Director *Man* Phone: 465-3616  
 Division: Division of Administrative Services Date: 4/24/89

Approved by Commissioner: Garrey M. Peska Date: 4/24/89  
 Agency: Chief of Staff

Distribution (by preparer):

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

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 178 (RES) (f)  
PUBLISH DATE: 4/25/89

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An act relating to the review and reporting requirements/mineral policy  
Sponsor: Coghill and Frank  
Requestor: Resources Committee

Agency Affected: Revenue  
BRU: Income & Excise Audit  
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

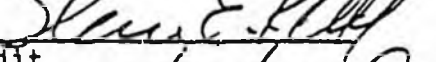
FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel  Phone: (907) 465-2320  
Division: Income and Excise Audit Date: April 21, 1989

Approved by Commissioner: Hugh Malone  Date: April 21, 1989  
Agency: Department of Revenue

Distribution (by preparer):

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

Prepared by:  
Steven E. Kettel  
Department of Revenue  
Income and Excise Audit Division  
April 21, 1989

CS SB 178  
Bill Analysis

This proposal will require the Department of Revenue to review its statutes and regulations concerning mining license tax (AS 43.65), and annually file a report with the Commissioner of Natural Resources recommending resolution of any deficiencies which might hinder mineral exploration and development in the state as provided for in the state's Mineral Policy (AS 44.99.110).

No fiscal costs are estimated in the preparation of this report.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB178Res  
PUBLISH DATE: 4/25/89

### FISCAL NOTE

REQUEST: Senate Resources

REVISION DATE: 4/21/89  
TITLE: State Mineral Policy

AGENCY: University of Alaska  
BRU: \_\_\_\_\_

SPONSOR: Coghill/Frank  
REQUESTOR: Senate Resources

COMPONENTS: \_\_\_\_\_

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL		0				
CAPITAL		0				
REVENUE		0				

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS		0				
FEDERAL FUNDS						
OTHER						
TOTAL						

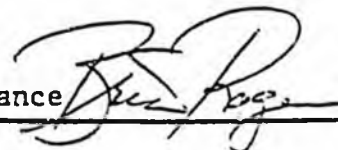
POSITIONS:

FULL-TIME		0				
PART-TIME						
TEMPORARY						

ANALYSIS:

The review and recommendations can be accomplished within existing budget levels.

PREPARED BY: Brian Rogers Vice President for Finance



DATE: 4/21/89  
PHONE NO.: 474-7448

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: An Act relating to state mineral policy  
 Sponsor: Senator Coghill  
 Requestor: Senator Coghill

Agency Affected: DEC  
 BRU: Environmental Quality  
 Components: \_\_\_\_\_

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:** None

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Amy D. Kyle Phone: 465-2600  
 Division: Commissioner's Office Date: 4/27/89

Approved by Commissioner: ADK Date: 4/27/89  
 Agency: Department of Environmental Conservation

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Changes in CSSB 178 (Fin) have no fiscal impact. This fiscal note is appropriate. 1/17/90  
 Projections of no fiscal impact would continue through 1996.

(b)

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 178 (FIN)  
PUBLISH DATE: 1/17/90

### FISCAL NOTE

REQUEST: \_\_\_\_\_

REVISION DATE: 4-25-89  
TITLE: An Act relating to the  
state mineral policy

AGENCY: Natural Resources  
BRU: Mining Management

SPONSOR: Coghill  
REQUESTOR: Senate Resources Committee

COMPONENTS: Mining Management

#### EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL		0	0	0	0	0
CAPITAL						
REVENUE						

#### FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

#### POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

#### ANALYSIS:

PREPARED BY: Larry Ostrovsky, Commissioner's Office

*LO* 4/25/89

DATE: 4-25-89  
PHONE NO.: 465-2400

Changes in CSSB 178 (Fin) have no fiscal impact. This fiscal note is appropriate. 1/17/90 JL

Projections of no fiscal impact would

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Reporting requirements for  
state mineral policy  
Sponsor: Coghill, Frank  
Request to: Senate Resources

Agency Affected: Commerce & Economic Dev.  
BRU: Business Development and  
Alaska Railroad Corporation  
Components: \_\_\_\_\_

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Passage of this legislation is not expected to result in increased costs for either the department itself or the Alaska Railroad Corporation, administratively located within DCED.

Prepared by: Guy Bell, Director  
Division: Administrative Services

Phone: 465-2505  
Date: 4-21-89

Approved by Commissioner: Larry Mercurieff  
Agency: Department of Commerce & Economic Development

Phone: 465-2500  
Date: 4-21-89

Distribution (by preparer):

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

Changes in CSSB 178 (Fin)  
have no fiscal impact.  
This fiscal note is  
appropriate. 1/17/90 kb

Projections of no  
fiscal impact would  
continue through 1996.

# FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Fish and Game  
 Title: An Act relating to the mineral BRU: Habitat  
policy of the state.  
 Sponsor: Coghill and Frank Components: \_\_\_\_\_  
 Requestor: Coghill

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Bruce H. Baber Phone: 465-4105  
 Division: Habitat Date: 4/24/89

Approved by Commissioner Doni Callenworth Date: 4.24.89  
 Agency: Fish and Game

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Changes in CSSB 178 (Fin) have no fiscal impact. This fiscal note is appropriate. 1/17/90  
 Projections of no fiscal impact would continue through 1996.

# FISCAL NOTE

(e)

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to the review and reporting requirement of agencies...."  
 Sponsor: Cochill and Frank  
 Requestor: Senate Resources Committee

Agency Affected: Office of the Governor  
 BRU: Office of Management and Budget  
 Components: \_\_\_\_\_

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING:** (Thousands of Dollars)

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Michael A. Nizich, Director *Man* Phone: 465-3616  
 Division: Division of Administrative Services Date: 4/24/89

Approved by Commissioner: Garrev M. Peska Date: 4/24/89  
 Agency: Chief of Staff

Distribution (by preparer) :

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

Changes in CSSB 178 (Fin) have no fiscal impact. This fiscal note is appropriate. 1/17/90  
 Projections of no fiscal impact would continue through 1996.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An act relating to the review and reporting requirements/mineral policy  
Sponsor: Coghill and Frank  
Requestor: Resources Committee

Agency Affected: Revenue  
BRU: Income & Excise Audit  
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
<b>OPERATING</b>						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel *Steven E. Kettel* Phone: (907) 465-2320  
Division: Income and Excise Audit Date: April 21, 1989

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: April 21, 1989  
Agency: Department of Revenue

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Changes in CSSB 178 (Fin) have no fiscal impact. This fiscal note is appropriate. 1/17/90 SKL  
Projections of no fiscal impact would continue through 1996. page 1 of 2

Prepared by:  
Steven E. Kettel  
Department of Revenue  
Income and Excise Audit Division  
April 21, 1989

CS SB 178  
Bill Analysis

This proposal will require the Department of Revenue to review its statutes and regulations concerning mining license tax (AS 43.65), and annually file a report with the Commissioner of Natural Resources recommending resolution of any deficiencies which might hinder mineral exploration and development in the state as provided for in the state's Mineral Policy (AS 44.99.110).

No fiscal costs are estimated in the preparation of this report.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB178(FIN)  
PUBLISH DATE: 1/17/90

### FISCAL NOTE

REQUEST: Senate Resources

REVISION DATE: 4/21/89  
TITLE: State Mineral Policy

AGENCY: University of Alaska  
BRU: \_\_\_\_\_

SPONSOR: Coghill/Frank  
REQUESTOR: Senate Resources

COMPONENTS: \_\_\_\_\_

#### EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL		0				
CAPITAL		0				
REVENUE		0				

#### FUNDING: (THOUSANDS OF DOLLARS)


GENERAL FUNDS		0				
FEDERAL FUNDS						
OTHER						
TOTAL						

#### POSITIONS:

FULL-TIME		0				
PART-TIME						
TEMPORARY						

#### ANALYSIS:

The review and recommendations can be accomplished within existing budget levels.

