

SSCR

1

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/21/96

FURTHER:

Date of 5-Day Notice: 2-22-96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-27-96

The Resources Committee considered SENATE SPECIAL CONCURRENT RESOLUTION NO. 1
Disapproving Executive Order No. 92.

and recommends:

- be replaced with _____ CS SSCR | _____ (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 title
 - new: SCR° _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>True Peace</i>		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
CHAIR: <i>Loren J. Lewan</i>	<input checked="" type="checkbox"/>	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>Senate Committee</i>	<i>2/24/96</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

February 19, 1996

SUBJECT: Procedure for Disapproving an Executive Order

TO: Senator Drue Pearce

FROM: Tamara Brandt Cook
Director

TBC

You have asked what the procedure is for the disapproval of an executive order. The state constitution contains the requirement that disapproval of an executive order is accomplished ". . . by resolution concurred in by a majority of the members in joint session . . ." (Article III, Section 23) This must be complied with or any attempt by the legislature to disapprove an executive order will probably be held invalid by the court.

In addition to the procedure set out in the constitution, Uniform Rule 49(a)(4) provides

A special concurrent resolution is employed to consider disapproval of an executive order of the governor laid before the legislature under provisions of Sec. 23, Art. III, of the State Constitution. This resolution must be considered by a joint committee and may be adopted by a majority vote of the full membership of the legislature in joint session without recourse to three readings.

Prior to 1981 that same rule in identical language was contained in Uniform Rule 48(d). So, the uniform rule adds to the constitutional requirements the requirement that a joint committee consider each special concurrent resolution before it is adopted in joint session.

The literal language of the rule appears to require formation of a joint committee for the purpose of considering a special concurrent resolution. Uniform Rule 21(b) describes the formation of a joint committee as follows:

(b) A joint committee is a committee of both houses. A joint committee may be established only by the adoption of a concurrent resolution. The presiding officer of each house appoints one-half of the members of a joint committee. The persons who co-chair a joint committee shall be chosen in the manner provided by the presiding officers.

Senator Druc Pearce

February 19, 1996

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Uniform Rule 21(d) provides further:

(d) A committee may not be established unless authorized by law or by the Uniform Rules.

Despite these rules, it has been the position of this office since at least 1981 that, because Uniform Rule 49(a)(4) does not specifically require the establishment of a joint committee under Rule 21, two standing committees meeting jointly would fulfill the requirement of consideration by a joint committee. The conclusion at that time appears to have been based on the established practice of the legislature in referring these resolutions to standing committees. That practice has never been formally challenged under a point of order so far as I have ascertained.

The legislature has not considered a special concurrent resolution very often, and, having checked back to 1975, I cannot find an example of the appointment of a joint committee to do so. In 1976, HSCR 1 was referred to the State Affairs Committee but went no further. (House Journal, page 73) In 1976 HSCR 2 was referred to the State Affairs Committee which met jointly with the Senate State Affairs Committee and was, ultimately, adopted in joint session. (House Journal, March 11, page 567) In 1977 SSCR 1 was referred to the Senate State Affairs Committee with a specific direction to meet jointly with the House committee. (Senate Journal, March 8, page 498) That resolution failed to pass in joint session. In 1980 HSCR 1 was referred to standing committees but went no further. In the Twelfth Legislature SSCR 1 was only referred to standing committees and never adopted. (Senate Journal, January 26, 1981, page 120) In the Thirteenth Legislature HSCR 1, HSCR 2, and SSCR 1 were referred to standing committees. Ultimately, the Rules Committees met jointly on SSCR 1 (disapproving Executive Order No. 53, establishing an office of management and budget) and on HSCR 1 (disapproving Executive Order 54, establishing the Department of Corrections). That same day both these resolutions were adopted in joint session. (Senate Journal, March 16, 1983, pages 407-410)

