

**SB**

**136**

SFIN

FILE

SB 136

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS00831S  
Chenoweth  
4/4/01

CS FOR SENATE BILL NO. 136( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to resource development, to the new business incentive program, and  
2 to matching grants for the purpose of promoting resource development from  
3 appropriations of a portion of the revenue derived from the extraction of certain state  
4 natural resources."

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

6 \* Section 1. AS 39.50.200(b) is amended by adding a new paragraph to read:

7 (57) Resource Development Board (AS 44.33.913).

8 \* Sec. 2. AS 44.33 is amended by adding new sections to read:

9 Article 14. Resource Development.

10 Sec. 44.33.911. Resource development fund. (a) The resource development  
11 fund is established in the Department of Community and Economic Development.

12 (b) From the money received in the administration of the resources of the state  
13 under AS 38.05, the legislature may appropriate an amount equal to one-quarter of one  
14 percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral

1 revenue sharing payments, and bonuses received by the state as follows:

2 (1) for expenses associated with costs of administration of the work of  
3 the Resource Development Board under AS 44.33.913 - 44.33.917;

4 (2) after allowance for the expenses described in (1) of this subsection,  
5 not more than 20 percent of the remaining estimated balance of the amount authorized  
6 for appropriation under this subsection to the new business incentive fund for purposes  
7 authorized by AS 45.81.010 - 45.81.050; and

8 (3) the remaining estimated balance of the amount authorized for  
9 appropriation under this subsection to the resource development fund.

10 **Sec. 44.33.913. Resource Development Board.** (a) The Resource  
11 Development Board is established in the Department of Community and Economic  
12 Development. The board is composed of five members, one of whom is the  
13 commissioner of community and economic development, and four persons appointed  
14 by the governor, of whom

15 (1) one member shall be appointed from a list of three persons  
16 submitted by the oil industry through its state trade association;

17 (2) one member shall be appointed from a list of three persons  
18 submitted by the gas industry through its state trade association;

19 (3) one member shall be appointed from a list of three persons  
20 submitted by the forest industry through its state trade association; and

21 (4) one member shall be appointed from a list of three persons  
22 submitted by the mining industry through its state trade association.

23 (b) Except for the commissioner of community and economic development,  
24 the board members appointed under (a) of this section serve at the pleasure of the  
25 governor for a four-year term. Each board member appointed under (a)(1) - (4) of this  
26 section

27 (1) shall be a state resident and qualified voter at the time of  
28 appointment and shall comply with the requirements of AS 39.50 (public official  
29 financial disclosure);

30 (2) holds office for the term of appointment and until a successor has  
31 been appointed and complies with the requirements of AS 39.50; and

1 (3) is eligible for reappointment.

2 (c) A vacancy in a board membership appointed under (a)(1) - (4) of this  
3 section occurring other than by expiration of term shall be filled in the same manner as  
4 the original appointment but for the unexpired term only.

5 (d) Members of the board do not receive compensation but are entitled to per  
6 diem and travel expenses authorized for boards and commissions under AS 39.20.180.

7 **Sec. 44.33.915. Board organization and operation.** (a) The board shall

8 (1) establish procedures for scheduling and organizing board meetings;

9 (2) annually elect one of its members as board chair and one of its  
10 members as vice-chair; a member may be reelected to serve additional terms as chair  
11 or vice-chair; and

12 (3) subject to appropriation for the purpose, employ persons to serve as  
13 staff to the board in the exercise of its responsibilities.

14 (b) Three members of the board constitute a quorum. Each decision of the  
15 board requires the affirmative vote of a majority of the board members.

16 (c) The Departments of Community and Economic Development, Fish and  
17 Game, Environmental Conservation, and Natural Resources shall provide technical  
18 staffing and information as needed by the board.