PREPARED BY: Brian Rogers, Vice President for Finance 

DATE: 4/21/89  
PHONE NO.: 474-7448

Changes in CSSB 178 (Fin) have no fiscal impact. This fiscal note is appropriate. 1/17/90 ML

Projections of no fiscal impact would continue through 1996.

ORIGINAL VERSION  
OF SB178

1 IN THE SENATE

BY COGHILL AND FRANKS

2

SENATE BILL NO. 178

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the review and reporting require-  
7 ments of agencies of the state relating to the state  
8 mineral policy."

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

10 *The following dip* Section 1. AS 44.99.110 is amended by adding new subsections to read:

11 *(b)* Each agency of the state shall review its statutory author-  
12 ity, its administrative regulations, and its procedures applicable to  
13 mineral exploration and development to determine whether there are  
14 deficiencies or inconsistencies that must be addressed in order to  
15 comply with the policy established in (a) of this section.

16 (c) Each agency of the state shall forward its comments and  
17 recommendations on the resolution of the deficiencies and inconsis-  
18 tencies in its statutory authority, its administrative regulations,  
19 and its procedures applicable to mineral exploration and development  
20 to the commissioner of natural resources on October 1 of each year.  
21 Each agency of the state shall also report on the progress that it has  
22 made on the resolution of the deficiencies and inconsistencies that  
23 were identified in earlier reports. The commissioner shall assemble  
24 the comments, recommendations, and reports and forward them, unedited,  
25 to the governor and the legislature within the first 10 days of each  
26 regular session of the legislature.

27 (d) Each agency of the state shall work with mining interests,  
28 coastal resource service areas, the public, and other resource users  
29 to propose solutions to inconsistencies and deficiencies identified.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Resources  
 committee name  
 committee on S.B. 178, dated 4/17/89  
 bill/subject

On behalf of the Alaska Minerals Commission  
 I recommend favorable action on S.B. 178 as stated on  
 Page 3, January 1989 AK Min Com. Report - Item: Amending  
 the Reporting Requirements of the Mineral Policy Act -  
 to wit "Sec 4.99.110(2) should be amended to require  
 each department, board, commission or agency, including the  
 University of Alaska, to fulfill its reporting requirements  
 as set out in this section on an annual basis through 1994  
 rather than once only in 1989."

If a reduction in number of departments, boards,  
 commissions or agencies is necessary the following should  
 remain in the Bill 178: DNR, Fish and Game, DEC,  
 Commerce, Government Coordination, Revenue and  
 University of Alaska

Signed: Earl H. Beutlich  
 Testifier  
Alaska Minerals Commission  
 Representing (Optional)  
P.O. Box # 80148 Fairbanks, Alaska 99708  
 Address  
(907) 479-6240  
 Phone No.

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER  
PO BOX 0, JUNEAU, ALASKA 99811-1800

(907) 465-2600

### POSITION PAPER ON SB 178

**TITLE:** An Act relating to the state mineral policy

**EFFECT OF THE BILL:**

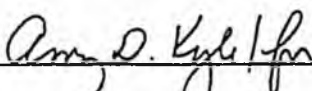
The bill would require each state agency to review its statutory authority, regulations and other requirements that apply to the mining industry to determine if they comply with the Mineral Policy Act.

**DEPARTMENT POSITION:**

The Department believes that the analysis required in this proposed legislation has already been completed as provided in the Mineral Policy Act.

**FISCAL EFFECT:**

The bill would require staff work to prepare the annual analysis. Because the bulk of the work was done during the first review, this is not expected to have a significant cost.

  
\_\_\_\_\_  
Dennis D. Kelso, Commissioner

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

March 15, 1989

The Honorable Bettye Fahrenkamp, Chair  
Senate Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

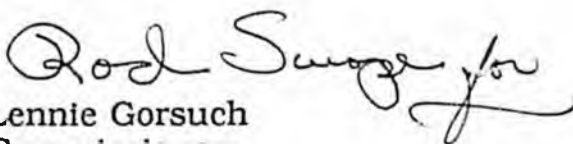
Subject: SB 178, An act relating to the state mineral policy.

Background: SB 178 would require each state agency to review its statutory authority, administrative regulations and procedures applicable to mineral exploration and development to analyze for deficiencies and inconsistencies relative to the state Mineral Policy Act. It would further require that the Commissioner of Natural Resources assemble the comments, recommendations and reports and forward them to the Governor and Legislature.

Position: The Mineral Policy Act required a similar, but one-time, exercise. We believe that it was valuable in that state agencies were put on notice of the Mineral Policy Act and affirmatively addressed their own authorities in light of it. However, this experience has shown that the vast majority of state agencies, boards and commissions have little relevance to mineral development. As expected, the resource agencies have the bulk of regulatory authority over mineral activity. From the perspective of the Department of Natural Resources, our divisions are in regular contact with representatives of the industry, and we are generally put on notice of regulations or authorities that may run counter to mineral development. Therefore, we feel that the proposed legislation is somewhat duplicative of current practices.

We look forward to continued work with the sponsor and committee on this legislation.

Sincerely,

  
Lennie Gorsuch  
Commissioner

cc: Senator Coghill

Committee Members

Commissioner Collinsworth  
Department of Fish and Game

Commissioner Kelso  
Department of Environmental Conservation

Commissioner Hoffman  
Department of Commerce and Economic Development

Denby Lloyd, Special Staff Assistant  
Office of the Governor

Bob Evans, Legislative Liaison  
Office of the Governor

Bob Forbes, Director  
Division of Geological and Geophysical Surveys  
Department of Natural Resources

Jerry Gallagher, Director  
Division of Mining  
Department of Natural Resources



# Alaska State Legislature

## SENATE

Official Business

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

To: Senator Bettye Fahrenkamp  
Senate Resource Committee Chairperson

From: Senator Jack Coghill

Re: SB 178; An Act Relating to the review and reporting requirements of agencies of the state relating to the state mineral policy.

Date: March 23, 1989

---

Intent: The purpose of this measure is to extend the review and reporting requirements of the Minerals Policy Act, for the life of the Alaska Minerals Commission.

Background: The Minerals Policy Act, which was signed into law in June of 1988, carried with it a Special Act section requiring state agencies to review their legal authorities and determine if they contained any inconsistencies with the Policy Act. All state agencies, under the Special Act provision, were to then report the findings of their review to the Legislature. This has been done for 1988.

The Alaska Minerals Commission has recommended that the review and reporting requirement be extended and that the University of Alaska be added.

#### Attachments:

1. List of State Statutes and Regulations affecting Mining.  
(page 3 and 4 of this memorandum)
2. DNR Position Paper & (0) Fiscal Note, dated March 15, 1989.
3. DEC Position Paper & (0) Fiscal Note, dated March 21, 1989.
4. Alaska Minerals Commission Recommendations, 1989.
5. Select reports of the state agencies having mine related regulatory authorities; from Minerals Policy Act Compliance Form as required by AS 44.99.110., 1989.

March 23, 1989

Recommendations:

1. Out of at least 30 agency reports that were transmitted, only 7 appear to have mining related regulatory authorities. You may want to consider replacing the "Each agency" language with the laundry list of agencies who's reports I have supplied, with the addition of the U of A and the Department of Revenue and the Division of Governmental Coordination.
2. Schedule the bill as soon as possible and pass it out of committee with "do pass" recommendations.

