

HB

169

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSHB169(Res)

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Defining the scope of the responsibility of DNR for BRU: Natural Resources
regulating the development of the mineral resources of the state. Component: Habitat and Restoration
 Sponsor: Rep.(s) Kott, Williams, Kelly, MacLean, James, Brice
 Requester: Senate Resources COMPONENT SERIAL NO. 486

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	52.0	28.0	28.0	28.0	28.0	28.0
TRAVEL	5.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	10.0	3.0	3.0	3.0	3.0	3.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	87.0	31.0	31.0	31.0	31.0	31.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	67.0	31.0	31.0	31.0	31.0	31.0
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other						
TOTAL	67.0	31.0	31.0	31.0	31.0	31.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME	1	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: Ellen Fritts
 Division: Habitat and Restoration
 Approved by Commissioner: Frank
 Agency: _____

Phone: 465-4105
 Date: 4/14/95
 Date: 4.14.95

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BILL NO. CSHB169
Title: Defining the scope of the responsibility
of DNR for regulating the mineral resources of the state.
Sponsor: Rep.(s) Kott, Williams, Kelly, MacLean, James, Brice
Requester: Resources

ANALYSIS Continued:

This measure designates DNR as lead agency for all matters relating to the exploration, development, and management of mining and vests it with final regulation, management and enforcement authority. It is unclear whether (1) actual statutory authority or (2) authority to veto or overrule another agency's proposed actions would be transferred. Assuming the latter, the measure significantly increases ADF&G's workload and procedural timelines for issuance of Fish Habitat Permits for mining operations.

In FY 94, ADF&G reviewed over 700 placer mining operations in addition to numerous major hard rock mine proposals and several dozen mining-related applications (e.g., cross-country access, water withdrawals). The average review time for all applications was 8 days. Approximately 400 Fish Habitat permits were issued for these activities. At a minimum, the proposed measure would require ADF&G to forward all of the draft Fish Habitat Permits to ADNR for comment and approval before issuance of the permits. In light of ADNR's already critical staffing shortage, we estimated the additional review loop will add 2 to 4 weeks to each permit's review time. Since a large number of applications are not received until just prior to the summer field season, the increased review time could delay start-up for many applicants. An estimated 2 weeks annually of staff time will be dedicated to additional copying and mail out.

During the first year of implementation, it will be necessary for ADF&G to commit significant staff resources simply to bring DNR up to speed on ADF&G permitting requirements and the rationale for specific permit conditions. We estimate this will require four to six additional staff months statewide. Joint field reviews will be needed in many instances to fully communicate permitting needs to DNR.

In subsequent years, some additional time (two months annually) will be needed for further discussions as (1) permit conditions change, (2) new site considerations require modified approaches and (3) to help defend DNR from final permit challenges and appeals. Annually, we estimate that 10 to 20 applications will be sufficiently controversial to be elevated to the directors and/or resource cabinet for final resolution. Annual staff commitments to fully prepare and brief these elevations may total one month.

We support establishment of integrated project review teams for large, complex developments. Similar approaches in the past have benefited both the state and mine proponents. It must be recognized, however, that all previous successful project review teams simply integrated the statutory functions of each resource agency -- they did not consolidate final authority in a single agency.

It must also be recognized that establishment of joint project review teams will result in increased agency staff commitments and costs to the applicant and the state. For major, complex projects, these additional costs and staff requirements may be warranted. For routine placer mining applications, however, establishment of joint review teams will significantly increase the cost and timeline for obtaining necessary authorizations, with no known benefit for either the applicant or the state.

FISCAL NOTE

J. 4
 Bill Version: CS HB 169(RES)
 (H) Publish Date: 2/27/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Defining the scope of the responsibility of DNR for BRU: Habitat and Restoration
regulating the development of the mineral resources of the state. Component: Habitat
 Sponsor: Rep(s) Kott, Williams, Kelly, MacLean
 Requester: Resources COMPONENT SERIAL NO. 488

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
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
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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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 (FY95) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

If amended as proposed by ADF&G, the legislation simply confirms by law ADF&G's established practice of consulting with other state agencies prior to adopting, repealing, or modifying regulations. Traditionally, ADF&G also has consulted with other affected agencies and constituencies prior to adopting major policy revisions. Confirming this consultation by law will not increase ADF&G's fiscal costs.

If the intent of the legislation, however, is to require ADF&G to coordinate each and every permitting decision with the DNR prior to permit issuance, the department will incur additional time delays and staffing requirements. A revised fiscal note will need to be prepared once the intent of this legislation is clarified.

Prepared by: Ellen Fritts, Acting Director
 Division: Habitat and Restoration
 Approved by Commissioner: Simon Bruce for Frank Rue
 Agency: _____

Phone: 465-4105
 Date: 2/23/95
 Date: 2/24/95

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FISCAL NOTE

2.3
 Bill Version: CS HB 169(RES)
 (H) Publish Date: 2/27/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Office of the Governor
 Title: Relating to the scope of responsibility of the Dept. of Natural Resources for regulating development of mineral resources BRU: Office of Management and Budget
 Component: Governmental Coordination
 Sponsor: Representative Kott
 Requester: _____ COMPONENT SERIAL NO. 18

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
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
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY95) cost: \$ 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)

The Division of Governmental Coordination (DGC) coordinates the consistency review of projects that require federal permits or permits from 2 or more State agencies. If a proposed mining project required these type of permits, DGC would coordinate the State's consistency review. For mining projects, DGC routinely seeks the input from the Department of Natural Resources, as required by this bill. Current review procedures meet the intent of the bill, therefore DGC anticipates no fiscal impact.

Prepared by: Kerry Howard, Acting Phone: 465-3562
 Division: Governmental Coordination Date: 2/24/95
 Approved by Commissioner: [Signature] Date: 2/24/95
 Agency: [Signature]

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FISCAL NOTE

No. 2
 Bill Version: CS HB 169(RES)
 (H) Publish Date: 2/27/95

**STATE OF ALASKA
 1995 LEGISLATIVE SESSION**

BILL NO.

Revision Date: _____
 Title: ...responsibility of DNR for regulating
the development of mineral resources...
 Sponsor: Rep Kott
 Requestor: Hs (RES)

Department Affected: Environmental
Conservation
 BRU: Administration
 Component: Commissioner's Office

COMPONENT SERIAL NO. 633

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
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

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF Program Receipt	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHT/A	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 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: Larry Jones
 Division: Director, Information and Administrative Services

Phone: 465-5010
 Date: 2/24/95

Approved by Commissioner: Lawrence Jones
 Agency: Department of Environmental Conservation

Date: 2/27/95

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FISCAL NOTE

No. 1
 Bill Version: CS HB 169(RES)
 (H) Publish Date: 2/27/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Natural Resources
 Title: An Act defining the scope of the responsibility of the BRU: Resource Development
 Department of Natural Resources for regulating ... mineral resources... Component: Mining Development
 Sponsor: Representative(s) Kott, Williams
 Requestor: _____ Component Serial No. 442

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY96	FY97	FY98	FY99	FY00	FY01
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 (FY95) cost: \$ None

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
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)

There is no anticipated fiscal impact for the Department of Natural Resources with implementation of this legislation.

Prepared by: Jules Treston, Director Phone: 745-2165
 Division: Mining & Water Management Date: 16-Feb-95
 Approved by Commissioner: [Signature] Date: 2-16-95
 Agency: Natural Resources

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SENATE COMMITTEE REPORT

DATE: 3/6/95

FURTHER:

DATE TURNED INTO OFFICE: 4-10-95

True

Resources Committee considered CS FOR HOUSE BILL NO. 169(RES)

"An Act defining the scope of the responsibility of the Department of Natural Resources for regulating the mineral resources of the state."

and recommends:

- be replaced with SENATE CS HB 169 (RES)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical change
- new: SCR _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>was Pearce?</i>	✓	<i>[Signature]</i>		✓	
<i>Adrian Taylor</i>	✓	<i>[Signature]</i>	✓		
CHAIR: <i>Arew A Lewis</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
DF-G	3/27	✓	
OMB	2/27	✓	
DCC	2/27	✓	
DNR - MINING	2/27	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 8, 1995

SUBJECT: SCS CSHB 169 (Resources), relating to lead agency status for the Department of Natural Resources (Work Order No. 9-LS0679\K)

TO: Senator Loren Leman, Chair
Senate Resources Committee
ATTN: Annette Kreitzer

FROM: Jack Chenoweth
Legislative Counsel 

I take the last sentence of your transmittal memo as a pointed indication that the bill title is not to be changed.

For that reason, I will advise you, as I did the amendment sponsor:

In light of the material included in the amendment, we could probably fence over the necessity of changing the bill title until the cows come home and not come to agreement. However, the notice requirement for bills is, as you know, a constitutional requirement, not to be lightly trifled with. Bill titles serve the purpose of ensuring that reasonable notice is given, to legislators and to the general public, of a measure's content. Where, as here, the amendment proposes what, I think you would have to agree, would be extraordinarily significant changes in the operation of state laws relating to mining and management of mineral resources by assigning the final role, in all cases ("notwithstanding any other provision of state law"), to the Department of Natural Resources, without any attempt to identify or show other specific statutory changes that the amendment affects, then the bill title is the sole source of general notice about the content of the amendment. This bill has potentially far reaching consequences, and I would suggest the need for an appropriate title change to reflect that.

As you know, title changes necessitated by amendments (other than clerical or technical amendments) made or proposed to a bill in the second house--the house not of the bill's origin--are prohibited under the legislature's Uniform Rule 24(c) unless a concurrent resolution suspending operation of this and other related rules accompanies the measure.

Senator Loren Leman

April 8, 1995

Page 2

JBC:lmb

95-167.lmb

Enclosure



Alaska State Legislature

Session:
State Capitol
Juneau AK 99801-1182

Memo

Interim:
716 W 4th Avenue
Anchorage AK 99501-2133

TO: Legal Services
Via Fax: 2029 *2 pages*

FROM: Annette E. Kreitzer, Aide to *AK*
Senate Resources Committee

DATE: April 8, 1995

RE: Committee Substitute for HB 169

Please draft a FINAL Committee Substitute for CS HB 169(RES) incorporating the attached amendment LS0679\G.2 by Chenoweth dated 4/4/95.

Deliver the final to Senator Leman's office, Capitol Room 115. There are no other changes to this bill.

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSHB 169(RES)

1 Page 1, lines 5 - 11:

2 Delete all material and insert:

3 "(b) The department is the lead agency for all matters relating to the
4 exploration, development, and management of mining and, notwithstanding any other
5 provision of state law, shall make the final determination on all regulatory matters
6 concerning mineral resource exploration and development and the management of
7 mining and associated activities. Another state agency may advise or consult with the
8 department in making its determination."

Alaska State Legislature House of Representatives

COMMITTEE ASSIGNMENTS:

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FAX (907) 465-2819

SECTIONAL ANALYSIS CSHB 169(RES) - 9-LS0679\G

- Section 1. Adds a new section to AS 27.05.010, the statutes defining the Department of Natural Resources' role in mining resource development and mining regulation. It designates the Department as the lead agency or coordinator in all regulatory matters concerning mineral exploration.



Representative Pete Kott



Mr. Chairman, I am Jules Tileston, Director of Mining and Water Management for the Department of Natural Resources. The Administration has not yet finished its evaluation of some of the aspects of HB 169. Accordingly, my comments will be of a technical nature.

HB 169 would establish DNR as lead agency for all matters relating to the exploration, development, and management of mining. This includes coordination of all regulatory matters concerning mineral resources and associated activities. Other state agencies that have regulatory authority over mining actions would consult with and drawn upon the mining expertise of the department. These actions would be accomplished by adding a new paragraph to AS 27.05.010. That paragraph designates DNR as the lead agency and requires other State and local entities to consult with the department on matters dealing with the exploration, development, and production of mineral resources.

HB 169 implements a January 1995 Finding of the Minerals Policy Commission that there are several State agencies asserting management authority over State lands. The administration of multiple mandates that impact prudent mining activity in Alaska has created a complex bureaucracy with multiple agencies having at least some regulatory input on the variety of permits that must be obtained to search for and develop mines that provide local jobs and enhance the local economy. The Commission concluded that the number of permits, the time required to secure those permits, the number of agencies, and the costs to obtain the permits has become excessive. The Commission also found that the recent experiences associated with the DNR led permitting for the Fort Knox Mine at Fairbanks demonstrates the benefit of having a coordinated State approach to permitting a mine. The DNR coordination was effective because all of the permitting agencies agreed to work together on a common schedule that was mutually developed by the State and Federal permitting agencies and the applicant. Further, a cooperative agreement was developed by the State agencies and the applicant whereby the applicant funded major permit work. This funding was handled through DNR and made available to the participating State agencies in accord with their commitment to complete defined work within the agree-to schedule. This DNR coordination resulted in the issuance of permits in an expedited, yet thorough manner with full

public involvement. After review of the strengths and successes of the coordination process used by DNR on the Fort Knox Mine, USMX has requested