HSCR 1 was referred in the Sixteenth Legislature to standing committees and never adopted. In the Seventeenth Legislature, First Session, Executive Orders No. 78 and 79 were referred to standing and special committees (Senate Journal, January 21, 1991) but no action was taken to reject them. (Senate Journal, March 22, 1991) Executive Order 80 was returned to the governor as defective by the presiding officers. (Senate Journal, January 23, 1991) During the Second Session SSCR 1, disapproving a new Executive Order 80, was introduced and referred to a standing committee. (Senate Journal, January 13, 1992) That Executive Order was withdrawn by the governor. (Senate Journal, January 15, 1992)

As recently as 1994 SSHSCR 3 disapproving Executive Order 89 was referred to the House Labor and Commerce Committee, which met in a joint meeting with the Senate

Senator Drue Pearce
February 19, 1996
Page 3

Labor and Commerce Committee. The House committee then reported the resolution out and the House sent a message to the Senate inviting it to attend a joint session for purposes of considering the resolution. It was considered and passed in joint session. (House Journal, 3/9/94, page 2699; Senate Journal, 3/9/94, pages 3100-3101) No Senate resolution was ever introduced, referred to Committee, or reported out.

Note that procedures of a joint committee differ slightly from procedures of two committees that meet jointly. Mason's Manual addresses the subject in Secs. 663-669. In both cases, members report separately to their bodies. Sec. 664 which indicates that a joint committee typically has a single chair has been superseded by Uniform Rule 21(b) which calls for co-chairs. Otherwise, it is significant to note that a quorum of a joint committee is a majority of the combined membership, while a quorum of each committee separately is required for action at joint meetings of separate committees. Additionally, members of a joint committee vote individually and not by house while action is taken separately by vote of each committee meeting jointly.

Lastly, note that sec. 669(1) states "A house may authorize or direct two standing committees to sit as one committee for the consideration of a specific bill or subject." While I am not aware of a case when two standing committees were actually directed to sit as one committee, this could be done. There have been instances when a standing committee was directed to hold a joint meeting with a committee of the other body.

TBC:glc
96-102.glc

CS FOR SENATE SPECIAL CONCURRENT RESOLUTION NO. 1(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RESOURCES COMMITTEE

A RESOLUTION

1 Disapproving Executive Order No. 92.

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

3 WHEREAS the governor, under authority of art. III, sec. 23, Constitution of the State
4 of Alaska, has proposed in Executive Order No. 92 to combine the functions of the division
5 of oil and gas and the division of geological and geophysical surveys into a division of oil,
6 gas, and geology; and

7 WHEREAS the Alaska State Legislature believes the functions of the division of
8 geological and geophysical surveys as outlined in AS 41.08.020 would be diluted in a
9 consolidation with the division of oil and gas; and

10 WHEREAS certain efficiencies can be accomplished by incorporating the division of
11 geological and geophysical surveys within the division of mining and water management; and

12 WHEREAS art. III, sec. 23, Constitution of the State of Alaska, provides that unless
13 disapproved within 60 days of a regular session by resolution concurred in by a majority of
14 the members of the legislature in joint session, an executive order becomes effective at a date
15 designated by the governor;

16 BE IT RESOLVED by the Alaska State Legislature that Executive Order No. 92 is
17 disapproved.



Alaska State Legislature

Official Business

State Capitol
Juneau AK 99801

MEMO

TO: Tam Cook, Legal Services

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

DATE: February 26, 1996

RE: CS for SSCR 1 - Disapproving EO 92

Please create a final CS for Senate Special Concurrent Resolution 1, including the following language beginning at line 7:

WHEREAS the Alaska Legislature believes the functions of the division of geological and geophysical surveys as outlined in AS 41.08.020 would be diluted in a consolidation with the division of oil and gas; and

WHEREAS certain efficiencies can be accomplished by incorporating the division of geological and geophysical surveys within the division of mining and water management; and

Then, continue with the resolution at line 7: "WHEREAS art. III, sec. 23, ... to the end with no further changes.