19 **Sec. 44.33.917. Duties of the Resource Development Board.** (a) The  
20 Resource Development Board shall facilitate the commercial development of the  
21 state's natural resources by authorizing matching grants from the resource  
22 development fund established under AS 44.33.911 to private nonprofit corporations to  
23 assist in the promotion of the development of resources having commercial promise  
24 using methods of responsible resource extraction. To that end, the board shall review  
25 proposals for projects and, if the project is found feasible under standards for  
26 evaluation of proposed projects approved by the board, may, after setting out the terms  
27 and conditions for use of the grant, award a matching grant for conducting market  
28 research, advertising, promotion, education, establishing and operating a system for  
29 responding to inquiries, and publishing and distributing information, including  
30 establishing and maintaining Internet sites. To qualify for a grant under this section, a  
31 private nonprofit corporation shall provide from other sources at least that percent of

1 the estimated total cost of the project for which the financial assistance is sought that  
2 the board requires. The board shall set out the terms and conditions of the use of the  
3 grant in a contract.

4 (b) In the award of matching grants under (a) of this section, the Resource  
5 Development Board shall give preference to a private nonprofit corporation organized  
6 under AS 10.20.

7 (c) The amount of a grant from the resource development fund provided to a  
8 private nonprofit corporation under (a) of this section may not exceed \$500,000.

9 (d) A grant or portion of a grant made under (a) of this section may not be  
10 used for the purpose of influencing the outcome of an election on a ballot proposition  
11 or question or influencing issue-specific legislation at the state or local government  
12 level.

13 \* Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15 TRANSITIONAL PROVISION. Notwithstanding AS 44.33.913(b), added by sec. 2  
16 of this Act, the persons first appointed by the governor to the Resources Development Board  
17 serve initial terms as follows:

- 18 (1) one member appointed under AS 44.33.913(a) serves a one-year term;  
19 (2) one member appointed under AS 44.33.913(a) serves a two-year term; and  
20 (3) one member appointed under AS 44.33.913(a) serves a three-year term.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB 136 (FIN) work draft  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 04/05/2001 8:15a.m. Dept. Affected: DCED  
 Title: An act relating to resource development and to BRU: Comm.Asst & Econ.Dev  
grants for the purpose of promoting resource development Component: Community and Business  
 Sponsor: Senate Resources Committee Development  
 Requester: Senate Finance Component Number: 2486

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	55.6	55.6	55.6	55.6	55.6	55.6
Travel	6.0	6.0	6.0	6.0	6.0	6.0
Contractual	19.0	19.0	19.0	19.0	19.0	19.0
Supplies	0.8	0.8	0.8	0.8	0.8	0.8
Equipment	5.0					
Land & Structures						
Grants & Claims	2,013.6	2,018.6	2,018.6	2,018.6	2,018.6	2,018.6
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
New: Res. Dev. Fund	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0
<b>TOTAL.</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>	<b>2,100.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

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

This bill allows for establishment of and appropriation to a Resource Development Fund, and creation of a Resource Development Board. The appropriation amount can be equal to 1/4 of 1% of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state under AS 38.05. DNR estimates this amount to be \$2.6 million annually, calculated on the total amount of all those revenue sources before distributions are made to the Permanent Fund, School Fund, and Constitutional Budget Reserve Fund. DCED assumes those three funds receive their full share of revenues under statute, and the amount appropriated to the Resource Development Fund is made from the general fund. Up to 20% of the funding may be appropriated to a separate Business Incentive Fund, leaving \$2.1 million for the Resource Development Fund. (continued on additional sheet)

Prepared by: Pat Poland, Director Phone 907-269-4580  
 Division: Community and Business Development Date/Time 04/05/2001 8:15a.m.  
 Approved by: Commissioner Deborah B. Sedwick Date 4/5/2001  
 Agency: Department of Community and Economic Development

For distribution information, call the Governor's Legislative Office

**Fiscal Note: SB 136 -- Additional Notes**

**ANALYSIS: (continued)**

\*Change in Revenue: The amount the legislature appropriates to the new Resource Development Fund results in an equal amount of reduction to the state general fund.

**Fiscal Impact**

Factors which will influence the actual cost of this legislation include:

1. The actual annual appropriation amount made to the Resource Development Fund.
2. The number of grants awarded by the Board annually. The cost of administering and processing the grants will vary substantially depending on the number of grants the Board elects to award.

Costs may be significantly different based on decisions made by the Board which are not quantifiable at this time.