DNR to implement a similar coordinated permit process for the proposed Illinois Creek Mine on CIRI held State mineral leases.

169 would create a consistent approach to evaluating and permitting mineral exploration, development, and management of mining which is not now present. DNR has the in-house expertise in the Division of Mining and Water Management, Division of Geological and Geophysical Surveys, Division of Agriculture Plant Materials Center, and Division of Land to act as the lead coordinating agency for mining in Alaska. The Division of Mining and Water Management is responsible under AS 27.19 for state-wide mine reclamation regardless of ownership and for all mining conducted on State owned land and for mining where the surface has been transferred to local governments under Municipal entitlements or to private individuals. Other state-wide decisions, regardless of land ownership, in support of mining by the division include dams, temporary water use, and water rights. The Division of Land is frequently involved in mine decisions for access to the mine across State-owned uplands and for use of State-owned tide lands. Both DGGs and the Plant Material Center have technical expertise that provide valuable input to some mineral activities.

The DNR approach to "coordination" in both the Fort Knox Mine and the Illinois Creek Project is to provide a senior DNR project manager that has a demonstrated ability to work well with other agencies, ability to identify potential problems and facilitate workable solutions, ability to meet long-term schedules that have intermediate key dates, and ability maintain project budgets within established limits.

"Coordination" does not mean that DNR takes on the permitting or regulatory authorities of other entities. Likewise, the requirement to "consult with" and "draw upon the mining expertise" of the department does not mean that DNR can arbitrarily or capriciously direct another entity to do something that is against that

entities law or regulation. These terms, however, do imply that the evaluation and decision processes associated with mining in Alaska be consistent and uniformly applied.

Accordingly, it is recommended that HB 169 make it very plain that existing state and local responsibilities and authorities are not diminished or relocated to DNR. In 1990 when the Legislature was determining how to develop an effective reclamation program this issue was addressed in AS 27.19.010(d) as follows:

"This chapter does not alter or diminish the authority of another state agency, a state corporation, the University of Alaska, or a municipality under its laws and regulations."

This provision has now been effect for approximately four years and I am unaware that agency jurisdiction or authority for handling reclamation issues on mining properties has been an issue. Reclamation projects that are routinely reviewed and approved include small and large placer mines on State and Federal lands or for large mining projects such as the Red Dog Mine which is entirely on NANA holdings or the Fort Knox Mine which has a combination of entities, including Mental Health land. Similarly, DNR has been the lead agency for one-stop permitting for the Annual Placer Mine Application for State and Federal ownerships that are within and outside the boundaries of Coastal Zone Districts.

Therefore, it is recommended that language similar to that of AS 27.19.010 be added after the last word on line 11 of the HB 169.

Mr. Chairman that concludes my prepared statement.

Alaska State Legislature House of Representatives

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TO: *Loren*
Senator Loren Leman, Chair
Senate Resources Committee

FROM: *Pete*
Representative Pete Kott

DATE: March 6, 1995

RE: HB 169

Please schedule CSHB 169(RES) for a hearing in the Senate Resources Committee.

This legislation amends AS 27.05 to make the Department of Natural Resources the lead agency for regulations that affect the development or management of mineral resources.

By appointing a single department, the one that houses the Division of Mining & Water Management, as the coordinating agency for regulations that affect the management of mineral resources in Alaska, consistency of policy and regulatory interpretation should result. It should also simplify input and comment by private citizens during the regulation adoption process. This legislation does not alter the statutory or regulatory authority of the other agencies involved with the mining industry; Fish & Game, Environmental Conservation and the Division of Governmental Coordination in the Governor's Office.

I have enclosed a copy of the sectional analysis and sponsor statement for the committee's bill files.