Cook

9-LS1726A

**SENATE SPECIAL CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION**

BY THE SENATE RESOURCES COMMITTEE

Introduced:

Referred:

A RESOLUTION

1 **Disapproving Executive Order No. 92.**

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

3 **WHEREAS** the governor, under authority of art. III, sec. 23, Constitution of the State
4 of Alaska, has proposed in Executive Order No. 92 to combine the functions of the division
5 of oil and gas and the division of geological and geophysical surveys into a division of oil,
6 gas, and geology; and

7 **WHEREAS** art. III, sec. 23, Constitution of the State of Alaska, provides that unless
8 disapproved within 60 days of a regular session by resolution concurred in by a majority of
9 the members of the legislature in joint session, an executive order becomes effective at a date
10 designated by the governor;

11 **BE IT RESOLVED** by the Alaska State Legislature that Executive Order No. 92 is
12 disapproved.

WORK ORDER REQUEST FORM

W.O. [19] LS-1726

KEYWORDS: EXECUTIVE ORDER ASSIGNED: Cook

GOVERNMENT ORGANIZATION

RESOURCES

REQUEST FOR: Resolution TAKEN BY: Lamonica

SUBJECT: Disapproving E.O. 92: Dept. of Natural Resources

REQUESTED FOR: SC SRES BY: Annette PHONE: 465-2095

DELIVER TO: Sen. Leman, Cap. 115

INSTRUCTIONS: Draft resolution disapproving E.O. 92, relating to consolidating Division of Oil and Gas and Division of Geological and Geophysical Surveys into a Division of Oil, Gas and Geology in the Department of Natural Resources.

OBTAIN	SPECIAL DRAFTING INSTRUCTIONS ATTACHED [] AUTHORIZED TO CONFER WITH _____ _____ RETURN _____ _____ TO REQUESTOR APPROVED: <u> X </u> DIRECTOR, LEGAL SERVICES
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REVIEWED _____ IN <u>02/20/96</u> DUE BEFORE <u>4:00</u> TYPED: Draft _____ Date _____ Final _____ Date _____ PROOFED _____ DELIVERED _____	SPECIAL INSTRUCTIONS to TYPING/PROOFING _____ <u>RUSH for Intro</u> _____ Request for FINAL
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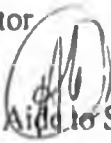
Alaska State Legislature

Official Business

State Capitol
Juneau AK 99801

MEMO

TO: Tam Cook, Director
Legal Services

FROM: Annette Kreitzer,  Aide to Senate Resources Committee

DATE: February 20, 1996

RE: Senate Special Concurrent Resolution Disapproving EO 92

Please prepare a Senate Special Concurrent Resolution identical to HSCR 1, which has already been introduced in the House. The resolution should disapprove Executive Order 92, Consolidating the Division of Oil and Gas and the Division of Geological and Geophysical Surveys into a Division of Oil, Gas, and Geology in Department of Natural Resources. This is a Senate Majority priority. Please deliver to Senator Leman's office, Room 115 in final form in time for introduction tomorrow.

HOUSE SPECIAL CONCURRENT RESOLUTION NO. 1

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Introduced: 1/26/96

Referred: Resources, Finance

A RESOLUTION

1 **Disapproving Executive Order No. 92.**

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

3 **WHEREAS** the governor, under authority of art. III, sec. 23, Constitution of the State
4 of Alaska, has proposed in Executive Order No. 92 to combine the functions of the division
5 of oil and gas and the division of geological and geophysical surveys into a division of oil,
6 gas, and geology; and

7 **WHEREAS** art. III, sec. 23, Constitution of the State of Alaska, provides that unless
8 disapproved within 60 days of a regular session by resolution concurred in by a majority of
9 the members of the legislature in joint session, an executive order becomes effective at a date
10 designated by the governor;

11 **BE IT RESOLVED** by the Alaska State Legislature that Executive Order No. 92 is
12 disapproved.