The following assumptions are used in calculating the costs identified on this fiscal note:

1. All costs of operating the Board are paid out of the newly established Resource Development Fund.
2. The Board may hire staff. Assumption is that one Grants Administrator II (R17A) position will be created in Juneau to provide for general grant administration support. Annual cost estimated at \$55.6
3. Travel and per diem costs assume 4 annual meetings, for 5 board members and staff. Depending on number of board positions actually filled, location of board members, location and duration of meetings, this number will vary. Estimate is \$6.0 annually.
4. Contractual costs of Board and staff include office space for staff; and operational costs such as telephone/network charges, meeting location rentals, postage/copiers, advertisement costs for grant proposals, indirect administrative costs etc. Estimate is \$19.0 annually.
5. Annual basic operating supplies for the Board staff estimated at \$0.8/year.
6. One-time equipment purchases necessary to set up the new grants administrator position office space are estimated at \$5.0. This includes computers, phones, and office accessories.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB 136 (FIN) work draft  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 04/05/2001 8:15a.m. Dept. Affected: DCED  
 Title: An act relating to resource development and to BRU: Comm.Asst & Econ.Dev  
grants for the purpose of promoting resource development Component: ITMD  
 Sponsor: Senate Resource Committee  
 Requester: Senate Finance Component Number: 405

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	500.0	500.0	500.0	500.0	500.0	500.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 This bill allows for establishment of and appropriation to a Resource Development Fund, the creation of a Resource Development Board, and the appropriation of funds to the new Business Incentive Fund for purposes authorized by AS.45.81.010 - 45.81.050. The appropriation amount can be equal to 1/4 of 1% of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state under AS 38.05. DNR estimates this amount to be \$2.6 million annually, calculated on the total amount of all those revenue sources before distributions are made to the Permanent Fund, School Fund, and Constitutional Budget Reserve Fund. DCED assumes those three funds receive their full share of revenues under statute, and the amount appropriated to the Resource Development Fund is made from the general fund from the money appropriated. Up to 20% of the amount, after accounting for expenses associated with the administration of work of the Resource Development Board, is authorized for appropriation to the new Business Incentive fund, to fund new business incentive grants to encourage businesses to locate and operate in Alaska.

Prepared by: Greg Wolf, Director Phone 907-269-8110  
 Division: International Trade and Market Development Date/Time 04/05/2001 8:15a.m.  
 Approved by: Commissioner Deborah B. Sedwick Date 4/5/2001  
 Agency: Department of Community and Economic Development

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(additional sheet)

Prepared by: Pat Poland, Director Phone 907-269-4580  
 Division: Community and Business Development Date/Time 04/05/2001 8:15a.m.  
 Approved by: SAV. DOT Commissioner Deborah B. Sedwick Date 4/5/2001  
 Agency: Department of Community and Economic Development

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**Fiscal Note: SB 136 -- Additional Notes**

**ANALYSIS: (continued)**

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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**POSITIONS**

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Part-time						
Temporary						

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Prepared by: Gleg Wolf, Director Phone 907-269-8110  
Division International Trade and Market Development Date/Time 04/05/2001 8:15a.m.  
Approved by: Commissioner Deborah B. Sedwick Date 4/5/2001  
Agency Department of Community and Economic Development

For distribution information, call the Governor's Legislative Office

# ALASKA STATE LEGISLATURE

Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Rick Halford  
Senator Pete Kelly  
Senator Robin Taylor  
Senator Kim Elton  
Senator Georgianna Lincoln



STATE CAPITOL, Room 427  
JUNEAU, AK 99801-1182  
Phone: (907) 465-4907  
FAX: (907) 465-4779

35477 Kenai Spur Hwy.  
Suite 101B  
Soldotna, Ak 99669  
Phone: (907) 260-3041  
Fax: (907) 260-3044

## SENATE RESOURCES COMMITTEE

### Sponsor Statement

#### Senate Bill 136 - Resource Development Board

SB 136 will establish the Resource Development Board, which will be tasked with the primary duties of facilitating public education and promoting responsible resource development. The board will have the authority to award grants to private nonprofit corporations for projects such as conducting marketing research, advertising, publishing, and distributing information related to responsible resource extraction. The Board will establish standards for reviewing proposals and setting terms and conditions for the use of the grants. Grants will be awarded from the Resource Development Fund, which will be created within the general fund and will be subject to legislative appropriation from revenues received from the extraction of the state's natural resources.

