

S B

434

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/5/90

FURTHER:

Date of 5-Day Notice: 2-8-90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-14-90

Resources Committee considered SB 434

Act establishing a task force to continue state initiatives for the development of a trans-Alaska natural gas pipeline; efd.

and recommended:

replace with _____ CS SB 434 (Resources) same title
 attached amendment(s) new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to Finance

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) Office of the Governor

zero fiscal note(s) DNR

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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

Do pass

[Signature]
Chair: Signature and Recommendation

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

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

February 9, 1990

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

Dear Senator Fahrenkamp:


Subject: Senate Bill 434, which establishes a task force to continue state initiatives for the development of a trans-Alaska natural gas pipeline.

Position: The Department of Natural Resources supports this bill. A task force on the construction of a trans-Alaska natural gas pipeline would focus positive attention on the proposed project and could help determine whether state initiatives for pipeline promotion, development or construction are necessary.

Background: The Department of Natural Resources has established a state pipeline coordination office to coordinate state activities relating to all common carrier pipelines with other state and federal agencies. Coordination of gas pipeline activities is included in the responsibilities of this office. The task force would provide additional opportunities for gas pipeline related coordination.

Please let me or Jerry Brossia, State Pipeline Coordinator, know if you would like additional information about the department's pipeline responsibilities.

Sincerely,


Lennie Gorsuch
Commissioner

cc: Bill Sponsors
Committee Members
Bob Evans, Legislative Liaison
Office of the Governor
Denby Lloyd, Special Staff Assistant
to the Governor
Jerry Brossia, State Pipeline Coordinator
Department of Natural Resources

FISCAL NOTE

REQUEST:

Revision Date: 2/9/90
Title: Gas Pipeline Task Force

Agency Affected: Natural Resources
BRU: Management and Administration

Sponsor: Senator Kelly
Requestor: Senate Resources Committee

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Several trips a year to task force meetings could be accommodated by the current travel budget. The department could not provide staff support or extensive travel funds for task force work without additional funding.

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 2/9/90

Approved by Commissioner: [Signature] Date: _____
Agency: Department of Natural Resources

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: 2/9/90
Title: Gas Pipeline Task Force
Sponsor: Senator Kelly
Requestor: Senate resources Committee

Agency Affected: Natural Resources
BRU: Management and Administration
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Several trips a year to task force meetings could be accommodated by the current travel budget. The department could not provide staff support or extensive travel funds for task force work without additional funding.

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 2/9/90
Approved by Commissioner: [Signature] Date: _____
Agency: Department of Natural Resources

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

Changes in CS SB 434 (Res) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Office of the Governor
 Title: "An Act establishing a task force
... natural gas pipeline:..." BRU: Executive Operations
 Sponsor: Sen. Kelly, Sturgulewski, et al Components: _____
 Requestor: Sen. Fahrenkamp

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL	.4	.4				
CONTRACTUAL	1.8	3.8				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	2.2	4.2				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2.2	4.2				
FEDERAL FUNDS						
OTHER						
TOTAL	2.2	4.2				

POSITIONS:

FULL-TIME	-	-				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached analysis

Prepared by: Michael A. Nizich, Director Phone: 465-3616
 Division: Division of Administrative Services Date: 2/13/90
 Approved by Commissioner: Garrey Peska, Chief of Staff Date: 2/13/90
 Agency: Office of the Governor

Distribution (by preparer):

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

SB 434 Analysis

Analysis assumes travel and per diem costs for executive branch members will be absorbed within each agency's operating budget. Fiscal note provides for meeting expenses for one public member only.

TRAVEL .4

Assumes 10 meetings to be held in Anchorage.
5 meetings in FY 91, 5 meetings in FY 92.

per diem @ 80/day x 1 day x 1 person x 5 meetings = 400

CONTRACTUAL 1.8

Advertising, Printing & Binding:

Advertising -- 5 meetings x 350	1,750
Printing -- Final report (FY 92)	2,000

Absent legislative appropriation for related task force expenses, fiscal note assumes support needs will be provided by participating agencies.

FISCAL NOTE

REQUEST:

Revision Date: 2/9/90
Title: Gas Pipeline Task Force
Sponsor: Senator Kelly
Requestor: Senate Resources Committee

Agency Affected: Natural Resources
BRU: Management and Administration
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Several trips a year to task force meetings could be accommodated by the current travel budget. The department could not provide staff support or extensive travel funds for task force work without additional funding.