Introduced in the House: 1/8/96
 Referred: House Special Committee on Oil and Gas, Resources, Finance

Introduced in the Senate: 1/8/96
 Referred: Resources, Finance

EXECUTIVE ORDER NO. 92

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with
 2 AS 24.08.210, I order the following:

3 * Section 1. FINDINGS. As governor, I find that it would be in the best interests of
 4 efficient administration to transfer duties in the Department of Natural Resources to
 5 consolidate the division of oil and gas and the division of geological and geophysical surveys
 6 into a division of oil, gas, and geology in that department. The transfer and consolidation
 7 of these divisions and their functions will permit closer coordination within state government
 8 regarding its mineral exploration policy.

9 * Sec. 2. AS 39.25.110(14) is amended to read:

10 (14) petroleum engineers and petroleum geologists employed in a
 11 professional capacity by the Department of Natural Resources and by the Oil and Gas
 12 Conservation Commission[, EXCEPT FOR THOSE EMPLOYED IN THE DIVISION
 13 OF GEOLOGICAL AND GEOPHYSICAL SURVEYS IN THE DEPARTMENT OF
 14 NATURAL RESOURCES];

15 * Sec. 3. AS 41.08.010 is amended to read:

16 Sec. 41.08.010. DIVISION OF OIL, GAS, AND GEOLOGY
 17 [GEOLOGICAL AND GEOPHYSICAL SURVEYS]. There is established in the
 18 department a division of oil, gas, [GEOLOGICAL] and geology [GEOPHYSICAL
 19 SURVEYS] under the direction of the state geologist.

20 * Sec. 4. AS 41.08.020(b) is amended to read:

21 (b) In addition, the division of oil, gas, [GEOLOGICAL] and geology
 22 [GEOPHYSICAL SURVEYS] shall:

23 (1) collect, record, evaluate, and distribute data on the quantity,
 24 quality, and location of underground, surface, and coastal water of the state;

- 1 (2) publish or have published data on the water of the state;
- 2 (3) require the filing with it of the results and findings of surveys of
- 3 water quality, quantity, and location;
- 4 (4) require of water well contractors, the filing with it of basic water
- 5 and aquifer data normally obtained, including but not limited to well location,
- 6 estimated elevation, well driller's logs, pumping tests and flow measurements, and
- 7 water quality determinations;
- 8 (5) accept and spend funds for the purposes of this section,
- 9 AS 41.08.017, and 41.08.035 and enter into agreements with individuals, public or
- 10 private agencies, communities, private industry, state agencies, and agencies of the
- 11 federal government;
- 12 (6) collect, evaluate, and distribute geologic data on seismic events and
- 13 engineering geology of the state;
- 14 (7) identify potential seismic hazards that might affect development
- 15 in the state;
- 16 (8) inform public officials and industry about potential seismic hazards
- 17 that might affect development in the state.

18 * Sec. 5. TRANSITION. (a) Litigation, hearings, investigations, and other proceedings

19 pending under a law amended by this Order, or in connection with functions transferred by

20 this Order, continue in effect and may be continued and completed notwithstanding a transfer

21 or amendment provided for in this Order.

22 (b) Regulations adopted by the Department of Natural Resources that refer to the

23 division of oil and gas or the division of geological and geophysical surveys in that

24 department remain in effect and may be implemented and enforced until the department

25 makes changes to those regulations that reflect this Order.

26 (c) Contracts, rights, liabilities, and obligations created by or under a law amended

27 by this Order, and in effect on March 8, 1996, remain in effect notwithstanding this Order's

28 taking effect. Records, equipment, appropriations, and other property of agencies of the state

29 whose functions are transferred under this Order shall be transferred to implement the

30 provisions of this Order.

31 * Sec. 6. This Order takes effect March 9, 1996.