In his annual address to the Legislature, Senator Frank Murkowski advised that "The state must do its part to promote economic development of its own lands, irrespective of the prevailing federal attitude and political landscape at the federal level."

SB 136 represents an investment in Alaska's future. Alaska has been, and will be, dependent on natural resource extraction to fuel our economic engine for the foreseeable future. We need to continue to promote responsible development of our resources while protecting the environment. The best way to protect Alaska's environment is to have a strong, diversified economy. The majority of the environmental groups, apparently, do not agree with this concept as they continue to oppose nearly all development while offering no alternative economic plan. Alaska's environmental protection laws are among the strongest in the world, yet, by opposing development of Alaska's natural resources, environmentalists push development offshore to third world countries assuring exploitative development in the absence of adequate environmental protection laws.

There are now more than 90 environmental groups with offices in Alaska and the vast majority of their money comes from the lower 48. These organizations spend millions of dollars in Alaska attempting to sway public opinion, drive public policy, and inhibit the development of our natural resources. Because of the virtually unlimited funds available to these environmental groups, Alaska based resource development advocates are unable to compete effectively in presenting a balanced message to the public and are overwhelmed by a one-sided message. SB 136 will provide assistance in disseminating a balanced message regarding responsible resource development.

Alaska invests in marketing our tourism and seafood industries and in supporting the opening of ANWR to petroleum exploration in order to benefit our economy. We also need to invest in the promotion of our diverse mineral resources, timber, and oil and gas development.

Creating the Resource Development Board will promote responsible resource development in Alaska and assist us in meeting our constitutional mandate of developing our resources by making them available for maximum use consistent with the public interest.

# ALASKA STATE LEGISLATURE

Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Rick Halford  
Senator Pete Kelly  
Senator Robin Taylor  
Senator Kim Elton  
Senator Georgianna Lincoln



STATE CAPITOL, Room 427  
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Phone: (907) 465-4907  
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Suite 101B  
Soldotna, Ak 99669  
Phone: (907) 260-3041  
Fax: (907) 260-3044

## SENATE RESOURCES COMMITTEE

### Sectional Analysis

### Senate Bill 136: Resource Development Board

**Section 1:** Establishes the Resource Development Fund in the Department of Natural Resources. The legislature may appropriate one quarter of one percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state.

**Section 2:** Amends AS 39.50.200(b) to add the Resource Development Board to the list of boards and commissions defined under and Title 39, Public Official Financial Disclosure.

**Section 3:** Establishes the Resource Development Board within the Department of Natural Resources and describes its organization and duties.

**Resource Development Board:** The board will be composed of seven members who will serve staggered, four-year terms. Members will be appointed by the governor, selected from names submitted by the forest, mining, oil, and gas industries' state trade associations, the Speaker of the House, the Senate President, and the governor. Board members will not receive compensation but will be entitled to per diem and travel expenses. Board members will also be subject to the public official financial disclosure requirements of AS 39.50.

**Board Organization and Operation:** The board shall establish procedures for board scheduling and organizing meetings, shall elect members as board chair and vice-chair, and employ staff subject to appropriation. Technical staff may be provided to the board by DEC, F&G, and DNR.

**Duties of the Resource Development Board:** The board shall facilitate the commercial development of the state's natural resources by authorizing grants from the Resource Development Fund to private nonprofit corporations to assist in the promotion of the development of resources. The board may award grants for projects such as conducting market research, advertising, promotion, education, responding to inquiries, and publishing and distributing information. The board shall set the terms and conditions of the use of the grant in a contract.

