

HB

192

FRANK H. MURKOWSKI
GOVERNOR
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HB192

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 11, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill designating the Department of Natural Resources (DNR) as the lead state agency in the permitting of resource development projects in this state.

The purpose of this bill is to facilitate and expedite resource development in Alaska. In recent years, the laws governing resource development have proliferated, and there are now more agencies than ever with permitting authority over large projects. Resource development should not be held up by the sheer complexity of government. This bill is intended to alleviate that problem.

This bill would authorize the DNR to lead and coordinate the permitting activities of all agencies with jurisdiction over the project and would repeal existing statutes in AS 46.35 regarding permit coordination. The result of the DNR's efforts as lead agency will be better communication, more efficient permitting, consolidated public process, and stable funding for the state's permitting process.

The repeal of the AS 46.35 provisions necessitates the relocation of unrelated language, specific to Department of Environmental Conservation permit decisions, to more appropriate locations in AS 46.03 and AS 46.04, as set out in secs. 2 and 3 of the bill.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink that reads "Frank H. Murkowski".
Frank H. Murkowski
Governor

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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PHONE: (907) 269-8431
FAX: (907) 269-8918

April 9, 2003

The Honorable Hugh Fate, Chair
House Resource Committee
Alaska State Legislature
State Capitol, Room 124
Juneau, AK 99801

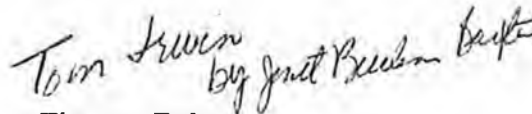
Dear Representative Fate:

I am writing to request a hearing next week for HB 192, an act designating the Department of Natural Resources (DNR) as lead agency for resource development projects. This bill would amend AS 38.05.020(b) to specifically allow DNR to lead and coordinate resource development projects.

Currently DNR is the lead for mining projects. This bill would formally authorize DNR to lead and coordinate the permitting activities of all agencies with jurisdiction over all resource development projects. It also repeals existing statutes in AS 46.35 regarding permit coordination.

Thank you for your consideration. I have also enclosed a copy of the Governor's transmittal letter and a sectional analysis. Please contact Janet Burleson Baxter at (907) 465-4730 if have any questions. You may also contact Dick LeFebvre, Deputy Commissioner of DNR at (907) 269-8432.

Sincerely,



Thomas E. Irwin
Commissioner

Enclosure

FRANK H. MURKOWSKI
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A handwritten signature in cursive script that reads "Frank H. Murkowski".
Frank H. Murkowski
Governor

SB 142/ HB 192

Sectional Analysis

8 April, 2003

Sec. 1 -

This section is simple and self-explanatory.

Sec. 2 & Sec. 3 -

These two sections preserve, rather than change, current law. One of the current statutes to be deleted under Sec. 4, AS 46.35.090, includes this same exemption of ADEC permit decisions from the APA hearing procedures. *See* AS 46.35.090 (e). Sections 3 and 4 of this bill simply transplant that provision to AS 46.03 and AS 46.04, respectively. Detailed procedures governing ADEC's hearings are set out at 18 AAC 15.195 *et seq.*

Sec. 4 -

This section repeals almost all of the current Environmental Procedures Coordination Act, AS 46.35. Enacted in 1977, that Act gave ADEC the role of coordinating the state's authorization of projects requiring multiple permits from different agencies. However, in practice, the Act has seen little or no use. This bill would repeal that Act to reflect that DNR, rather than DEC, should assume the lead agency role. This section also deletes two other provisions in existing law that reference AS 46.35.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 192
 (H) Publish Date: 3/12/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Designating Dept. of Natural Resources as BRU Resource Development
lead agency for resource development projects Component Development Special Projects
 Sponsor Rules
 Requester Governor Component No. 2039

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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						
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CHANGE IN REVENUES ()						
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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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 36.2

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Funding for this legislation is included in the FY04 Governor's operating budget request. Under this legislation, DNR will establish an Office of Project Management and Permitting. This office will lead and coordinate all matters relating to the state's review and authorization of resource development projects. The purpose of the office is to facilitate and expedite resource development of large projects by coordinating and streamlining the permitting activities of all state agencies with authority over a project. To accomplish this DNR is requesting funding to establish the office and develop the program base for an on-going program. DNR is requesting five positions that will serve as project managers and coordinators.

Prepared by: Dick LeFebvre, Deputy Commissioner
 Division Commissioner's Office
 Approved by: Tom Irwin, Commissioner
 Agency Natural Resources

Phone 269-8427
 Date/Time 3/11/2003
 Date 3/11/2003

FISCAL NOTE #1

**STATE OF ALASKA
2003 LEGISLATIVE SESSION**

BILL NO. HB 192

ANALYSIS CONTINUATION

These positions will be responsible for negotiating agreements and managing the overall state project review and permitting activities of all agencies with jurisdiction over a project. These positions will work with other state and federal agencies and local government to facilitate review and permitting.

Funding for the remainder of FY03 (May and June) is requested in the amount of \$36.2. This allows DNR to establish two of the requested positions to get the office started and begin the effort of streamlining the permitting process. Position costs are estimated at \$7.8/month per position for a total of \$31.2. Additional start up costs for space and computers are estimated at \$5.0.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 192
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title DNR lead for Resource Development Projects
 Sponsor Rules
 Requester House Resources
 Dept. Affected: DEC
 BHU Administrative Services
 Component Office of the Commissioner
 Component No. 633

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will have no fiscal impact on the department.

Prepared by: Mary Siroky, Legislative Liaison Phone 465-5355
 Division Statewide Public Services Date/Time 4/14/03 11:18 AM
 Approved by: Kurt Fredriksson, Deputy Commissioner Date 4/14/2003
 Agency Department of Environmental Conservation