LIST OF STATE STATUTES AND REGULATIONS  
Effecting State Mining Activities

[This list compiled from the 1989 Minerals Policy Act reports]

I. Department of Commerce and Economic Development

- AS 44.33.020. (Duties of the Department)
- AS 44.33.431. (Alaska Minerals Commission)

II. Department of Environmental Conservation

- AS 46.03 (Environmental Conservation)
- AS 46.04 (Oil Pollution Control)
- AS 46.08 (Oil and Hazardous Substance Releases)
- AS 46.09 (Hazardous Substance Release Control)
- AS 46.35 (Environmental Procedures Coordination)
  
- 18 AAC 15 (Administrative Procedures)
- 18 AAC 30 (Environmental Sanitation)
- 18 AAC 31 (Food Service)
- 18 AAC 50 (Air Quality Control)
- 18 AAC 60 (Solid Waste Management)
- 18 AAC 62 (Hazardous Waste)
- 18 AAC 70 (Water Quality Standards)
- 18 AAC 71 (Placer Mining Demonstration Grants)
- 18 AAC 72 (Wastewater Disposal)
- 18 AAC 75 (Oil and Hazardous Substance Pollution Control)
- 18 AAC 80 (Drinking Water)
- 18 AAC 90 (Pesticide Control)
- 18 AAC 95 (Administrative Enforcement)

Written Procedures Applicable to Mining: PLACER MINING  
(not including statutes & regulations) ENFORCEMENT  
POLICY

III. Department of Fish and Game

- AS 16.05.020 (Functions of the Commissioner)
- AS 16.05.050 (Powers and Duties of the Commissioner)
- AS 16.05.840  
through .860 (Fishways Required)
- AS 16.05.870  
through .900 (Protection of Fish and Game)
- AS 16.20.050  
through .060 (Development Authorizations)
- AS 16.20.520  
through .530 (Development Authorizations)

IV. Department of Natural Resources

AS 27.21 (Surface Coal Mining Program)  
AS 33.04.060  
through .070 (Land Planning and Classification)  
AS 38.05 (Alaska Lands Act)  
AS 40.05 (Records)  
AS 41.08.010  
through .040 (Geological Survey)  
AS 41.35 (Historic Preservation Act)  
AS 46.15 (Water Use)  
AS 46.17 (Dam safety)

Chapter 48, SLA 1987 (Mental Health Lands)

Alaska National Interest Lands Conservation Act  
Public Law 96-487, Section 906(k).  
(State Concurrence of federal administrative  
actions on lands selected by the State as part  
of statehood entitlement)

11 AAC 55 (Land Planning and Classification)  
11 AAC 58 (Leasing of Lands)  
11 AAC 82 (Mineral Leasing Procedures)  
11 AAC 84 (Other Leasable Minerals)  
11 AAC 85 (Coal)  
11 AAC 86 (Mining Rights)  
11 AAC 90 (Surface Coal Mining)  
11 AAC 93 (Water Management)

Written Procedures Applicable to Mining: CHAPTER TWO from  
(not including statutes & regulations) Land Use Plans

V. Department of Transportation and Public Facilities

AS 19 (Highways and Ferries)  
17 AAC 10 (Engineering:Encroachments, Driveways, and  
Road Approaches)  
17 AAC 15 (Utility and Railroad Permits)  
17 AAC 25 (Operations, Wheeled Vehicles)  
17 AAC 35 (Toll Highways)

VI. Office of the Ombudsman

AS 24.55 Authority to review state administrative  
actions, both legality and fairness.

VII. Alaska Public Utilities Commission

AS 42.06 (indirect) APUC regulates intrastate pipelines.  
This indirectly affects mineral  
exploration and development.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1798  
PHONE: (907) 465-2400

March 15, 1989

The Honorable Bettye Fahrenkamp, Chair  
Senate Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

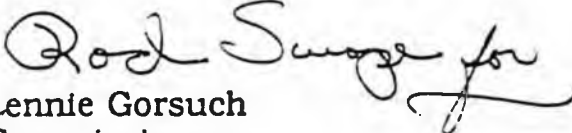
Subject: SB 178, An act relating to the state mineral policy.

Background: SB 178 would require each state agency to review its statutory authority, administrative regulations and procedures applicable to mineral exploration and development to analyze for deficiencies and inconsistencies relative to the state Mineral Policy Act. It would further require that the Commissioner of Natural Resources assemble the comments, recommendations and reports and forward them to the Governor and Legislature.

Position: The Mineral Policy Act required a similar, but one-time, exercise. We believe that it was valuable in that state agencies were put on notice of the Mineral Policy Act and affirmatively addressed their own authorities in light of it. However, this experience has shown that the vast majority of state agencies, boards and commissions have little relevance to mineral development. As expected, the resource agencies have the bulk of regulatory authority over mineral activity. From the perspective of the Department of Natural Resources, our divisions are in regular contact with representatives of the industry, and we are generally put on notice of regulations or authorities that may run counter to mineral development. Therefore, we feel that the proposed legislation is somewhat duplicative of current practices.

We look forward to continued work with the sponsor and committee on this legislation.

Sincerely,

  
Lennie Gorsuch  
Commissioner

cc: Senator Coghill

Committee Members

Commissioner Collinsworth  
Department of Fish and Game

Commissioner Kelso  
Department of Environmental Conservation

Commissioner Hoffman  
Department of Commerce and Economic Development

Denby Lloyd, Special Staff Assistant  
Office of the Governor

Bob Evans, Legislative Liaison  
Office of the Governor

Bob Forbes, Director  
Division of Geological and Geophysical Surveys  
Department of Natural Resources

Jerry Gallagher, Director  
Division of Mining  
Department of Natural Resources

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER  
PO BOX 0, JUNEAU, ALASKA 99811-1800

(907) 465-2600

### POSITION PAPER ON SB 178

**TITLE:** An Act relating to the state mineral policy

**EFFECT OF THE BILL:**

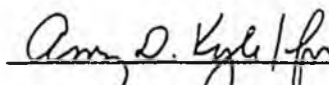
The bill would require each state agency to review its statutory authority, regulations and other requirements that apply to the mining industry to determine if they comply with the Mineral Policy Act.

**DEPARTMENT POSITION:**

The Department believes that the analysis required in this proposed legislation has already been completed as provided in the Mineral Policy Act.

**FISCAL EFFECT:**

The bill would require staff work to prepare the annual analysis. Because the bulk of the work was done during the first review, this is not expected to have a significant cost.

  
\_\_\_\_\_

Dennis D. Kelso, Commissioner

C O R R E C T I O N

Discard 5. B. 178  
and retain this corrected version.

1 IN THE SENATE

BY COGHILL AND FRANK

2

SENATE BILL NO. 178

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the review and reporting require-  
7 ments of agencies of the state relating to the state  
8 mineral policy."

9

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

10

\* Section 1. AS 44.99.110 is amended by adding new subsections to read:

11

(b) Each agency [of the state] shall review its statutory author-  
12 ity, its administrative regulations, and its procedures applicable to  
13 mineral exploration and development to determine whether there are  
14 deficiencies or inconsistencies that must be addressed in order to  
15 comply with the policy established in (a) of this section.

16

(c) Each agency [of the state] shall forward its comments and  
17 recommendations on [the resolution of the deficiencies and inconsis-  
18 tencies in its statutory authority, its administrative regulations,  
19 and its procedures applicable to mineral exploration and development  
20 to the commissioner of natural resources on October 1 of each year.  
21 Each agency of the state shall also report on the progress that it has  
22 made on the resolution of the deficiencies and inconsistencies that  
23 were identified in earlier reports. The commissioner shall assemble  
24 the comments, recommendations, and reports and forward them, unedited,  
25 to the governor and the legislature within the first 10 days of each  
26 regular session of the legislature.