**Section 4:** Establishes the staggered terms served by the Resource Development Board members.

# ALASKA STATE LEGISLATURE



Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Rick Halford  
Senator Pete Kelly  
Senator Robin Taylor  
Senator Kim Elton  
Senator Georgianna Lincoln

## SENATE RESOURCES COMMITTEE

STATE CAPITOL, Room 427  
JUNEAU, AK 99801-1182  
Phone: (907) 465-4907  
FAX: (907) 465-4779

35477 Kenai Spur Hwy.  
Suite 101B  
Soldotna, Ak 99669  
Phone: (907) 260-3041  
Fax: (907) 260-3044

### CSSB 136 (Resource Development Board) Proposed Changes to SB 136

- The Resource Development Fund and Board have been placed under the Department of Community and Economic Development to reduce the costs associated with administering and processing the grants.
- Twenty percent of the balance of the Resource Development Fund, after administrative costs, will be appropriated to the New Business Incentive Fund authorized under AS 45.811.010 – 050. The New Business Incentive Program was an economic development grant program established by the legislature in 1998 to attract companies to Alaska that build on our resource base.
- The Resource Development Board members have been reduced from seven members to five to improve the efficiency of the board. Four of the board members to be appointed by the Governor will be submitted by the forest, mining, oil, and gas industries' state trade associations and the fifth member will be the Commissioner of the Department of Community and Economic Development.
- The Resource Development Board will authorize matching grants and will determine the matching percentage for each grant.
- Each grant authorized by the Resource Development Board will be limited to \$500,000.
- Nonprofit corporations organized under the Alaska Nonprofit Corporation Act, AS 10.20., will be given preference for receiving grants from the Resource Development Board.
- Grants may not be used for influencing the outcome of an election or a ballot proposition or influencing issue-specific legislation at the state or local government level.



750 W. 2nd Ave. #109, Anchorage AK 99501 / Ph. 907-258-6171 / Fax 907-258-6177

P.O. Box 22151, Juneau AK 99802 / Ph. 907-463-3366 / Fax 907-463-3312 / unite@akvoice.org

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## SB 136 ~ Resource Development: Board, Grants and Funds

TO: Senate Finance Committee  
DATE: March 27, 2001

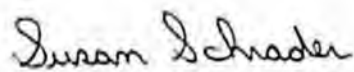
Alaska Conservation Alliance and Alaska Conservation Voters are sister nonprofit organizations dedicated to protecting Alaska's environment through public education and advocacy. Our 44 member organizations and businesses represent over 35,000 registered Alaskan voters, who, as most Alaskans, work hard to support their families. Conservationists throughout the state are committed to maintaining a healthy economy for the benefits it provides all Alaskans. We agree with Senator Torgerson, the bill's sponsor, that we can promote responsible development of our resources while protecting the environment. And we believe resource development industries can prosper and meet shareholders' expectations while complying with state and federal environmental laws.

The concept of the state using general funds for grants to non-profits to promote for-profit industries, many of whom are huge, trans-national corporations that employ significant numbers of nonresidents\*, is nonsensical. We believe most Alaskans will not endorse the idea of taking state revenues that could go to improving education, social services, road maintenance, or any number of other significant needs and using those monies to do the promotion and advertising work that the resource industry can easily accomplish themselves.

Instead, we would encourage the legislature to fully fund the outreach activities of existing state agencies and programs that facilitate responsible resource development, such as the Division of Community and Business Development at DCED. Further, we would encourage resource industries and businesses to enhance their financial support of local and regional economic development councils and similar organizations. The large corporations doing the business of extracting Alaska's resources are clearly able to contribute to the promotion of development that will benefit the smaller players in our state economy.

The mining industry in Alaska was valued at \$1.12 billion in 1999, while 30.7% of their workforce in Alaska was non-resident. Should Alaskan families be helping to pay this industry's advertising and marketing bill? Should the legislature be diverting public funds to trade organizations that should be funded by the private sector?

Alaska Conservation Voters urges legislators to oppose SB 136.

  
Susan Schrader, Conservation Advocate

\* The AK Dept. of Labor and Workforce Development paper: "Nonresidents working in Alaska - 1999," published February 1, 2001, shows 24.7% of total oil industry workers are nonresidents, 30.7% in timber, 30.6% in mining.

Conserve Alaska. It's Only Natural.

Headquarters:  
217 2nd Street, Suite 201  
Juneau, Alaska 99801  
(907) 586-2323 FAX 463-5515  
asccjuno@ptialaska.net



Regional Office:  
P.O. Box 91896  
Anchorage, Alaska 99509  
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asccanch@ptialaska.net

March 19, 2001

Senator John Torgerson  
Chairman, Senate Resource Committee  
Alaska State Senate  
Juneau, Alaska

RE: Senate Bill 136, Resource Development Fund

Dear Senator Torgerson and Members of the Committee:

The Alaska State Chamber of Commerce has reviewed Senate Bill 136 and supports this proposal to establish a Resource Development Board and a Resource Development Fund for the purpose of promoting responsible development of Alaska's natural resources.