DATED:

Tony Knowles
Governor

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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Juneau, Alaska 99801-2105

MEMORANDUM

February 26, 1996

SUBJECT: Fiscal notes on special concurrent resolutions

TO: Senator Drue Pearce
President of the Senate

FROM: Tamara Brandt Cook
Director *TBC*

You have asked whether a zero fiscal note is appropriate for a special concurrent resolution. In my opinion it is. AS 24.08.035(a) states in part:

Before a bill or resolution, except an appropriation bill, is reported from the committee of first referral, there shall be attached to the bill a fiscal note containing an estimate of the amount of the appropriation increase or decrease that would result from enactment of the bill for the current fiscal year and five succeeding fiscal years, or if the bill has not fiscal impact, a statement to that effect shall be attached.

The language of subsection (c) requires that a fiscal note contain information on "the fiscal impact on existing programs" and "the fiscal impact of new programs..." Clearly, a fiscal note is used to compare costs to the state of the existing law or policy and the law or policy as it would be changed by the measure if it is adopted. The purpose behind the requirement of a fiscal note is to enable legislators to have some idea of the fiscal impact of the change.

A special concurrent resolution is used to disapprove an executive order. Rather than resulting in a change in statute, adoption of a special concurrent resolution prevents a change in statute from occurring. Consequently, a special concurrent would, it seems to me, always have a zero fiscal note.

I have tried to ascertain how fiscal notes for special concurrent resolutions have been treated in the past. In 1993 a zero fiscal note was prepared by the House Finance Committee for HSCR 2 and in 1994 a zero fiscal note was prepared by the House Labor and Commerce Committee for HSCR 3. Other special concurrent resolutions that I checked did not have published fiscal notes.

TBC:klb:glc
96-132.klb

(C) all dissolved or entrained minerals and gases that may be obtained from the material medium, but excluding hydrocarbon substances and helium;

(4) "geothermal system" means a stratum, pool, reservoir, or other geologic formation containing geothermal resources;

(5) "operator" means a person drilling, maintaining, operating, producing, or in control of a well;

(6) "owner" means a person who, by reason of an interest in real property, has the right to drill into, produce, and make use of geothermal resources;

(7) "waste" means an inefficient, excessive, or improper production, use, or dissipation of geothermal resources, including, but not limited to,

(A) drilling, transporting, or storage methods that cause or tend to cause unnecessary surface loss of geothermal resources;

(B) locating, spacing, drilling, equipping, operating, producing, or venting of a well in a manner that results or tends to result in reducing the ultimate economic recovery of geothermal resources;

(8) "well" means a well drilled, converted, or reactivated for the discovery, testing, production, or subsurface injection of geothermal resources. (§ 6 ch 175 SLA 1980; am § 43 ch 85 SLA 1988)

Cross references. — For additional definitions, see AS 41.99.900.

Chapter 07. Geological Survey.

[Repealed, § 2 ch 93 SLA 1972.]

Chapter 08. Geological and Geophysical Surveys.

Section

- 10. Division of geological and geophysical surveys
- 15. State geologist
- 17. Hydrological and seismic hazard data declared to be of public interest

Section

- 20. Powers and duties
- 30. Printing and distribution of reports
- 35. Regulations
- 40. Cooperation with other agencies

Collateral references. — 63A Am. Jur. 2d, Public Lands, §§ 48-53.
73A C.J.S., Public Lands, §§ 30-35.

Recovery for unauthorized exploration or survey. 67 ALR2d 444.

Sec. 41.08.010. Division of geological and geophysical surveys. There is established in the department a division of geological and geophysical surveys under the direction of the state geologist. (§ 1 ch 93 SLA 1972)

Sec. 41.08.015. State geologist. The commissioner shall appoint the state geologist, who must be qualified by education and experience to direct the activities of the division. (§ 1 ch 93 SLA 1972)

Sec. 41.08.017. Hydrological and seismic hazard data declared to be of public interest. (a) Systematic collection, recording, evaluation, and distribution of data on the quantity, location, and quality of water of the state in the ground, on the surface of the ground, or along the coasts, are in the public interest and necessary to the orderly domestic and industrial development of the state.

(b) Systematic collection, evaluation, archival, and distribution of geologic data and information on earthquakes, volcanic eruptions, and engineering geology and identification of potential seismic, volcanic, and other geological hazards throughout the state are in the public interest and necessary to orderly, safely, and cost-effective development in the state. (§ 1 ch 41 SLA 1977; am § 1 ch 101 SLA 1983; am § 3 ch 36 SLA 1987)

Sec. 41.08.020. Powers and duties. (a) The state geologist shall conduct geological and geophysical surveys to determine the potential of Alaskan land for production of metals, minerals, fuels, and geothermal resources; the locations and supplies of groundwater and construction materials; the potential geologic hazards to buildings, roads, bridges, and other installations and structures; and shall conduct such other surveys and investigations as will advance knowledge of the geology of the state. With the approval of the commissioner, the state geologist may acquire, by gift or purchase, geological and geophysical reports, surveys, and similar information.

(b) In addition, the division of geological and geophysical surveys shall:

(1) collect, record, evaluate, and distribute data on the quantity, quality, and location of underground, surface, and coastal water of the state;

(2) publish or have published data on the water of the state;

(3) require the filing with it of the results and findings of surveys of water quality, quantity, and location;

(4) require of water well contractors, the filing with it of basic water and aquifer data normally obtained, including but not limited to well location, estimated elevation, well driller's logs, pumping tests and flow measurements, and water quality determinations;

(5) accept and spend funds for the purposes of this section, AS 41.08.017, and 41.08.035 and enter into agreements with individuals, public or private agencies, communities, private industry, state agencies, and agencies of the federal government;

(6) collect, evaluate, and distribute geologic data on seismic events and engineering geology of the state;

(7) identify potential seismic hazards that might affect development in the state;

(8) inform public officials and industry about potential seismic hazards that might affect development in the state. (§ 1 ch 93 SLA 1972; am § 2 ch 41 SLA 1977; am § 7 ch 175 SLA 1980; am § 2 ch 101 SLA 1983; am § 4 ch 36 SLA 1987)

Cross references. — For declaration of sources, see § 1, ch. 175, SLA 1980, in the legislative policy on geothermal resources. Temporary and Special Acts.

Sec. 41.08.025. Accounting and disposition of receipts. [Repealed, § 28 ch 90 SLA 1991. For current law, see AS 37.05.142 — 37.05.144.]

Sec. 41.08.030. Printing and distribution of reports. The state geologist shall print and publish an annual report and such other special and topical reports and maps as may be desirable for the benefit of the state, including the printing or reprinting of reports and maps made by other persons or agencies, where authorization to do so is obtained. Reports and maps may be sold and all money received from these sales shall be paid into the general fund. (§ 1 ch 93 SLA 1972)

Sec. 41.08.035. Regulations. The department may adopt regulations relating to and providing for the systematic collection, recording, and distribution of data on the water of the state. (§ 3 ch 41 SLA 1977)

Sec. 41.08.040. Cooperation with other agencies. The state geologist, with the consent of the commissioner, may enter into cooperative agreements with federal, state, and local governmental agencies to perform geological and geophysical surveys, studies, investigations, and services. (§ 1 ch 93 SLA 1972)

HOUSE RESOURCES STANDING COMMITTEE

February 5, 1996

8:13 a.m.

HSCR 1 - DISAPPROVING EXECUTIVE ORDER 92

Number 1888

CO-CHAIRMAN GREEN brought HSCR 1 before the committee. No one from the House Special Committee on Oil & Gas was available to testify. A memorandum from Representative Rokeberg, Chairman, House Special Committee on Oil & Gas to the House Resources Committee is as follows:

"Executive Order No. 92 consolidates the Division of Oil and Gas with the Division of Geological and Geophysical Surveys located within the Department of Natural Resources. The testimony before the House Special Committee on Oil and Gas indicated that there is no consensus regarding whether the consolidation outlined in Executive Order No. 92 is the correct configuration of the two divisions.

"Remarks during public testimony indicates there are both good and bad consequences if the consolidation goes forward. As a result of committee testimony, the members of the committee voted to introduce a special resolution to oppose the consolidation in order to expedite the process and move the executive order to the appropriate authorized committee.

"In addition, we checked with Legislative Legal on the proper procedure for handling a resolution opposing an executive order. The legal memorandum we received stated that under Uniform Rule 21, joint standing committees must consider executive orders."

Number 1924

NICO BUS, Acting Director, Division of Support Services, Department of Natural Resources provided background information on the bill. During last year's budget process, the funding for the director's position of the Division of Geological and Geophysical Surveys was deleted. He said the department then looked at the division to see if it warranted it's own division status. The commissioner asked the Alaska Geologic Mapping Advisory Board to establish a committee and assess the role and function of the Division of Geological & Geophysical Surveys and decide whether or not the department needed a director.

MR. BUS said that report was finalized, last fall. The board recommended that the director/state geology office be relocated to Anchorage; recruiting through a nationwide recruiting system, and that the director be appointed for a five year term. Another recommendation was that the Division of Geological and Geophysical Surveys needed to have a strong presence in the state of Alaska because of its importance to the resource and because of recurring geological hazards.

MR. BUS said another recommendation was that the geological surveys division pursue and develop partnerships with those who are working

Handwritten signature

towards common goals. He said during the Fiscal Year 97 budget preparations, the department looked at efficiencies. The DNR did not want to diminish the mission of the Division of Geological and Geophysical Surveys, and the department also wanted to implement the recommendations of the Alaska Geologic Advisory Board. He said the DNR's objective was to strengthen the surveys and improve administrative support. As a result, the Department of Natural Resources proposed Executive Order No. 92.

Number 2082

MR. BUS said, to make sure that the Division of Geological and Geophysical Surveys was not absorbed into the Division of Oil and Gas, which was a concern of the House Special Committee on Oil and Gas, they will be doing best interest findings for the oil and gas people. The DNR basically wants to keep them separate in terms of budgetary issues. These two divisions will each have their own budget component and the legislature will have the opportunity to fund them at appropriate levels. The DNR plans to keep the field presence in tact for the geological surveys which it feels is very critical.

MR. BUS said the consolidation provides some budget efficiencies by sharing administrative support for both divisions and, in that process, the DNR saves \$50,000 in the FY97 budget, which is in line with what the legislature charged us with during the budget deliberations.

MR. BUS said the DNR feels Executive Order No. 92 is an efficiency measure in state government aimed at improving cooperation and communication between the two divisions and strengthening their missions. In the process, the department is gaining budgetary and administrative efficiencies. He said Mr. Ken Boyd was available to answer programmatic questions.

Number 2282

KENNETH A. BOYD, Director, Division of Oil and Gas, Department of Natural Resources, testified that the resolution combines two divisions with a long history of cooperation on various projects including methane projects, and North Slope field work in general. He hoped this combination will provide new opportunities to work together in the future. He said he strongly supports Executive Order No. 92. It is an opportunity for administrative efficiencies.

Number 2347

CO-CHAIRMAN GREEN referred to Executive Order No. 92. Section 3. AS 41.08.010 and Section 4. AS 41.08.020 and discussed requirements and duties of the state geologist. There is no prerequisite in the order requiring that the person who does the administration be a registered geologist; like the Oil and Gas Conservation Commission, for example.