27

(d) Each agency of the state shall work with mining interests,  
28 coastal resource service areas, the public, and other resource users  
29 to propose solutions to inconsistencies and deficiencies identified.

1 (e) In (b) - (d) of this section, "agency of the state" includes  
2 each department, board, commission, or other agency or public  
3 corporation of the state, including the University of Alaska and the  
4 Alaska Railroad Corporation.

5 \* Sec. 2. AS 44.99.110(b), 44.99.110(c), 44.99.110(d), and 44.99.110(e)  
6 are repealed July 1, 1994.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: SB 178

PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: 10-Mar-89  
 Title: An Act relating to the state mineral policy.  
 Sponsor: Coghill  
 Requestor: Senator Coghill

Agency Affected: Natural Resources  
 BRU: Mining Management  
 Components: Mining Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		2.5	2.5	2.5	2.5	2.5
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	2.5	2.5	2.5	2.5	2.5
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		2.5	2.5	2.5	2.5	2.5
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	2.5	2.5	2.5	2.5	2.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Larry Ostrovsky  
 Division: Commissioner's Office  
 Approved by Commissioner: Lennie Gorsuch  
 Agency: Department of Natural Resources

Phone: 465-2400  
 Date: 10-Mar-89  
 Date: 10-Mar-89

Distribution (by preparer) :  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: DEC  
 Title: An act relating to state mineral  
policy BRU: Environmental Quality  
 Sponsor: Senator Coghill  
 Requestor: Senator Coghill Components: \_\_\_\_\_

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:** None

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: \_\_\_\_\_ Phone: 465-2600  
 Division: Commissioner's Office Date: 3/20/89  
 Approved by Commissioner: A.D. Kelly Date: 3/21/89  
 Agency: DEC

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: 10-Mar-89 Agency Affected: Natural Resources  
 Title: An Act relating to the state BRU: Mining Management  
mineral policy.  
 Sponsor: Coghill Components: Mining Management  
 Requestor: Senator Coghill

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		2.5	2.5	2.5	2.5	2.5
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	2.5	2.5	2.5	2.5	2.5

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		2.5	2.5	2.5	2.5	2.5
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	2.5	2.5	2.5	2.5	2.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

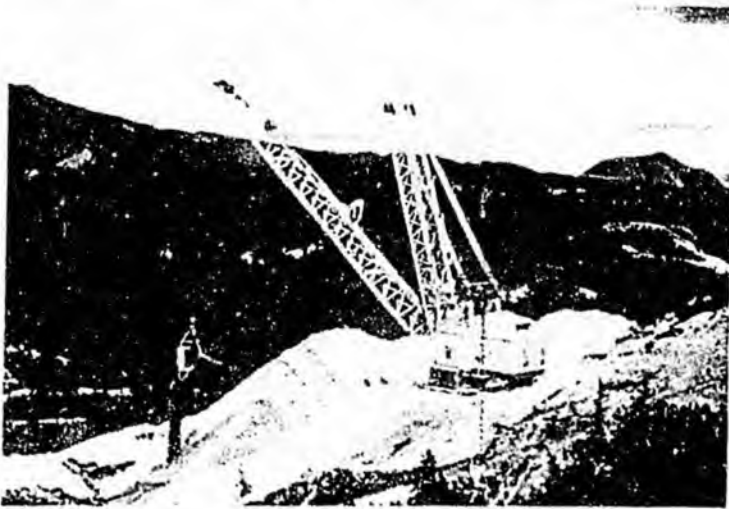
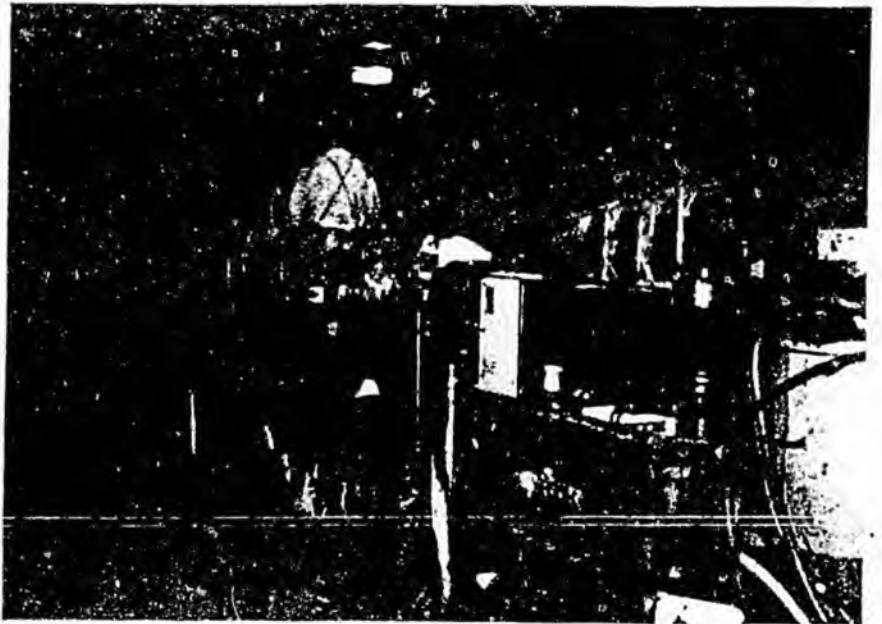
ANALYSIS: (Attach a separate page if necessary)

Prepared by: Larry Ostrovsky Phone: 465-2400  
 Division: Commissioner's Office Date: 10-Mar-89

Approved by Commissioner: Lennie Gorsuch Date: 10-Mar-89  
 Agency: Department of Natural Resources

Distribution (by preparer) :  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Report of the  
Alaska Minerals Commission



January 1989

## RECOMMENDATIONS OF THE ALASKA MINERALS COMMISSION

### I. LEGISLATIVE PRIORITIES

#### Implementation of the 6(i) Court Decision

- The highest priority of the Alaska Minerals Commission is the fair and equitable implementation of the Alaska Supreme Court's interpretation of section 6(i) of the Alaska Statehood Act. (For a summary of the 6(i) issues and lawsuit, see Appendix C.)

The Commission supports the positions of both the Alaska Miners Association<sup>1</sup> and Governor Steve Cowper<sup>2</sup> on the following three critical aspects of any legislation to be enacted.

1. The traditional discovery, location and recordation system recognizes the unique nature of mineral resource development as well as the needs of individuals and companies carrying out mineral exploration and development. The right of self-initiation is guaranteed by the Alaska Constitution and no fundamental changes should be made in the way preferential minerals rights are initiated on state land.
2. Because of the long lead time commonly required between the discovery of a deposit and its initial production, there should be no arbitrary time limits placed upon the tenure of a mining claimant on state lands. This is especially important in Alaska where the need to construct basic infrastructure and to await financial and market "windows" will often result in longer development lead times than in more developed states and countries.
3. The setting of rental and/or royalty fees for mining claims on subject state lands should neither penalize claimants nor create disincentives for individuals or companies doing mineral exploration. In Alaska, exploration, development, capital and operating costs are commonly higher than in more developed states and countries. Alaska's cumulative mineral tax schedule, including existing corporate income taxes, mining license taxes and new rental and/or royalty fees should not unduly burden the small miner nor increase total development costs to the point where diminished economic feasibility precludes mine development or mineral exploration on subject state lands.

A fourth aspect of the implementation of the 6(i) court decision is the definition of lands to which the new legislative provisions will apply. The Commission agrees with Governor Cowper that it is in the interests of both the state and the mining industry that this aspect be resolved in a manner that minimizes the risk of lengthy and expensive litigation. As the Alaska Supreme Court ruled that the 6(i) provisions are applicable only to those state lands "known to be mineral in character at the time of state selection," the Commission also recommends that a clear definition of such lands be developed, and that workable and expeditious procedures be developed to allow timely classification of lands and claims subject to 6(i).

Finally, the Commission strongly recommends that proposed legislation implementing the 6(i) court decision be limited to only those issues specifically required by the court.

---

<sup>1</sup> Communication from Richard A. Hughes, President, Alaska Miners Association to Governor Steve Cowper, September 9, 1988.

<sup>2</sup> Communication from Governor Steve Cowper to Richard A. Hughes, President, Alaska Miners Association, October 19, 1988.

Allowance for Flexible Work Weeks

- The passage of legislation allowing work schedules to be set on the basis of project specific considerations will allow for more efficient use of labor and provide more desirable time-off patterns for employees. This will be particularly significant for mines in remote locations with employees who reside in communities distant from the work site.

Extension of Underground Work Hours

- Legislation is required to amend current statutes limiting shifts at the work face of underground mines from the current maximum of eight hours to a maximum of ten hours. The antiquated statute presently in effect does not recognize the implementation of modern safety programs and penalizes mine efficiency and employee time-off schedules on remote mining projects.

Multiple Use of State Lands

- The Commission would like to reemphasize four recommendations made in the Commission's 1987 report regarding the management of state lands.

1. Alaska Statute 38.05.300 should be amended as follows:

Classification of lands. (a) The commissioner shall, where considered necessary and proper, classify land for surface use. This section does not prevent reclassification of land, where the public interest warrants reclassification, nor does it preclude multiple use of land whenever different uses are compatible. State land, water, or land and water area may not, except by act of the state legislature, be closed to multiple use or to mineral entry if the area involved contains more than 640 acres.

2. The Legislature should redefine, to conform with constitutional intent, the various definitions of "multiple use" in the Alaska Statutes to require the management of state lands for the use of all resources rather than allocating or selectively denying resource use.
3. The Legislature should only make closures of land to mineral entry where documented and demonstrated incompatible use is proven and only when preceded by a mineral assessment.
4. The Legislature and Governor should periodically review lands closed to mineral entry to assess the need for continued closure and, if there is no longer a compelling need for closure, return the land to multiple-use designation.

Amending the Reporting Requirements of the Minerals Policy Act.

- Sec. 44.99.110(2) should be amended to require each department, board, commission, or agency, including the University of Alaska, to fulfill its reporting requirements as set out in this section on an annual basis through 1994 rather than once only in 1989.

Industrial Minerals Inventory

- The Legislature should reintroduce and enact legislation similar to SB 71 (or companion legislation HB 69), Senate Concurrent Resolution 4 and House Concurrent Resolution 5 as introduced during the Second Session of the 15th Legislature. These bills and resolutions address the need for systematic identification, inventory and reserve of sand and gravel resources to meet the present and future needs of transportation systems, populated areas and large-scale developments within the state and Pacific Rim.

Minerals Policy Act Compliance Form  
as required by AS 44.99.110

Department/Board/Commission Name: Department of Commerce and Economic Dev.  
Mailing Address: P.O. Box D  
Juneau, AK 99811  
Agency Contact: Tom Lawson, Acting Director, Business Dev.  
Telephone: 465-2017

Please complete the following information requests:

1. Does your agency have statutory authority, regulations or procedures applicable to mineral exploration and development?  
XXX Yes      \_\_\_\_\_ No      If no, then additional information is not required. Return form to DNR in the pre-addressed envelope provided.
2. Please list those statutes and regulations which are applicable to mineral exploration and development:  
AS 44.33.020      \_\_\_\_\_  
AS 44.33.431      \_\_\_\_\_  
\_\_\_\_\_
3. Does your agency have written procedures (not including statutes and regulations) applicable to mineral exploration and development?  
\_\_\_\_\_ Yes      XXX No
4. Do your agencies' statutes, regulations and procedures comply with Section 1 of the Minerals Policy Act?  
XXX Yes      \_\_\_\_\_ No      If no, please list those statutes, regulations or procedures that do not comply:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please return this completed form to the Department of Natural Resources in the pre-addressed envelope provided. Thank you.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Report to the Legislature and Governor on the Statutory Authority, Administrative Regulations and Procedures of the Department of Commerce and Economic Development Applicable to the Alaska Mineral Policy Act (AS. 44. 99. 110)

The following narrative describes the statutory duties of the Department of Commerce and Economic Development that are directly, or indirectly, applicable to mineral exploration and development.

AS 44. 33. 020

Under statutory functions of the Department of Commerce and Economic Development concerning the regulation of commerce, several duties indirectly apply to mineral exploration and development and would include such duties as registering and regulating corporations, including mining corporations, and certifying and registering professionals, including geologists and mining engineers.

Under statutory duties concerning economic development, the following subsections of AS 44. 33. 020 provide the authority and direction for the performance of several of the mineral development functions and activities that are presently being performed by the Division of Business Development.

The Department of Commerce and Economic Development shall

(12) conduct studies, enter into contracts and agreements, and make surveys relating to the economic development of the state and, when appropriate, assemble, analyze, and disseminate the findings;

(13) provide factual information and technical assistance for potential industrial and commercial investors; and activate a program for promoting balanced economic growth in the state;

(15) establish and activate programs to achieve balanced economic development in the state and advise the governor on economic development policy matters;

(16) formulate a continuing program for basic economic development and for the necessary promotion, planning and research that will advance the economic

development of the state;

(17) cooperate with private, governmental and other public institutions and agencies to advise the Governor on economic development policy matters;

The Division has instituted the following policies and programs to carry out these duties.

A) Respond in timely fashion to all reasonable requests from the public and private sectors for economic information on Alaska's mng zx and international mnl markets.

B) In cooperation with the Department of Natural Resources, annually compile, write, publish and distribute the Alaska's Mineral Industry report summarizing salient economic statistics and describing the activities of Alaska's mineral industry and publish a summary of the report to be available to the legislature, administration and the public in the first 30 days of each legislative session.

C) Enhance Alaska's visibility with major domestic and international mining companies and mineral resource investors to attract their participation in Alaska mineral exploration and development projects by:

1) providing support for state officials participating in industry forums or trade delegations;

2) participate in trade shows at selected mining conventions;

3) author articles for business and professional mining journals;

4) make special distributions of the annual "Alaska's Mineral Industry" reports to domestic and foreign mining companies and to selected newspapers and trade publications;

5) provide information and assistance to potential industrial and commercial investors by responding to all reasonable private sector requests for technical or business information or for assistance in identifying and contacting potential business partners.

D) Participate with other state agencies in the development of state policy positions, of administrative actions, and of legislative recommendations for issues that will have significant economic impacts.

E) Provide expertise to other government agencies and to the legislature on mining issues of economic importance to the state by responding to all reasonable requests.

AS 44.33.431

The Alaska Minerals Commission was established in the Department of Commerce and Economic Development by sec. 1, ch. 98, SLA 1986 as a temporary law but was codified in 1988 as Sec. 44.33.431 after the repeal of the act was postponed from 1989 to 1994. The commission is directed to make recommendations to the governor and the legislature annually in a report to be presented during the first ten days of the legislative session. The Department of Commerce and Economic Development provides budgeting, clerical and administrative services for the Alaska Minerals Commission.

Summary

The Department of Commerce and Economic Development believes that the statutes which set out the duties of the department and the regulations and procedures that guide the department's performance of these duties are neither deficient nor inconsistent with Section 1. of AS44.99.110.

Minerals Policy Act Compliance Form  
as required by AS 44.99.110

Department/Board/Commission Name: Department of Environmental Conservation  
Mailing Address: P.O. Box 0  
Juneau, Alaska 99811-1800  
Agency Contact: Larry Dietrick  
Telephone: 465-2640

Please complete the following information requests:

1. Does your agency have statutory authority, regulations or procedures applicable to mineral exploration and development?

Yes       No      If no, then additional information is not required. Return form to DNR in the pre-addressed envelope provided.

2. Please list those statutes and regulations which are applicable to mineral exploration and development: \*continued on back.

AS 46.03 (Env. Cons.)      AS 46.09 (Hz Subst Rel.Cont)      18 AAC 30 (Env. San.)  
AS 46.04 (Oil Poll. Cont)      AS 46.35 (Env. Proc. Coord)      18 AAC 31 (Food Service)  
AS 46.08 (Oil & Hz Subst)      18 AAC 15 (Adm. Proc.)      18 AAC 50 (Air Qual. Cont)

3. Does your agency have written procedures (not including statutes and regulations) applicable to mineral exploration and development?

Yes       No      Placer Mining Enforcement Policy

4. Do your agencies statutes, regulations and procedures comply with Section 1 of the Minerals Policy Act?

Yes       No      If no, please list those statutes, regulations or procedures that do not comply:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please return this completed form to the Department of Natural Resources in the pre-addressed envelope provided. Thank you.

# MEMORANDUM

# State of Alaska

Don

DEPARTMENT OF FISH AND GAME

TO: Judith M. Brady  
Commissioner  
Department of Natural  
Resources

DATE: October 25, 1988

FILE NO.:

TELEPHONE NO.: 465-4100

SUBJECT: Minerals Policy Act  
Compliance Form

FROM: Don W. Collinsworth *DWC*  
Commissioner  
Department of Fish and Game

Enclosed is a completed Minerals Policy Act Compliance Form for the Alaska Department of Fish and Game (ADF&G). The ADF&G authorities that apply to mineral exploration and development are found in Chapters 5 and 20 of Title 16, Fish and Game. As you probably know, Chapter 5 consists of sections that authorize the department to deny, condition, or approve fish habitat permits for projects that will be conducted in or adjacent to fish-bearing waters and that may have an adverse effect on fisheries resources or public use of them. Chapter 20 gives the authority to create and manage legislatively designated state game refuges, sanctuaries, and critical habitat areas for multiple uses including activities associated with mineral exploration or development if the uses or activities are compatible with the purpose for which the special area was created.

We believe that our statutes and procedures comply in full with Section 1 of the Minerals Policy Act, especially subsections (1), (2), and (4). Thank you for requesting our comments. If you have any questions, please do not hesitate to call me at 465-4100 or Habitat Division Director Frank Rue at 465-4105.

Enclosure

cc w/form: Frank Rue

DEPARTMENT OF  
NATURAL RESOURCES

OCT 25 1988

COMMISSIONER'S OFFICE  
JUNEAU



Minerals Policy Act Compliance Form  
as required by AS 44.99.110

Department/Board/Commission Name: Department of Natural Resources  
Mailing Address: 400 Willoughby Avenue  
Juneau, Alaska 99801  
Agency Contact: Gerald Gallagher  
Telephone: 762-2165

Please complete the following information requests:

1. Does your agency have statutory authority, regulations or procedures applicable to mineral exploration and development?  
 Yes       No      If no, then additional information is not required. Return form to DNR in the pre-addressed envelope provided.
2. Please list those statutes and regulations which are applicable to mineral exploration and development:  
See attached sheet  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Does your agency have written procedures (not including statutes and regulations) applicable to mineral exploration and development?  
 Yes       No
4. Do your agencies statutes, regulations and procedures comply with Section 1 of the Minerals Policy Act?  
 Yes       No      If no, please list those statutes, regulations or procedures that do not comply:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please return this completed form to the Department of Natural Resources in the pre-addressed envelope provided. Thank you.

Alaska Department of Natural Resources  
Mineral Policy Act Compliance

Applicable Statutes:

AS 27.21 (Surface Coal Mining Program)  
AS 38.04.060 - .070 (Planning and Classification)  
AS 38.05 (Alaska Lands Act)  
AS 40.05 (Records)  
AS 41.08.010 - .040 (Geological Survey)  
AS 41.35 (Historic Preservation Act)  
AS 46.15 (Water Use)  
AS 46.17 (Dam Safety)  
Chapter 48, SLA 1987 (Mental Health Lands)  
ANILCA 906 (k) (Concurrence on Federal Authorization)

Applicable Regulations:

11 AAC 55 (Land Use Planning)  
11 AAC 58 (Rights of Way)  
11 AAC 82 (Mineral Leasing)  
11 AAC 84 (Other Minerals)  
11 AAC 85 (Coal)  
11 AAC 86 (Mining Rights)  
11 AAC 90 (Surface Coal Mining Program)  
11 AAC 93 (Water Management)

Applicable Procedures:

"Chapter Two" from land use plans (copy attached).

## SUBSURFACE RESOURCES

### Goals

**Mineral and Energy Supplies.** Make metallic and nonmetallic minerals, coal, oil and gas, and geothermal resources available to contribute to the energy and mineral supplies and independence of the United States and Alaska.

**Economic Development.** Contribute to Alaska's economy by making subsurface resources available for development, which will provide stable job opportunities and stimulate growth of secondary and other primary industries.

**State Revenues.** Establish a stable source of state revenues.

**Environmental Quality and Cultural Values.** When developing subsurface resources, protect the integrity of the environment and affected cultural resources to the extent feasible and prudent.

**State Support for Mining.** Aid in the development of infrastructure (such as ports, roads, or railroads) and continue to provide geologic mapping and technical support to the mining industry.

### Mineral and Coal Development Guidelines

**A. Mineral and Coal Exploration.** State land in the Copper River Basin may be leased or opened for coal prospecting permits if the department determines it is in the best interest of the state as required by AS 38.05.035. Before a permit is issued, DNR will determine if the surface values are significant enough to warrant restricting surface entry. Decisions on surface entry for coal adjacent to streams will be made in consultation with the affected agencies.

**B. Open to Mineral Entry.** All state lands that are open to mineral entry are multiple use areas where mineral development will be accommodated and encouraged. Recognized exploration methods for locatable minerals will be allowed on all state lands unless specifically closed to mining and will be subject to the conditions of a land use permit. DNR may determine that some traditional forms of access will not be allowed in specific areas to avoid resource damage.

Where an area is open to mineral entry, a miner has the right to stake a claim regardless of the surface use designation or classification. Any adverse effects of mining on surface resources or uses will be managed through compliance with state laws and regulations and the management intent and guidelines of this plan.

**C. Reclamation of Mined Land.** Land use permits and plans of operation for mineral development will specify measures needed to return the land to a useful state. Determination of the specific measures to be taken and whether or not a performance bond will be required will be done in consultation with the affected agencies. Specific measures may include storage and reuse of topsoil; disposal of overburden; regrading of tailings and revegetation; reestablishment of natural (not necessarily original) contours; reestablishment of a natural drainage system; long-term erosion control measures; and removal of equipment, improvements, and other man-made items.

**D. Access for Mineral and Coal Development.** Existing roads and trails should be used to provide access to mine sites wherever feasible. Regulations for miscellaneous land use permits require that access will be managed so that damage is minimal. (See p. 2-38.)

**E. Unauthorized Use of State Lands.** DNR will place a high priority on taking appropriate action against construction of illegal structures, blocking public access, or other unauthorized use of public lands for private purposes. This will include taking appropriate action against mining claimants who use their claims for facilities that are unnecessary for prospecting, extraction or basic processing activities. In carrying out this policy, emphasis will be placed on unauthorized uses that obstruct significant settlement, public recreation, other public uses, or public access.