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 2/9/90
Approved by Commissioner: [Signature] Date: _____
Agency: Department of Natural Resources

Distribution (by preparer):

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION Habitat	BILL NUMBER SB434	SPONSOR Kelly, et al.
SHORT TITLE OF BILL An act establishing a Trans-Alaska natural gas pipeline task force.			
DEPARTMENT POSITION Neutral with amendment			
PREPARED BY Frank Rue, Director	DATE 2-14-90	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 2/14/90

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Dept. of Revenue, Dept. of Environmental Conservation, Dept. of Natural Resources, Alaska Public Utilities Commission, Alyeska Pipeline Service Co., Industrial Development and Export Authority, Office of International Trade	CONSTITUENT GROUPS AFFECTED BY BILL All users of state land
ORGANIZATIONAL SUPPORT FOR BILL Unknown	ORGANIZATIONAL OPPOSITION TO BILL Unknown

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

This measure establishes within the Office of the Governor a Task Force on Construction of a Trans-Alaska Natural Gas Pipeline. The task force's primary purpose is to evaluate and report on state initiatives for development and construction of a Trans-Alaska natural gas pipeline in an environmentally safe and economically feasible manner.

ANALYSIS OF BILL/PROGRAM EFFECTS

This measure establishes a task force comprised of seven members, including the Commissioners of Revenue, Natural Resources, Environmental Conservation, a representative from the Alaska Industrial Development and Export Authority, director of the Office of International Trade, chair of the Alaska Public Utilities Commission, and a representative of the Alyeska Pipeline Services Company appointed by the governor. The task force is charged with evaluating and reporting to the governor and the legislature by January 1992 on state initiatives for development of a Trans-Alaska natural gas pipeline. Specific emphasis is to be placed on (1) state options for promoting development and construction of a gas pipeline and (2) tax, regulatory, and permitting constraints to development of a pipeline that the state may address.

AMENDMENTS PROPOSED

This measure should be amended to include the Commissioner of the Department of Fish and Game (ADF&G) as a member of the task force. Direct involvement of ADF&G is critical to the success of the task force. By law and administrative procedures, the design and construction of a Trans-Alaska natural gas pipeline project will require extensive agency and industry consultation with ADF&G and in numerous instances Title 16 approvals.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

FEB 12 1990

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

February 10, 1990

SUBJECT: Senate Bill 434, establishing a trans-Alaska natural gas pipeline task force -- sectional analysis

TO: Senator Tim Kelly,
Senate President
ATTN: Eldon Mulder

FROM: Jack Chenoweth
Legislative Counsel

In this legislation, three cabinet members, three other state officials, and one person drawn from a private company with significant relevant experience are constituted a Task Force on Construction of the Trans-Alaska Natural Gas Pipeline. The task force would be charged with providing guidance to the legislature and the administration "on state initiatives for development of a trans-Alaska natural gas pipeline in a manner that is environmentally safe and economically feasible."

Bill section 1 establishes the seven-member task force, specifies the task force's membership; authorizes the governor to appoint a chair and vice-chair for the task force; sets out a manner of calling task force meetings; authorizes alternates to serve for task force members who cannot attend meetings; specifies that task force members are entitled to travel compensation and per diem as otherwise authorized for state boards and commissions; and, subject to legislative appropriation for the purpose, permits the task force to expend money to perform its duties.

Those duties are set out in (g) of bill section 1. As noted earlier, they include a review and evaluation of state initiatives for development of a pipeline and its construction. The task force is to give special emphasis to the options available to the state to promote completion of the pipeline, and the identification of constraints to its development that the state may address.

Senator Tim Kelly
Page 2
February 10, 1990

Bill sections 2 and 3 together indicate that the task force is to operate between December 15, 1990 and February 1, 1992. The task force's report is to be delivered to the governor and legislature by late-January, 1992.

JBC:lmb
L9/114

Original sponsor(s): SEN. KELLY, Sturgulewski, Pearce, Jones, Faiks,
Adams, Duncan, Pourchot, Rodey, Szymanski, Eliason, Kerttula, Zharoff,
Fahrenkamp

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 434 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a task force to continue state
7 initiatives for the development of a trans-Alaska
8 natural gas pipeline; and providing for an effective
9 date."

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

11 * Section 1. TASK FORCE ON CONSTRUCTION OF TRANS-ALASKA NATURAL GAS
12 PIPELINE. (a) There is established in the Office of the Governor a Task
13 Force on Construction of a Trans-Alaska Natural Gas Pipeline. The task
14 force is composed of seven members, including

15 (1) the commissioner of revenue;

16 (2) the commissioner of natural resources;

17 (3) the commissioner of environmental conservation;

18 (4) one of the members of the Alaska Industrial Development and
19 Export Authority or the executive director of that authority, as determined
20 by the members of the authority;

21 (5) the director of the Office of International Trade in the
22 Office of the Governor;

23 (6) the chair of the Alaska Public Utilities Commission; and

24 (7) an officer, member of the board of directors, or employee of
25 Alyeska Pipeline Services Company, appointed by the governor.