Thank you in advance for scheduling HB 169 for a hearing in the Senate Resources Committee.



Representative Pete Kott



Alaska State Legislature House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE, CHAIRMAN
MILITARY & VETERANS AFFAIRS, CHAIRMAN
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SPONSOR STATEMENT HB 169

One of the toughest problems the Alaskan public faces when dealing with state government is knowing which agency to contact.

HB 169 would designate the Department of Natural Resources(DNR) as the lead agency for regulations dealing with mining development and regulation. Three and some times four agencies of the Executive Branch are involved in the regulation of mining. By designating DNR as the lead agency an individual who contacts the state in regard to mining will know to contact DNR and they will coordinate the interface with other state agencies. It should also mean that a single agency has complete knowledge of the program.

I urge your support for this legislation.

Sponsor Statement

Representative Pete Kott



Alaska State Legislature House of Representatives

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SECTIONAL ANALYSIS CSHB 169(RES) - 9-LS0679\G

- Section 1. Adds a new section to AS 27.05.010, the statutes defining the Department of Natural Resources' role in mining resource development and mining regulation. It designates the Department as the lead agency or coordinator in all regulatory matters concerning mineral exploration.



Rej Sectional Analysis tt





ALASKA MINERS ASSOCIATION, INC.

501 W. Northern Lights Blvd., Suite 203, Anchorage, Alaska 99503 FAX: (907) 278-7997 Telephone (907) 276-0347

February 24, 1995

Honorable Joe Green
Co-Chairman
House Natural Resources Committee
State Capitol
Juneau, AK 99801

RE: HB-169, DNR as Lead Agency

Dear Representative Green,

On behalf of the Alaska Miners Association I wish to go on record in support of House Bill 169 which would designate the Department of Natural Resources as the lead agency in mining projects.

House Bill 169 will insure that the Department of Natural Resources, the State's land management agency, will be the lead agency for "all matters relating to the development and regulation of mining". The DNR is the only department with the expertise to deal with the full range of issues that must be addressed for mining projects. This lead agency status will not affect the statutory authorities of other departments but will provide a single focal point for mining issues.

The permitting of the Fort Knox Mine is a prime example of how this lead agency approach can work. This was the first major mine to be permitted with a lead agency "project" approach and this greatly increased the efficiency of all the agencies involved. Everyone within the various state agencies, as well as within the industry, knew exactly where to go when they had questions. The DNR was able to bring the necessary mining, land, water, etc. expertise to the discussion as needed and in the most efficient manner.

The use of the DNR as lead agency will be of value to both the State and the industry. For the State it will result in lower costs and less confusion and duplication of effort for permitting or other work with mining projects. For the mining industry it will mean clearer lines of communication and less duplication of effort and a more orderly, and hopefully less time-consuming permitting process.

We urge passage of this bill.

Sincerely,

Steven C. Borell, P.E.
Executive Director

cc: Representative Pete Kott

DAVID E. ROGERS, ESQUIRE

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February 27, 1995

House Resources Committee
Capitol Building
Juneau, Alaska 99811

Dear Committee Members:

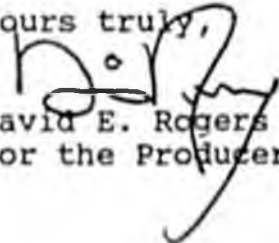
This letter is submitted on behalf of the Council of Alaska Producers (Producers Council) in conceptual support of HB 169. This bill, which was recommended by the Alaska Minerals Commission in its January 1995 Report, would designate the Department of Natural Resources as the "lead agency" in all "matters relating to the development and regulation of mining."

As you probably know, the permitting process for mining projects can be quite a challenge. It involves multiple agencies and is often extremely complicated, cumbersome and expensive. Based on the recent experience with the Fort Knox operation in Fairbanks, we believe that this commonsense idea of permanently establishing a single source for providing information and coordinating mining regulatory programs will result in a more manageable public process saving both the state and the regulated community precious time and money.

We understand and acknowledge that this is a procedural measure only; there is no intention to tinker with existing regulatory powers, duties or jurisdiction of other departments and agencies.

Our sincere thanks to bill sponsor Rep. Kott for introducing this legislation and to the House Resources Committee for giving it early attention.

Yours truly,


David E. Rogers
For the Producers Council