**F. Control of Visual Impacts.** Guidelines will be developed as necessary through the land use permit or leasing process to minimize the adverse visual impacts of mining especially in settled areas, recreation areas, and in areas viewed from roads. In such areas, guidelines should consider, at a minimum, the following items: control of solid wastes; removal of vegetation; siting of mining structures, tailings and overburden; roads; and rehabilitation of mining sites.

**G. Approval of Plans of Operation.** Using procedures established under existing leasing laws and regulations, DNR reviews plans of operation required for locatable mineral leases and will consult with and carefully consider recommendations of the Department of Fish and Game (ADF&G) and the Department of Environmental Conservation (DEC). DNR will approve plans of operation if they adequately address the guidelines of the area plan and applicable laws and regulations. Violation of the plan of operations is cause for revocation of the approved plan of operation or termination of the lease.

### **Guidelines for Land Sales in Areas with Mineral or Coal Potential**

**A. Land Sales in Areas with High Mineral Potential.** Generally, settlement areas designated by this plan have avoided areas of high mineral potential and areas with mining locations in good standing.

**B. Land Sales in Areas with High or Moderate Coal Potential.** Generally, land sales will not occur in areas of existing coal leases or areas of high coal potential as defined in 11 AAC 85.010. Land sales should be avoided in areas of moderate coal potential as defined in 11 AAC 85.010 except where land sales are determined to be the highest and best use of the land.

### **Guidelines for the Application of Locatable Mineral Closures**

Locatable mineral closures are the most extreme management tool that can be used by DNR to resolve subsurface and other resource conflicts. AS 38.05.185(a) requires that before an area of state land can be closed to mining or mineral location, the commissioner must make a written finding that mining would be incompatible with significant surface uses. Using the criteria established in AS 38.05.185(a), DNR generally finds mining to be incompatible with the surface uses listed below and closes the area to mining or mineral location at the specified times in the decision making process. However, each situation will be evaluated separately and a determination made that the requirements of AS 38.05.185(a) have been met.

**A. Areas Scheduled for Disposal.** Land scheduled for commercial, industrial, agricultural, or subdivision sale will be closed to mining and mineral location at the end of the first year of the Land Availability Determination System (LADS) process (that is, approximately 2 years before the anticipated land sale).

**B. Homesteading Areas.** Lands available for homesteading (including agriculture homesteading) will be closed to mining and mineral location at the end of the first year of the LADS process (that is, approximately 2 years before the anticipated land sale). These areas will remain closed until the allowed number of homestead entries has occurred. At that time, those portions of the project area with few or no homesteads will be reopened for mineral entry and location unless it is determined that the settlement pattern that has resulted creates significant, irreconcilable land use conflicts.

**C. Land Proposed for Exchange.** Lands proposed for exchange or trade will be closed to mineral entry and location at the time a preliminary agreement to exchange the land is reached.

**D. Land to be Transferred to Another Public Agency.** Lands reserved for transfer to another public agency for development of a public facility or reserved as a future townsite will be closed to mineral entry and location at the time the area is classified "reserved use" or an Interagency Land Management Agreement is signed.

### **Guidelines for the Application of the Locatable Mineral Leasing Program**

Requiring that locatable mineral developments occur under a lease is a more flexible management tool than mineral closure. Therefore, mineral leasing is preferred over mineral closure as a management option to resolve conflicts between other significant resources and mining and mineral location. AS 38.05.185(a) requires that the commissioner determine that potential use conflicts on state land require that mining be allowed only under written leases issued under AS 38.05.205 or the commissioner has determined that the land was mineral in character at the time of state selection. Under 11 AAC 86.135(b), if a surface disposal area is not closed entirely to mineral entry, it will be made available only by leasehold location.

After consultation with ADF&G and DEC, and concurrent with the designation of an area being open to locatable mineral entry under lease, DNR will identify potential conflicts between other resources and mining and other resources that need protection. DNR will also state the general nature of stipulations to be used in leases to protect those other resources.

### **Resource Values that May be in Conflict with Coal or Mineral Development**

The decision to apply mineral closures or locatable mineral leasing will be made by the commissioner within the parameters set by the Alaska Statutes. AS 38.05.185(a) requires that the commissioner determine that mining is incompatible with a significant surface use before an area can be closed to mining. The same section of the statutes requires that the commissioner determine that a potential use conflict exists before requiring that development of locatable minerals be conducted only under a lease.

In some circumstances, the commissioner may find that some resource values require locatable mineral leasing, closure, or a prohibition of coal leasing and prospecting to protect their continued productivity and availability. In other circumstances, care during mineral development is all that may be necessary to protect these resources. It is impossible to predict the degree of conflict that could occur between mining and any other resource value in all circumstances. Therefore, the following categories of resource values will be evaluated to determine if locatable

mineral leasing, prohibition of coal leasing or prospecting, or another management option is needed to protect the continued productivity and availability of the resource in conflict.

**A. Retained Lands with Significant Commercial, Industrial, or Public Use Values**

- Lands with significant coal, oil and gas, timber or other commercial potential.
- Lands recognized as future transportation corridors where access for pipelines, road, railroads, or other surface transportation infrastructure could be blocked or impeded by mining claims. (After the alignment is established, areas will be reopened if they are surplus land.)
- Lands and waters that provide unique or unusual opportunities for human use and enjoyment, such as fishing, hunting, trapping, photography, and fish and wildlife viewing.
- Lands and waters that provide significant recreation opportunities, such as clear water rivers that are now or are expected to be important for recreation, key public access sites, and recreation facilities.
- Lands and waters that are the watershed of a community water supply.
- Sand and gravel pits, stone quarries, or other significant known material sites where development might be impeded if mineral claims were staked.

**B. Retained Lands With Significant Fish or Wildlife Resources**

- Lands and waters that support protected species of plants, fish or wildlife (bald and golden eagles), threatened species (Arctic peregrine falcon), or endangered species (American peregrine falcon).
- Lands and waters that support production or maintenance of fish or wildlife species that have significant economic, recreational, scientific, educational, or cultural values or which have been given special protection through state or federal legislation or international treaty.
- State game refuges, critical habitat areas, and sanctuaries. (In decision memorandum 44 signed by the commissioner in January 1984, DNR set the statewide policy that in legislatively established Critical Habitat Areas and Wildlife Refuges mining will occur under lease. Also, individual legislatively designated areas may be recommended for mineral closure, but such a closure would be decided case by case using the criteria found in AS 38.05.185(a).)
- Other lands and waters not included above that are known to support unique or unusually large assemblages of fish or wildlife.

## **Oil and Gas Guidelines**

Generally, oil and gas exploration, development, and production will be encouraged on state lands. Impacts on other important uses and resources will be managed through appropriate mitigation measures such as those contained in this plan and those developed during the permitting and leasing processes.

Oil and gas guidelines are not addressed here. Oil and gas guidelines specific to a particular management unit are found in Chapter 3. DNR's statewide policies for oil

and gas are found in the Five-Year Oil and Gas Leasing program. Specific stipulations for oil and gas exploration, development, and production activities will be developed and applied case by case for each oil and gas lease sale using the lease sale process.