CO-CHAIRMAN GREEN said, speaking in accordance with the Special Committee on Oil and Gas, his concern is that, as a function, the prior Division of Geological and Geophysical Surveys would be under

received July 5 1965 etc. etc.
where certain specimens to be accepted.
By order in Dr. J. R. ...

the auspices of the Division of Oil and Gas....end tape.

TAPE 96-13, SIDE A
Number 000

CO-CHAIRMAN GREEN stated that the geology surveys division has consistently been utilized by the minerals industry for their expertise, maps, and hazard specialization which are the described duties for the general public and for entities that do not have large and sophisticated groups of geological and geophysical expertise; whereas the oil and gas industry has these resources at their command.

CO-CHAIRMAN GREEN mentioned his past association with the oil and gas industry and expounded on the industry's self-reliance in doing its own surveys. He alluded to the bidding on bonus lease sales and lease sales where there has been no bidding. He said a more direct example would be "bonus bidding" and "the money left on the table." What that is, is significant amounts of money left on the table, even with the most sophisticated geological departments in some of these companies.

CO-CHAIRMAN GREEN declared that a better use of the agency's resource might be to keep the Division of Geological & Geophysical Surveys either autonomous or combined with the Division of Mines. He said he agreed with the House Special Committee on Oil and Gas and tended not to approve Executive Order No. 92.

Number 327

MR. BOYD said the Division of Oil and Gas does not nominate areas for leasing, the division takes lease sale nominations from industry as far as the five-year process. The two lease sales that had no bidders, both of those areas were nominated by industry, in areas where they had an interest. As time passes, economics may change and companies interest may move, but industry does nominate the acreage.

MR. BOYD continued, the purpose of the geology section in the Division of Oil and Gas is not just the technical part of the lease sale, it is there to do a lot of the work that involves unitization computerization and other issues that involve geological and geophysical knowledge. In summary, to protect the state's interest.

MR. BOYD said he would try to do a good job as the state's geologist. It is not his intention to meld the groups together except to use the capabilities of both groups in a cross pollination. He would like the people in Fairbanks involved in day-to-day operations, the unitization and computerization functions and to learn how tract allocation works. He felt this is a valuable lesson for any geologist.

Number 429

CO-CHAIRMAN GREEN commended Mr. Boyd on the work that he has been doing, he said the work is exemplary. Chairman Green clarified that his comments, in no way, reflect any disrespect for the great

job Mr. Boyd is doing.

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Number 457

CO-CHAIRMAN WILLIAMS said the state is encouraging fiscal restraint and talking about consolidation in many areas. He asked Chairman Green that if his concern was resolved, would it hinder the industry to consolidate.

Number 500

CO-CHAIRMAN said consolidation would not hurt the Division of Oil and Gas, it would help them. He said his concern is that the divisions would not stay separate, and the Division of Geological and Geophysical Surveys would not continue to be as aggressive in the charges that are incumbent upon them. He said if there is an economy of scale, he would rather see them combined with a group that does utilize them and stay focused on hard rock and tectonics.

Number 643

REPRESENTATIVE AUSTERMAN asked if consolidation can be done and still protect those issues. He said, there is nothing wrong with saving money and now we are saying that we do not want to save money.

CO-CHAIRMAN GREEN said there may be a better marriage that saves the same amount of money but does away with the potential of drifting into the wrong element.

CO-CHAIRMAN GREEN said the intent of HSCR 1 is to not put the Division of Geological and Geophysical Surveys in the Division of Oil and Gas. Leaving it by itself will require a fiscal note, or continue without a leader, or meld them with the Division of Mines.

Number 709

REPRESENTATIVE AUSTERMAN asked if the committee could amend the Executive Order No. 92 to delete the Division of Oil and Gas and include the minerals division.

CO-CHAIRMAN GREEN said the House Resources Committee or someone would have to sponsor a bill to do that prior to February 11th.

Number 751

REPRESENTATIVE OGAN moved HSCR 1 move from the House Resources Committee with individual recommendations and attached zero fiscal note. Hearing no objection, it was so ordered.