The State of Alaska and its people rely on the development and marketing of its resources to drive the economic engine of the state. Senate Bill 136 represents a responsible step toward assuring that Alaska has a basis upon which to support its government, provide jobs for its citizens, and hold a place of its own in the economy of the nation and the world.

Senate Bill 136 is consistent with our strategy for responsible resource development in Alaska and with our position on fiscal responsibility. We fully support the concept of contracting with private nonprofit organizations to educate and market resource development.

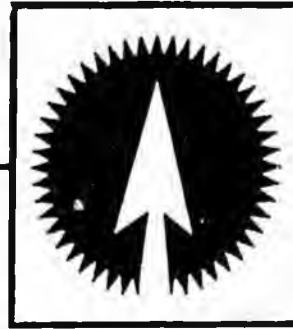
The Alaska State Chamber of Commerce was created for the purpose of promoting economic development statewide and has been a driving force in such efforts for the past five decades. For this reason, we would like to request that we have a named seat on the Resource Development Board. Our interests include the interests of each of the resource industries and we believe we could provide an overall balance and support to the entire effort.

We thank you and the Senate Resource Committee for your vision and leadership in proposing SB 136, and we look forward to working with you on this legislation.

Sincerely,

Pamela La Bolle  
President

# Alaska Forest Association, Inc.



111 STEDMAN STREET, SUITE 200  
KETCHIKAN, ALASKA 99901-6599  
Phone 907-225-6114  
FAX 907-225-5920  
Web Site [www.akforest.org](http://www.akforest.org)

March 13, 2001

The Honorable Drue Pearce  
Alaska State Senate  
State Capitol, Room 119  
Juneau, AK 99801-1182

Re: Senate Bill 136 establishing the Resource Development Board

Dear Senator Pearce,

Thank you for introducing Senate Bill 136 which creates a Resource Development Board facilitating promotion of responsible resource development in Alaska. The Alaska Forest Association (AFA) is the non-profit trade association for the forest products industry in Alaska. AFA represents more than 200 companies directly and indirectly involved in the timber industry.

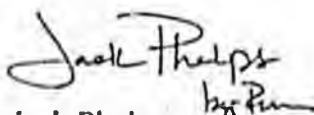
Whether timber, mining, oil, or tourism, a healthy Alaska economy depends on careful use of its natural resources. Investing a portion of the revenue from resource activity in Alaska to educate and advocate environmentally sound resource use makes good sense. The AFA fully supports SB 136.

The environmental industry, which increasingly makes its money by creating and maintaining conflicts, finds Alaska easy prey. Millions of dollars spent annually by the 'conflict' industry plead with the world to "save Alaska" because it's the "last best place on earth." Alaska has much more to offer the United States and the world than just being, "the last best place on earth." The problem is further exacerbated by Alaska's unprecedented land status which creates a unique situation in which non-resident U.S. citizens have a say in the management or mismanagement of Alaska.

The Resource Development Board, set up by SB 136, will help Alaskans educate the world about its abundant natural resources. Projects funded through this Board will also demonstrate that we extract our natural resources in a responsible and earth-friendly manner allowing Alaska to remain "the best place on earth" while providing the valuable resources used to make products we all use daily.

The AFA strongly supports SB 136 which represents a positive investment in Alaska's economic future. Thank you for introducing this important legislation. Should you have any questions concerning any of these comments, please contact me at (907) 225-6114.

Sincerely,

  
Jack Phelps  
Executive Director



# ALASKA MINERS ASSOCIATION, INC.

3305 Arctic #202, Anchorage, Alaska 99503 • (907) 563-9229 • FAX: (907) 563-9225 • [www.alaskaminers.org](http://www.alaskaminers.org)

The Honorable Drue Pearce  
Alaska State Senate  
State Capitol, Mailstop 3100  
Juneau, Alaska 99801

Re: SB - 136

Dear Senator Pearce:

The Alaska Miners Association appreciates the opportunity to comment on SB-136. We support this bill and the efforts by the senate to promote responsible resource development in the State of Alaska.