## Other Guidelines Affecting Subsurface resources

Several other guidelines may affect subsurface resources. See the following sections of this chapter:

- Fish and wildlife habitat
- Settlement
- Transportation
- Public Access
- Stream corridors and instream flow
- Trail management
- Wetlands management

## Land Allocation Summary

**Minerals.** Mining is a primary use in the Slate Creek mining area which is the only state land with extensive mining activity. Most other mining claims and most lands with mineral potential in the Copper River Basin occur on Native lands or private claims located in the Wrangell Mountains. Approximately 3.15 million acres (97 percent) of the state land in the basin remains open to mineral entry. Approximately 108,000 acres (3 percent) of the state land in the basin would be closed to mineral entry to protect certain recreation and fish resources. Additional acreage (approximately 36,000 acres, or 1 percent) would be closed for land disposals before individual land offerings. State land remains open to mineral entry except for the Kettlehole Lakes - Mendeltna recreation area, Thompson Pass transportation and utility corridor, and the streams and lakes listed below. The north shore of Tazlina Lake, which contains extensive archaeological sites, will also be closed to new mineral entry. The following areas would be closed to new mineral entry to protect important salmon spawning and rearing areas, resident fish habitat, recreation and scenic resources:

- Mendeltna Creek and Old Man Lake
- Tolsona Creek
- Kaina Lake and Creek
- St. Anne Creek
- Klutina Lake and River above Manker Creek
- Mahlo River
- Manker Creek
- Tonsina Lake and River above Rainbow Creek
- Greyling Creek
- Bernard Creek
- Long Lake and Long Lake outlet
- Nizina River - Dan Creek to Spruce Point
- Slana River above Lost Creek
- Ahtel Creek
- East Fork Chistochina River below Mankomen Lake
- Unnamed tributary to Gakona River near Alder Lake and Swampy Lake
- Spring Creek
- Gulkana River

Paxson Lake  
Summit Lake  
Gunn Creek and Gunn Lakes  
Fish Creek and Fish Lakes  
Crosswind Lake

State-owned uplands within 200 feet of mean high water on both sides of these streams would also be closed to new mineral entry.

**Oil and Gas.** All state land is available for oil and gas exploration and leasing except state-owned shorelands under the Gulkana River. The Gulkana River is a National Wild River and adjacent federal lands are withdrawn from leasing. Seasonal restrictions may be applied to oil and gas activities in the trumpeter swan habitat areas.

**Other Leaseable Minerals** (Coal, sedimentary uranium, potassium, sodium, oil shale, geothermal). Any leases will be dealt with case by case consistent with the intent of the appropriate management unit.

Minerals Policy Act Compliance Form  
as required by AS 44.99.110

Department/Board/Commission Name: Transportation & Public Facilities  
Mailing Address: P.O. Box 2  
Juneau, AK 99811  
Agency Contact: Bruce R. Freitag  
Telephone: 465-2957

Please complete the following information requests:

1. Does your agency have statutory authority, regulations or procedures applicable to mineral exploration and development?  
 Yes       No      If no, then additional information is not required. Return form to DNR in the pre-addressed envelope provided.

2. Please list those statutes and regulations which are applicable to mineral exploration and development:

17AAC 25 (Size & Weight) 17AAC 15 (Utilities)  
17AAC 35 (Ind. Use Highways)  
AS 19 (Hwys & Ferries) 17AAC 10 (Driveways)

3. Does your agency have written procedures (not including statutes and regulations) applicable to mineral exploration and development?

Yes       No

4. Do your agencies statutes, regulations and procedures comply with Section 1 of the Minerals Policy Act?

Yes       No      If no, please list those statutes, regulations or procedures that do not comply:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please return this completed form to the Department of Natural Resources in the pre-addressed envelope provided. Thank you.

Minerals Policy Act Compliance Form  
as required by AS 44.99.110

Department/Board/Commission Name:

Office of the Ombudsman

Mailing Address:

Box 10  
Juneau AK 99811-3000

Agency Contact:

Juneau Anchorage Fairbanks  
Dunegan Fowler / Rosa Garner / Sandra McCoy

Telephone:

465-4970 / 277-8848 / 452-4001

Please complete the following information requests:

- Does your agency have statutory authority, regulations or procedures applicable to mineral exploration and development?

Yes

No <sup>Specifically</sup>

If no, then additional information is not required. Return form to DNR in the pre-addressed envelope provided.

*Note: This office does have the authority to review any administrative act of state government as such we can investigate both the legality & fairness of actions. See AS 24.55.*

Please list those statutes and regulations which are applicable to mineral exploration and development:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- Does your agency have written procedures (not including statutes and regulations) applicable to mineral exploration and development?

Yes

No

- Do your agencies statutes, regulations and procedures comply with Section 1 of the Minerals Policy Act?

Yes

No

If no, please list those statutes, regulations or procedures that do not comply:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please return this completed form to the Department of Natural Resources in the pre-addressed envelope provided. Thank you.

Minerals Policy Act Compliance Form  
as required by AS 44.99.110

Department/Board/Commission Name: Alaska Public Utilities Commission  
Mailing Address: 420 L Street, Suite 100  
Anchorage, Alaska 99501  
Agency Contact: \_\_\_\_\_  
Telephone: (907) 276-6222

Please complete the following information requests:

1. Does your agency have statutory authority, regulations or procedures applicable to mineral exploration and development?

Yes       No      If no, then additional information is not required. Return form to INR in the pre-addressed envelope provided.  
PUC regulates intrastate pipelines: This indirectly affects mineral exploration and development.

2. Please list those statutes and regulations which are applicable to mineral exploration and development:

AS 42.06 (indirectly) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Does your agency have written procedures (not including statutes and regulations) applicable to mineral exploration and development?

Yes       No

4. Do your agencies statutes, regulations and procedures comply with Section 1 of the Minerals Policy Act?

Yes       No      If no, please list those statutes, regulations or procedures that do not comply:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please return this completed form to the Department of Natural Resources in the pre-addressed envelope provided. Thank you.

February 16, 1989

SENATE JOURNAL

p. 443

SB 178

SENATE BILL NO. 178 by Senator Coghill, entitled:

"An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy."

was read the first time and referred to the Resources Committee and the Finance Committee.

March 21, 1989

SENATE JOURNAL

p. 887

SB 178

Senator Frank moved and asked unanimous consent that he be shown as a co-sponsor on SENATE BILL NO. 178 (An Act relating to the state mineral policy). Without objection, it was so ordered.

April 25, 1989

SENATE JOURNAL

p. 1415

SB 178

The Resources Committee considered SENATE BILL NO. 178 (An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy) and a majority of the committee recommended it be replaced with

CS FOR SENATE BILL NO. 178 (Resources)

and do pass. The report was signed by Senator Fahrenkamp, Chair, and concurred in by Senators Frank, Sturgulewski and Halford. Senator Zharoff signed "no recommendation."

Fiscal note from Department of Natural Resources and zero fiscal note from Department of Environmental Conservation for SENATE BILL NO. 178 published today. Zero fiscal notes for the committee substitute published today from Department of Natural Resources, Department of Commerce and Economic Development, Department of Fish and Game, Office of the Governor, Department of Revenue and University of Alaska. Fiscal note for the committee substitute forthcoming.

SB 178 cont'd

SENATE BILL NO. 178 was referred to the Finance Committee.

April 26, 1989

SENATE JOURNAL

p. 1437

SB 178

Zero fiscal note for Committee Substitute for Senate Bill No. 178 (Resources) (An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy) published today from Department of Fish and Game.

April 27, 1989

SENATE JOURNAL

p. 1481

SB 178

Zero fiscal note for Committee Substitute for Senate Bill No. 178 (Resources) (An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy) published today from Department of Environmental Conservation.

January 17, 1990

SENATE JOURNAL

p. 2120

SB 178

The Finance Committee considered SENATE BILL NO. 178 (An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy) and a majority of the committee recommended it be replaced with

CS FOR SENATE BILL NO. 178 (Finance), entitled:  
"An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy; and providing for an effective date."

and do pass. The report was signed by Senators Binkley and Uehling, Co-Chairs, and concurred in by Senators Zharoff, Duncan, Frank and Pearce.

SB 178 cont'd

Zero fiscal notes published today from Department of Environmental Conservation, Department of Natural Resources, Department of Commerce and Economic Development, Department of Fish and Game, Office of the Governor, Department of Revenue and University of Alaska.

SENATE BILL NO. 178 was referred to the Rules Committee.