26 (b) The governor shall name a chair and vice-chair of the task force
27 from among the members of the task force.

28 (c) The task force shall meet regularly at the call of the chair of
29 the task force or at the request of a majority of the members of the task

*New
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Resources
CS*

1 force.

2 (d) If a member described in (a) of this section is unable to attend
3 a meeting of the task force, the member may, by an instrument in writing
4 filed with the Office of the Governor, designate an alternate to act in the
5 member's place as a member of the task force for the meeting. For all
6 purposes of this Act, the person designated in the instrument is a member
7 of the task force at the meeting.

8 (e) The members of the task force serve without compensation, but are
9 entitled to receive per diem and travel expenses authorized for boards and
10 commissions under AS 39.20.180. The members appointed under (a)(1) - (6)
11 of this section may receive per diem and travel expenses only from the
12 annual appropriations made to the agency by which the member is employed.

13 (f) The provisions of AS 39.50 apply to members of the Task Force on
14 Construction of a Trans-Alaska Natural Gas Pipeline.

15 (g) Subject to legislative appropriation for the purpose, the task
16 force may expend money it considers necessary to perform its duties.

17 (h) The task force shall evaluate and report to the governor and
18 legislature, not later than the 10th day of the Second Session of the
19 Seventeenth Alaska State Legislature, on state initiatives for development
20 of a trans-Alaska natural gas pipeline and its construction in a manner
21 that is environmentally safe and economically feasible. The task force
22 shall give special emphasis to

23 (1) options for state initiatives in the promotion, development,
24 and construction of a natural gas pipeline; and

25 (2) tax, regulatory, and permitting constraints to development
26 of a pipeline that the state may address.

27 * Sec. 2. This Act is repealed February 1, 1992.

28 * Sec. 3. This Act takes effect December 15, 1990.

SB 430



MAR 26 1990

Koncor Forest Products Company

3501 Denali, Suite 202
Anchorage, Alaska 99503
(907) 562-3335 FAX (907) 562-0599

March 20, 1990

The Honorable Senator Bettye M. Fahrenkamp
P.O. Box V
Juneau AK 99811

RE: SB 430

Dear Senator Fahrenkamp:

I am writing regarding SB 430 introduced by Senator Rodey on February 2. The bill is an attempt to lock up a vast area of public lands in the Susitna Valley for the benefit of a few elite lodge owners, air taxi operators and remote parcel owners. The bill circumvents the time and significant expenditure of public funds used to develop the Susitna Area Plan. The bill eliminates opportunities to disperse congested recreation activity away from the few existing roads in the area. It closes the door on the area's potential to provide economic diversification in Alaska's oil dependant economy, and virtually eliminates the role the private and public sector can play in improving moose habitat through timber harvest.

Alaska has an abundance of recreation lands of a remote character. The identification and selection of State lands was intended to provide for community and resource development. Current recreational opportunities are severely over crowded as can be evidenced on a summer day along the Alexander, Deshka, and Susitna rivers. Last summer I ran my boat up Lake Creek and was amazed by the crowds, with the congestion being similar to that on the Russian River. This all speaks poorly for the condition of accessible recreational opportunities in this largest state in the union. The irony of this legislation is the premise that it is pro recreation. What these over congested areas need is more roads to disperse the crowds, not a locked up wilderness.

For all practical purposes the bill would eliminate mining, timber harvest and future land disposals, with a few exceptions for those who already have a piece of the pie. This "I've got mine" approach to public land management is a disservice to the public and the resource agencies involved with the planning process.

The restrictions in this bill would make practical solutions to the moose management problems in the Susitna Valley extremely limited. Any habitat manipulation for the benefit of moose would have to be accomplished with legislative appropriations. On the contrary, the Susitna Area Plan is flexible enough to allow for habitat improvement through sales of timber. This saves the State money, improves economic conditions in the valley and improves moose habitat. This



Senator Fahrenkamp

March 20, 1990 Page 2

creates a definite win-win situation. The only losers are those who insist that the State lands are for their private interests alone.

Koncor Forest Products supports the planning process to determine appropriate uses for State Lands. While we may disagree with some of the land use decisions, the process lends itself to public input and compromise. SB 430 is an end run around that process and should be stopped. I urge you to support responsible land management and help put a halt to SB 430.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Sturgeon", with a long horizontal flourish extending to the right.

John L. Sturgeon, President
Koncor Forest Products