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HOUSE COMMITTEE REPORT

3/23/94

Judiciary

(7)
Date Referred: March 16, 1994

FURTHER REFERRALS:

Date of Committee Action: _____

The HOUSE SPECIAL COMMITTEE ON OIL AND GAS Committee considered: CSSB 322(FIN)

CS FOR SENATE BILL NO. 322(FIN) DELAYS OF OIL AND GAS LEASE SALES
 "An Act repealing the requirement that an oil or gas lease sale be held during the calendar quarter for which scheduled under the leasing program and repealing related allowable delays for certain oil and gas lease sales under the Alaska Land Act; and providing for an effective date."

- RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title
- [] have attached amendments(s)
 [] do pass
 [] do not pass
 [] no recommendations
 [] individual recommendations
 [] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

- ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 [] fiscal impact _____ [] fiscal note(s) _____
 [] zero fiscal note _____ [] ^{Senate} zero fiscal note(s) DNR 2/23/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Robert Kott Kott	X	Harley Olberg alburg		✓	
Steve Simon	X				
Ernie Davis	X				
Green	✓				
	(4)			(1)	

CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB322

Revision Date: Original Dept Affected: Natural Resources
 Title: "An Act repealing the limitation on delays imposed on oil and gas lease sales under the Alaska Land Act." BRU: Resource Development
 Sponsor: Senate Resources Committee Component: Oil & Gas Development
 Requestor: Senate Resources Committee Component Serial No. 439

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY94) cost: \$ None

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.)

This change will have no fiscal impact on the Department of Natural Resources.

Prepared by: Jerry Gallagher, Legislative Liaison Phone: 465-2400
 Division: Commissioner's Office Date: 17-Feb-94
 Approved by Commissioner: _____ Date: 17-Feb-94
 Agency: Harry A. Neah, Natural Resources

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

FISCAL NOTE: DNR

Alaska State Legislature

SENATOR

MIKE MILLER

P O Box 55094

North Pole, Alaska 99705

(907) 488-0862

Senate District Q



Senate

White in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4976

CS Senate Bill 322 (Fin)

"An act repealing the limitation on delays imposed on oil and gas lease sales under the Alaska Land Act"

BY THE SENATE RESOURCES COMMITTEE

CS for Senate Bill 322(Fin) would repeal the statute requiring that an oil & gas lease sale be held no later than 90-days after the quarter in which it is scheduled. If a lease sale is not held within the 90 day time period, the sale cannot go forward and the entire process must begin again from "square one".

This current statutory deadline places a burdensome time constraint on the department, usually forcing an unreasonably short public comment period for the department's preliminary finding. The Division of Oil & Gas routinely builds in a long "buffer period" following public comment to allow adequate time to deal with the administrative and judicial process for anticipated reconsideration requests of the finding and subsequent appeals.

The 90 day limit was originally imposed to alleviate concern that indefinite delays would occur on scheduled oil & gas lease sales. However, it has instead had the opposite effect since the administrative and judicial appeal process often extends beyond 90 days. A repeal of the provision would provide the division with greater flexibility in the lease sale process, including the option of longer public comment periods.

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FAX: (907) 465-3886

February 18, 1994

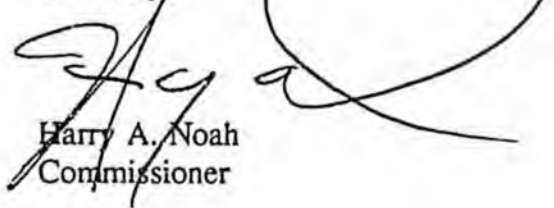
The Honorable Mike Miller, Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol, Room 423
Juneau, Alaska 99801-1182

Dear Senator Miller:

The Department of Natural Resources supports SB 322, an Act entitled "An Act Repealing the Limitation on Delays Imposed on Oil and Gas Lease Sales Under the Alaska Land Act." The purpose of this legislation is to amend AS 38.05.180(c), to remove the requirement that the department conduct a competitive oil and gas lease sale within 90 days of the quarter in which the sale is originally scheduled in the department's Five-Year Leasing Schedule.

We support this change because it will allow the department greater flexibility to delay sales, if there are valid reasons for doing so, without running the risk of having to reschedule the sale for a minimum of two full calendar years. This added flexibility should reduce the program's exposure to procedural appeals and allow greater time for public participation as the need arises.

Sincerely,



Harry A. Noah
Commissioner

HAN/sf

enc.

cc: James Eason, Director
Division of Oil & Gas

Alaska State Legislature

SENATOR
MIKE MILLER

P.O. Box 55094
North Pole, Alaska 99705
(907) 488-0362

Senate District Q



Senate

White in Juneau
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To: Representative Brian Porter, Chairman
House Judiciary Committee

From: Senator Mike Miller, Chairman
Senate Resources Committee

Re: scheduling request - SB 322

Date: March 17, 1994

I would like to request that Senate Bill 322, "Delays of Oil & Gas Lease Sales," sponsored by the Senate Resources Committee, be scheduled for a hearing in the House Judiciary Committee on Wednesday, March 23, pending referral from the House Special Committee on Oil & Gas. House Oil & Gas will hear the bill Monday, March 21.

The appropriate back up is attached. If you have questions, please contact Teresa at 4907. Thank you for your assistance.

RECEIVED

MAR 17 1994

Rep. Brian Porter