The formation of a Natural Resource board to award grants for promoting resource development is an innovative concept. Funding this effort with a small portion of the mineral revenues garnered by the State is appropriate. This concept has the potential to bring benefits to all Alaskans.

Having technical support provided by DNK, DF&G and DEC appears to be an important aspect of this bill and adequate funding will have to be provided to allow the agencies to participate in an effective manner.

Once again, we appreciate this opportunity to comment on SB 136.

Should you have any comments or questions, please do not hesitate to contact me.

Sincerely,  
Alaska Miners Association

Stanley T. Foo  
(Acting) Executive Director

**Subject:** [Fwd: SB 136]

**Date:** Wed, 28 Mar 2001 09:35:24 -0900

**From:** Pete Kelly <Senator\_Pete\_Kelly@Legis.state.ak.us>

**Organization:** Alaska State Legislature

**To:** Kristopher Knauss <Kristopher\_Knauss@Legis.state.ak.us>

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**Subject:** SB 136

**Date:** Tue, 27 Mar 2001 14:50:08 -0900

**From:** "JohnConnie Quinley" <quinley@alaska.net>

**To:** <Senator\_John\_Torgerson@legis.state.ak.us>, <Senator\_Drue\_Pearce@legis.state.ak.us>, <Senator\_Rick\_Halford@legis.state.ak.us>, <Senator\_Pete\_Kelly@legis.state.ak.us>, <Senator\_Robin\_Taylor@legis.state.ak.us>, <Senator\_Georgianna\_Lincoln@legis.state.ak.us>

Dear Members of the Senate Resources Committee:

I am writing to express my extreme displeasure with the proposal to spend state money to help non-profit companies lobby and advertise for oil and gas development, and to promote other natural resource industries (SB 136).

I can't believe the committee would spend state money--my money--to increase the presence and power of some of the world's largest and richest companies. I am appalled.

I'm appalled that there somehow isn't enough money in our state budget to keep our state parks open, to pay our Pioneer Home nurses a decent wage, to properly fund our public schools, and to support basic needs throughout Alaska. But we've got enough money to help wealthy, *private* oil, gas and mineral companies? To the tune of \$2.6? It makes me wonder whose interests the committee has most at heart.

I will be watching this bill closely and hope it dies a quick death.

Sincerely,

Constance Quinley

1812 Bowdoin Circle

Anchorage, AK 99508

(907) 563-8569

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 3/12/01

FURTHER: Finance

Date of 5-Day Notice: 3-15-01  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3-19-01

Resources Committee considered SENATE BILL NO. 136

RESOURCE DEVELOPMENT:BOARD/GRANTS/FUND

"An Act relating to resource development and to grants for the purpose of promoting resource development from appropriations of a portion of the revenue derived from the extraction of certain state natural resources."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title
- House Bill:**  
 same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DNR	3-19-01	Yes		1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Chris Taylor</i>	✓			
<i>Irue [unclear]</i>	✓			
<i>[unclear]</i>	✓			
<i>[unclear]</i>		✓		
CHAIR: <i>[unclear]</i>	✓			

SENATE FINANCE COMMITTEE

SIGN-IN

SJR 22-CONST. AM: JUDICIAL OFFICERS' TERMS

NAME: Bruce Weyhrauch Subject/Bill No: SJR 22  
Co./Dept./Title: \_\_\_\_\_ Phone: 413-3566  
Address: 114 S Franklin Suite 200 Zip: JUNEAU 99801  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions



SENATE FINANCE COMMITTEE

SIGN-IN

SB 136-RESOURCE DEVELOPMENT: BD./GRANTS/FUND

NAME: HUGH BROWN III Subject/Bill No: SB 136  
Co./Dept./Title: AK CONSERVATION VOTERS Phone: 463-3366  
Address: Box 22151 Zip: 99802  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Sue Schrader Subject/Bill No: SB 136  
Co./Dept./Title: AK Conservation Voters Phone: 463-3366  
Address: Box 22151 Tuesday Zip: 99802  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Canall Subject/Bill No: SB 136  
Co./Dept./Title: DNR Phone: 4730  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions