

**SB**

**171**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 FEB 01 2006  
 SENATE FINANCE COMMITTEE

DATE: 4/25/05

FURTHER:

DATE TURNED IN TO OFFICE: 1 Feb 2006

Finance Committee considered

SENATE BILL NO. 171

## SB 171 NPR-A COMMUNITY GRANT PROGRAM

"An Act amending the National Petroleum Reserve - Alaska special revenue fund; and establishing the Special Legislative Oil and Gas NPR-A Development Impact Review Committee and defining its powers and duties."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 171 (FIN)
- adopt previous \_\_\_\_\_ CS CS forthcoming (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**

Same Title

New Title

**SCS House Bill:**

Same Title

Technical Title Change

New Title w/ SCR # \_\_\_\_\_

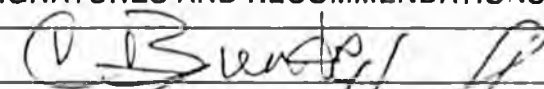
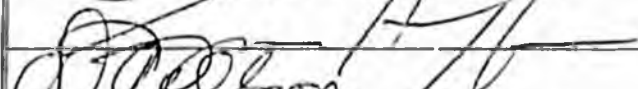
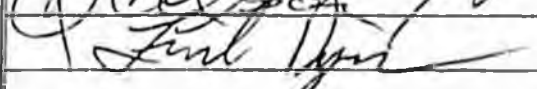
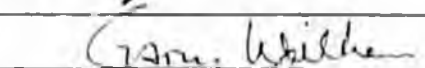
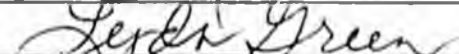
**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DCCED	1/25/06			✓	
Leg	1/25/06	20.0			

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NG REC	AMEND
	✓			
		✓		
	✓	✓		
COCHAIR: 	✓			
COCHAIR: 	✓			

# FISCAL NOTE

REPORTED OUT  
**FEB 01 2006**  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB171  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title NPR-A Community Grant Program RDU Comm Assist & Ec Dev (405)  
 Component Community Advocacy  
 Sponsor Wilken  
 Requester Sena'e Community & Regional Affairs Component No. 2703

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation amends the National Petroleum Reserve-Alaska Special Revenue Fund, establishes the Special Legislative Oil and Gas NPR-A Development Impact Review Committee, and defines its powers and duties. It also repeals and amends sections of Alaska Statute 37.05.530.

New funds are not required to implement provisions of this legislation.

Prepared by: Mike Black, Director  
 Division: Community Advocacy  
 Approved by: William C. Noll, Commissioner  
 Agency: Commerce, Community and Economic Development

Phone: 907.269.4535  
 Date/Time: 1/25/06 5:29 PM  
 Date: 1/25/2006

# FISCAL NOTE

REPORTED OUT  
**FEB 01 2006**  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: WD24-LS07851C  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
 Title: "An Act amending the National Petroleum BRU Legislative Council  
Reserve - Alaska special revenue fund; and establishing..." Component: Council and Subcommittees  
 Sponsor: Senator Wilken  
 Requestor: Senate Finance Component No. 783

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	20.0	20.0	20.0	20.0	20.0	20.0
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
<b>TOTAL OPERATING</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>CHANGE IN REVENUES ( )</b>	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	20.0	20.0	20.0	20.0	20.0	20.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

Estimate of any current year (FY2006) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

WD 24-LS07851C establishes the Special Legislative Oil and Gas NPR-A Development Impact Review Committee (NPR-A). The NPR-A Committee shall be organized within 15 days after the organization of each Legislature. Members may be appointed only from the Finance Committee of each house. Finance committee aides of Legislators appointed to the NPR-A Committee will staff the NPR-A Committee. The NPR-A Committee may meet during sessions and during the interim at times and places in the state as the Committee Chair may determine. The main purpose of the NPR-A Committee is to review grant application information submitted by the Department of Community and Regional Affairs and submit the NPR-A Committee's recommendations to the Finance Committees of the Senate and House. Each member of the NPR-A Committee is required to visit each community within the National Petroleum Reserve within one year of appointment to the NPR-A Committee.

Prepared by: Karla Schofield, Deputy Director Phone: 465-6626  
 Division: Administrative Services Date/Time: 1/25/06 11:20 AM  
 Approved by: Pamela Varni, Executive Director Date: 1/25/2006  
 Agency: Legislative Affairs Agency

SENATE FINANCE COMMITTEE  
2/1 / 2006 COMMITTEE ACTION

Bill Number	SB 171		
Amendment	move from		
Motion	Committee		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Olson		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Dyson	✓		
Senator Hoffman			✓
Senator Olson			✓
Senator Stedman		—	
Senator Bunde	✓		
Co-Chair Wilken	✓		
Co-Chair Green	✓		
<u>Tally</u>			
Yea		4	
Nay		2	
Absent		1	
<u>MOTION</u>			

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interim between sessions at times and places in the state as the committee chair may determine.

(d) Members of the committee may receive, for the minimum time required to get to and from meetings and for the period while attending meetings, the same travel and per diem allowances provided by law for members of the legislature when attending sessions. However, members of the committee do not receive per diem for committee meetings during legislative sessions other than the per diem paid to members of the legislature.

(e) A majority of the members of the committee appointed from each house

(1) constitutes a quorum for the purpose of carrying out the committee's duties under this section; and

(2) is necessary to approve and forward to the respective finance committees in each house the committee's recommendations for grants.

(f) <sup>Each</sup> member of the committee shall visit each community within the National Petroleum Reserve - Alaska

(1) within one year after the member's appointment to the committee; and

(2) at least once every three years during the member's term of service if the member continues to serve on the committee during succeeding legislatures.

(g) The committee may consult with the Department of Commerce, Community, and Economic Development about applications submitted under AS 37.05.530.

\* Sec. 3. AS 37.05.530(a) is amended to read:

(a) The National Petroleum Reserve - Alaska special revenue fund is established. The fund consists of all money disbursed to the state by the federal government under 42 U.S.C. 6506a(f) and former 42 U.S.C. 6508 (P.L. 96-514) since December 12, 1989, less the amount deposited in the general fund and expended by the state by general fund appropriations before June 9, 1984.

\* Sec. 4. AS 37.05.530(c) is repealed and reenacted to read to read:

(c) The Department of Commerce, Community, and Economic Development shall adopt regulations under which municipalities that are most directly and severely

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impacted by National Petroleum Reserve - Alaska oil and gas development under 42 U.S.C. 6506a, formerly 42 U.S.C. 6508, may apply for and be eligible to receive grants from the fund established in this section to alleviate the impact. A grant under this section may be made only on application by the municipality to the Department of Commerce, Community, and Economic Development. Each application must state the intended use for which the grant will be expended. When a municipality applies under this subsection, the municipality shall also submit to the department evidence or a certificate that the municipality is current on submission of reports concerning the expenditure of any grant previously received under this section. The department

(1) shall receive the applications and related materials and verify that the municipality is current on submission of reports concerning the expenditure of any grant previously received under this section;

(2) shall conduct a preliminary evaluation of each application; in conducting the preliminary evaluation, the department shall determine if the application is for an activity<sup>^</sup> or service that involves planning; construction, maintenance, and operation of essential public facilities by the municipality; and necessary public services provided by the municipality;

(3) within 10 days after the convening of each regular session of the legislature, shall submit to the committee a list of

(A) all qualifying<sup>^</sup> activities, facilities or services based on the department's preliminary evaluation made under (2) of this subsection; and

(B) all municipalities that have already received grants and written justification for each previous grant; and

(4) when advised of the committee's recommendations for grants, shall notify municipalities of that action.

\* Sec. 5. AS 37.05.530(d) is repealed and reenacted to read:

(d) In its review of applications submitted under (c) of this section, the committee shall, within 45 days after receipt of the information submitted by the department under (c)(3) of this section,

(1) examine applications and related and supporting materials to verify the needs claimed for each facility or service for which an application was submitted;



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 1 Feb 2006 TIME: 10:15am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 3

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: Final Please  
CS SB 171, 24-LS0785\N  
Cheroweth 1/31/06  
Plus 2 amendments attached

Thanks  
Mindy

Proof

24-LS0785VB

CS FOR SENATE BILL NO. 171(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATOR WILKEN

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the National Petroleum Reserve - Alaska special revenue fund;  
2 establishing the Special Legislative Oil and Gas NPR-A Development Impact Review  
3 Committee and defining its powers and duties; and providing for an effective date."

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

5 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 LEGISLATIVE INTENT. It is the intent of the legislature to provide financial  
8 assistance to municipalities for the purpose of meeting certain operating and capital  
9 improvement expenditures arising out of oil and gas development under 42 U.S.C. 6506a,  
10 formerly 42 U.S.C. 6508.

11 \* Sec. 2. AS 24.20 is amended by adding a new section to read:

12 Article 4A. Special Legislative Oil and Gas NPR-A Development Impact Review  
13 Committee.

14 Sec. 24.20.580. Special Legislative Oil and Gas NPR-A Development

1       **Impact Review Committee.** (a) There is established the Special Legislative Oil and  
2       Gas NPR-A Development Impact Review Co mmittee. The committee is composed of  
3       three members of the senate appointed by the president of the senate and three  
4       members of the house of representatives appointed by the speaker of the house of  
5       representatives. The committee membership from each house shall include at least one  
6       member from the minority caucus of that house. The committee members must  
7       include one member of the house of representatives or senate from an election district  
8       that includes part or all of the National Petroleum Reserve - Alaska. Except when it  
9       may be necessary to appoint a member of the legislature under (2) of this subsection to  
10      serve on the committee and the member is not also a member of a finance committee,  
11      the committee members may be appointed only from the finance committee of each  
12      house. If a member of the house of representatives or senate from an election district  
13      that includes part or all of the National Petroleum Reserve - Alaska

14               (1) is appointed to serve on the appropriate finance committee, the  
15      member serving on the finance committee also serves on the committee established in  
16      this subsection; however, under this paragraph, not more than one member  
17      representing an election district that includes part or all of the National Petroleum  
18      Reserve - Alaska may serve on the committee and, if designation of the one member is  
19      necessary, the speaker of the house of representatives and the president of the senate  
20      shall jointly designate the one member to serve;

21               (2) is not serving on the committee under (1) of this subsection, the  
22      speaker of the house of representatives and the president of the senate shall jointly  
23      appoint one member of the legislature who represents an election district that includes  
24      part or all of the National Petroleum Reserve - Alaska to serve on the committee.

25               (b) The committee shall be organized within 15 days after the organization of  
26      each legislature. The committee shall select its own chair. Members serve for the  
27      duration of the legislature during which they are appointed. If a committee member is  
28      reelected or the member's term of office extends into the next succeeding legislature,  
29      the member continues to serve until reappointed or until the member's successor is  
30      appointed.

31               (c) The committee may meet during sessions of the legislature and during the

1 interim between sessions at times and places in the state as the committee chair may  
2 determine.

3 (d) Members of the committee may receive, for the minimum time required to  
4 get to and from meetings and for the period while attending meetings, the same travel  
5 and per diem allowances provided by law for members of the legislature when  
6 attending sessions. However, members of the committee do not receive per diem for  
7 committee meetings during legislative sessions other than the per diem paid to  
8 members of the legislature.

9 (e) A majority of the members of the committee appointed from each house

10 (1) constitutes a quorum for the purpose of carrying out the  
11 committee's duties under this section; and

12 (2) is necessary to approve and forward to the respective finance  
13 committees in each house the committee's recommendations for grants.

14 (f) Each member of the committee shall visit each community within the  
15 National Petroleum Reserve - Alaska

16 (1) within one year after the member's appointment to the committee;  
17 and

18 (2) at least once every three years during the member's term of service  
19 if the member continues to serve on the committee during succeeding legislatures.

20 (g) The committee may consult with the Department of Commerce,  
21 Community, and Economic Development about applications submitted under  
22 AS 37.05.530.

23 \* Sec. 3. AS 37.05.530(a) is amended to read:

24 (a) The National Petroleum Reserve - Alaska special revenue fund is  
25 established. The fund consists of all money disbursed to the state by the federal  
26 government under 42 U.S.C. 6506a(l) and former 42 U.S.C. 6508 (P.L. 96-514) since  
27 December 12, 1980, less the amount deposited in the general fund and expended by  
28 the state by general fund appropriations before June 9, 1984.

29 \* Sec. 4. AS 37.05.530(e) is repealed and reenacted to read to read:

30 (c) The Department of Commerce, Community, and Economic Development  
31 shall adopt regulations under which municipalities that are most directly and severely

Amend.  
#1

1 impacted by National Petroleum Reserve - Alaska oil and gas development under 42  
 2 U.S.C. 6506a, formerly 42 U.S.C. 6508, may apply for and be eligible to receive  
 3 grants from the fund established in this section to alleviate the impact. A grant under  
 4 this section may be made only on application by the municipality to the Department of  
 5 Commerce, Community, and Economic Development. Each application must state the  
 6 intended use for which the grant will be expended. When a municipality applies under  
 7 this subsection, the municipality shall also submit to the department evidence or a  
 8 certificate that the municipality is current on submission of reports concerning the  
 9 expenditure of any grant previously received under this section. The department

10 (1) shall receive the applications and related materials and verify that  
 11 the municipality is current on submission of reports concerning the expenditure of any  
 12 grant previously received under this section;

13 (2) shall conduct a preliminary evaluation of each application; in  
 14 conducting the preliminary evaluation, the department shall determine if the  
 15 application is for an activity, facility, or service that involves planning; construction,  
 16 maintenance, and operation of essential public facilities by the municipality; and  
 17 necessary public services provided by the municipality;

18 (3) within 10 days after the convening of each regular session of the  
 19 legislature, shall submit to the committee a list of

20 (A) all qualifying activities, facilities, or services based on the  
 21 department's preliminary evaluation made under (2) of this subsection; and

22 (B) all municipalities that have already received grants and  
 23 written justification for each previous grant; and

24 (4) when advised of the committee's recommendations for grants, shall  
 25 notify municipalities of that action.

26 \* Sec. 5. AS 37.05.530(d) is repealed and reenacted to read:

27 (d) In its review of applications submitted under (c) of this section, the  
 28 committee shall, within 45 days after receipt of the information submitted by the  
 29 department under (c)(3) of this section,

30 (1) examine applications and related and supporting materials to verify  
 31 the needs claimed for each facility or service for which an application was submitted;

Amend  
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 See  
 Mem.  
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 Legal

1 (2) evaluate the needs claimed;

2 (c) rank the needs that the committee believes comply with the  
3 standards set out in 42 U.S.C. 6506a(l), formerly 42 U.S.C. 6508, and (c)(2) of this  
4 section; and

5 (4) forward to the respective finance committees in each house the  
6 committee's recommendations for grants for facilities and services under this section;  
7 the committee shall list its recommendations by project.

8 \* Sec. 6. AS 37.05.530(e) is repealed and reenacted to read:

9 (e) A municipality that receives a grant under this section shall

10 (1) account separately for each grant received;

11 (2) provide for an independent audit of the separate accounts  
12 maintained for each grant or appropriation, except that, for a grant that is not more  
13 than \$300,000, the municipality shall provide for an independent unaudited review of  
14 the accounts maintained for the grant;

15 (3) submit a copy of the independent audit report or independent  
16 review to the Department of Commerce, Community, and Economic Development;  
17 and

18 (4) expend the funds only for the use or purpose for which the grant  
19 was made; the Department of Commerce, Community, and Economic Development  
20 may not otherwise modify the terms of a grant to change the purpose or objective of  
21 the grant or the terms and conditions under which the grant may be expended.

22 \* Sec. 7. AS 37.05.530(f) is amended to read:

23 (f) Funds appropriated under [(d) OF] this section may not be used for the  
24 retirement of municipal debt.

25 \* Sec. 8. AS 37.05.530(g) is amended to read:

26 (g) The provisions of this subsection apply to amounts [AMOUNTS]  
27 received by the state under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508, as follows:

28 (1) amounts received and not appropriated for grants to municipalities  
29 under (c) - (e) [(d)] of this section shall be deposited at the end of each fiscal year as  
30 follows:

31 (A) [(1)] 25 percent of amounts received by the state during

1 that fiscal year under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the  
2 principal of the Alaska permanent fund; and

3 (B) [(2)] .5 percent of amounts received by the state during  
4 that fiscal year under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the  
5 public school trust fund (AS 37.14.110);

6 (2) if, after making the grants under (c) - (e) of this section, the  
7 amounts remaining are insufficient to make payment in full of the deposits  
8 required by (1)(A) and (B) of this subsection, the deposits shall be allocated pro  
9 rata between the fund deposits;

10 (3) the [ THE] amounts remaining after the making of the payment  
11 of the deposits in full to the Alaska permanent fund and the public school trust fund  
12 under (2) of this subsection may be appropriated

13 (A) first, to each of the funds described in (1)(A) and (B) of  
14 this subsection to recover amounts not paid to those funds on or after the  
15 effective date of this Act because of deficiencies in making the payments  
16 required by (2) of this subsection; and

17 (B) after appropriations authorized by (A) of this  
18 paragraph, to the power cost equalization and rural electric capitalization fund  
19 (AS 42.45.100);

20 (4) the [ THE] amounts remaining after any appropriation to the  
21 power cost equalization and rural electric capitalization fund shall lapse into the  
22 general fund for use by the state for the following facilities and services: planning;  
23 construction, maintenance, and operation of essential public facilities; and other  
24 necessary public services.

25 \* Sec. 9, AS 37.05.530(h) is amended to read:

26 (h) In making appropriations from the National Petroleum Reserve -  
27 Alaska special revenue fund, the legislature shall identify the grants for services  
28 and facilities as appropriation items and shall specify the amounts for each.  
29 Notwithstanding other provisions of law and unless expressly provided by the  
30 legislature in the appropriation item making the appropriation, an appropriation from  
31 the National Petroleum Reserve - Alaska special revenue fund shall, for the purposes

1 of determining the funding sources for the appropriation, be treated as though the  
2 appropriation takes effect in the fiscal year in which the appropriation passes the  
3 legislature. The authorization to expend funds appropriated from the fund shall take  
4 effect as otherwise provided by law.

5 \* **Sec. 10.** AS 37.05.530 is amended by adding new subsections to read:

6 (i) The Department of Commerce, Community, and Economic Development  
7 may

8 (1) suspend award of a new grant made under this section to a  
9 municipality if, in the department's judgment, the municipality has not made adequate  
10 progress in complying in the expenditure or use of a previously awarded grant;

11 (2) extend the period during which the municipality may expend a  
12 grant for unusual circumstances beyond the control of the municipality.

13 (j) Amounts that are unexpended at the end of the period authorized by law or,  
14 if extended under (i) of this section, by the department and that lapse shall revert to the  
15 general fund. However, if, at any time, there is a cumulative deficiency in amounts  
16 due and payable to the principal of the Alaska permanent fund and the public school  
17 trust fund because of allocation pro rata among those funds as authorized by (g)(2) of  
18 this section, the commissioner of administration shall first apply the lapsing amounts  
19 to restore previously prorated allocations to the Alaska permanent fund and the public  
20 school trust fund to the amounts due each of those funds.

21 (k) In this section, "committee" means the Special Legislative Oil and Gas  
22 NPR-A Development Impact Review Committee (AS 24.20.580).

23 \* **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).

# 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

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 1, 2006

**SUBJECT:** CSSB 171(FIN): drafting note (Work Order No. 24-LS0785\B)

**TO:** Mindy Rowland  
Senate Finance Committee Secretary

**FROM:** Jack Chenoweth  
Assistant Registrar

The committee substitute that is transmitted with this memo incorporates amendments 1 and 2 as noted on the pages you provided. At page 4, line 15, the insertion is of the word "facility" (singular) rather than "facilities" (plural, as requested) to conform to the phrase in which it is to appear. The phrase to which the amendment is being requested is drafted in the singular and refers to "an activity or service".

JBC:med  
06-089.med

Enclosure

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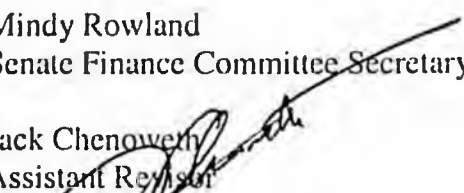
## MEMORANDUM

February 1, 2006

**SUBJECT:** CSSB 171(FIN); drafting note (Work Order No. 24-LS0785AB)

**TO:** Mindy Rowland  
Senate Finance Committee Secretary

**FROM:** Jack Chenoweth  
Assistant Revisioner



The committee substitute that is transmitted with this memo incorporates amendments 1 and 2 as noted on the pages you provided. At page 4, line 15, the insertion is of the word "facility" (singular) rather than "facilities" (plural, as requested) to conform to the phrase in which it is to appear. The phrase to which the amendment is being requested is drafted in the singular and refers to "an activity or service".

JBC:med  
06-089.med

Enclosure

Adopted 2/1/06

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-LS0785W  
Chenoweth  
1/31/06

CS FOR SENATE BILL NO. 171( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATOR WILKEN

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the National Petroleum Reserve - Alaska special revenue fund;  
2 establishing the Special Legislative Oil and Gas NPR-A Development Impact Review  
3 Committee and defining its powers and duties; and providing for an effective date."

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

5 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 LEGISLATIVE INTENT. It is the intent of the legislature to provide financial  
8 assistance to municipalities for the purpose of meeting certain operating and capital  
9 improvement expenditures arising out of oil and gas development under 42 U.S.C. 6506a,  
10 formerly 42 U.S.C. 6508.

11 \* Sec. 2. AS 24.20 is amended by adding a new section to read:

12 Article 4A. Special Legislative Oil and Gas NPR-A Development Impact Review  
13 Committee.

14 Sec. 24.20.580. Special Legislative Oil and Gas NPR-A Development

1           **Impact Review Committee.** (a) There is established the Special Legislative Oil and  
2 Gas NPR-A Development Impact Review Committee. The committee is composed of  
3 three members of the senate appointed by the president of the senate and three  
4 members of the house of representatives appointed by the speaker of the house of  
5 representatives. The committee membership from each house shall include at least one  
6 member from the minority caucus of that house. The committee members must  
7 include one member of the house of representatives or senate from an election district  
8 that includes part or all of the National Petroleum Reserve - Alaska. Except when it  
9 may be necessary to appoint a member of the legislature under (2) of this subsection to  
10 serve on the committee and the member is not also a member of a finance committee,  
11 the committee members may be appointed only from the finance committee of each  
12 house. If a member of the house of representatives or senate from an election district  
13 that includes part or all of the National Petroleum Reserve - Alaska

14                   (1) is appointed to serve on the appropriate finance committee, the  
15 member serving on the finance committee also serves on the committee established in  
16 this subsection; however, under this paragraph, not more than one member  
17 representing an election district that includes part or all of the National Petroleum  
18 Reserve - Alaska may serve on the committee and, if designation of the one member is  
19 necessary, the speaker of the house of representatives and the president of the senate  
20 shall jointly designate the one member to serve;

21                   (2) is not serving on the committee under (1) of this subsection, the  
22 speaker of the house of representatives and the president of the senate shall jointly  
23 appoint one member of the legislature who represents an election district that includes  
24 part or all of the National Petroleum Reserve - Alaska to serve on the committee.

25           (b) The committee shall be organized within 15 days after the organization of  
26 each legislature. The committee shall select its own chair. Members serve for the  
27 duration of the legislature during which they are appointed. If a committee member is  
28 reelected or the member's term of office extends into the next succeeding legislature,  
29 the member continues to serve until reappointed or until the member's successor is  
30 appointed.

31           (c) The committee may meet during sessions of the legislature and during the

1 interim between sessions at times and places in the state as the committee chair may  
2 determine.

3 (d) Members of the committee may receive, for the minimum time required to  
4 get to and from meetings and for the period while attending meetings, the same travel  
5 and per diem allowances provided by law for members of the legislature when  
6 attending sessions. However, members of the committee do not receive per diem for  
7 committee meetings during legislative sessions other than the per diem paid to  
8 members of the legislature.

9 (e) A majority of the members of the committee appointed from each house

10 (1) constitutes a quorum for the purpose of carrying out the  
11 committee's duties under this section; and

12 (2) is necessary to approve and forward to the respective finance  
13 committees in each house the committee's recommendations for grants.

14 (f) A member of the committee shall visit each community within the National  
15 Petroleum Reserve - Alaska

16 (1) within one year after the member's appointment to the committee;  
17 and

18 (2) at least once every three years during the member's term of service  
19 if the member continues to serve on the committee during succeeding legislatures.

20 (g) The committee may consult with the Department of Commerce,  
21 Community, and Economic Development about applications submitted under  
22 AS 37.05.530.

23 \* Sec. 3. AS 37.05.530(a) is amended to read:

24 (a) The National Petroleum Reserve - Alaska special revenue fund is  
25 established. The fund consists of all money disbursed to the state by the federal  
26 government under 42 U.S.C. 6506a(l) and former 42 U.S.C. 6508 (P.L. 96-514) since  
27 December 12, 1980, less the amount deposited in the general fund and expended by  
28 the state by general fund appropriations before June 9, 1984.

29 \* Sec. 4. AS 37.05.530(c) is repealed and reenacted to read to read:

30 (c) The Department of Commerce, Community, and Economic Development  
31 shall adopt regulations under which municipalities that are most directly and severely

1 impacted by National Petroleum Reserve - Alaska oil and gas development under 42  
2 U.S.C. 6506a, formerly 42 U.S.C. 6508, may apply for and be eligible to receive  
3 grants from the fund established in this section to alleviate the impact. A grant under  
4 this section may be made only on application by the municipality to the Department of  
5 Commerce, Community, and Economic Development. Each application must state the  
6 intended use for which the grant will be expended. When a municipality applies under  
7 this subsection, the municipality shall also submit to the department evidence or a  
8 certificate that the municipality is current on submission of reports concerning the  
9 expenditure of any grant previously received under this section. The department

10 (1) shall receive the applications and related materials and verify that  
11 the municipality is current on submission of reports concerning the expenditure of any  
12 grant previously received under this section;

13 (2) shall conduct a preliminary evaluation of each application; in  
14 conducting the preliminary evaluation, the department shall determine if the  
15 application is for an activity or service that involves planning; construction,  
16 maintenance, and operation of essential public facilities by the municipality; and  
17 necessary public services provided by the municipality;

18 (3) within 10 days after the convening of each regular session of the  
19 legislature, shall submit to the committee a list of

20 (A) all qualifying facilities or services based on the  
21 department's preliminary evaluation made under (2) of this subsection; and

22 (B) all municipalities that have already received grants and  
23 written justification for each previous grant; and

24 (4) when advised of the committee's recommendations for grants, shall  
25 notify municipalities of that action.

26 \* **Sec. 5.** AS 37.05.530(d) is repealed and reenacted to read:

27 (d) In its review of applications submitted under (c) of this section, the  
28 committee shall, within 45 days after receipt of the information submitted by the  
29 department under (c)(3) of this section,

30 (1) examine applications and related and supporting materials to verify  
31 the needs claimed for each facility or service for which an application was submitted;

- 1 (2) evaluate the needs claimed;
- 2 (3) rank the needs that the committee believes comply with the
- 3 standards set out in 42 U.S.C. 6506a(l), formerly 42 U.S.C. 6508, and (c)(2) of this
- 4 section; and
- 5 (4) forward to the respective finance committees in each house the
- 6 committee's recommendations for grants for facilities and services under this section;
- 7 the committee shall list its recommendations by project.

8 \* Sec. 6. AS 37.05.530(e) is repealed and reenacted to read:

- 9 (e) A municipality that receives a grant under this section shall
- 10 (1) account separately for each grant received;
- 11 (2) provide for an independent audit of the separate accounts
- 12 maintained for each grant or appropriation, except that, for a grant that is not more
- 13 than \$300,000, the municipality shall provide for an independent unaudited review of
- 14 the accounts maintained for the grant;
- 15 (3) submit a copy of the independent audit report or independent
- 16 review to the Department of Commerce, Community, and Economic Development;
- 17 and
- 18 (4) expend the funds only for the use or purpose for which the grant
- 19 was made; the Department of Commerce, Community, and Economic Development
- 20 may not otherwise modify the terms of a grant to change the purpose or objective of
- 21 the grant or the terms and conditions under which the grant may be expended.

22 \* Sec. 7. AS 37.05.530(f) is amended to read:

- 23 (f) Funds appropriated under [(d) OF] this section may not be used for the
- 24 retirement of municipal debt.

25 \* Sec. 8. AS 37.05.530(g) is amended to read:

- 26 (g) The provisions of this subsection apply to amounts [AMOUNTS]
- 27 received by the state under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508, as follows:
- 28 (1) amounts received and not appropriated for grants to municipalities
- 29 under (c) - (e) [(d)] of this section shall be deposited at the end of each fiscal year as
- 30 follows:
- 31 (A) [(1)] 25 percent of amounts received by the state during

1 that fiscal year under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the  
2 principal of the Alaska permanent fund; and

3 (B) [(2)] .5 percent of amounts received by the state during  
4 that fiscal year under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the  
5 public school trust fund (AS 37.14.110);

6 (2) if, after making the grants under (c) - (e) of this section, the  
7 amounts remaining are insufficient to make payment in full of the deposits  
8 required by (1)(A) and (B) of this subsection, the deposits shall be allocated pro  
9 rata between the fund deposits;

10 (3) the [ THE] amounts remaining after the making of the payment  
11 of the deposits in full to the Alaska permanent fund and the public school trust fund  
12 under (2) of this subsection may be appropriated

13 (A) first, to each of the funds described in (1)(A) and (B) of  
14 this subsection to recover amounts not paid to those funds on or after the  
15 effective date of this Act because of deficiencies in making the payments  
16 required by (2) of this subsection; and

17 (B) after appropriations authorized by (A) of this  
18 paragraph, to the power cost equalization and rural electric capitalization fund  
19 (AS 42.45.100);

20 (4) the [ THE] amounts remaining after any appropriation to the  
21 power cost equalization and rural electric capitalization fund shall lapse into the  
22 general fund for use by the state for the following facilities and services: planning;  
23 construction, maintenance, and operation of essential public facilities; and other  
24 necessary public services.

25 \* Sec. 9. AS 37.05.530(h) is amended to read:

26 (h) In making appropriations from the National Petroleum Reserve -  
27 Alaska special revenue fund, the legislature shall identify the grants for services  
28 and facilities as appropriation items and shall specify the amounts for each.  
29 Notwithstanding other provisions of law and unless expressly provided by the  
30 legislature in the appropriation item making the appropriation, an appropriation from  
31 the National Petroleum Reserve - Alaska special revenue fund shall, for the purposes

1 of determining the funding sources for the appropriation, be treated as though the  
2 appropriation takes effect in the fiscal year in which the appropriation passes the  
3 legislature. The authorization to expend funds appropriated from the fund shall take  
4 effect as otherwise provided by law.

5 \* Sec. 10. AS 37.05.530 is amended by adding new subsections to read:

6 (i) The Department of Commerce, Community, and Economic Development  
7 may

8 (1) suspend award of a new grant made under this section to a  
9 municipality if, in the department's judgment, the municipality has not made adequate  
10 progress in complying in the expenditure or use of a previously awarded grant;

11 (2) extend the period during which the municipality may expend a  
12 grant for unusual circumstances beyond the control of the municipality.

13 (j) Amounts that are unexpended at the end of the period authorized by law or,  
14 if extended under (i) of this section, by the department and that lapse shall revert to the  
15 general fund. However, if, at any time, there is a cumulative deficiency in amounts  
16 due and payable to the principal of the Alaska permanent fund and the public school  
17 trust fund because of allocation pro rata among those funds as authorized by (g)(2) of  
18 this section, the commissioner of administration shall first apply the lapsing amounts  
19 to restore previously prorated allocations to the Alaska permanent fund and the public  
20 school trust fund to the amounts due each of those funds.

21 (k) In this section, "committee" means the Special Legislative Oil and Gas  
22 NPR-A Development Impact Review Committee (AS 24.20.580).

23 \* Sec. 11. This Act takes effect immediately under AS 01.10.070(c).

Adopted 1/26/06

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-LS0785\C  
Chenoweth  
12/15/05

CS FOR SENATE BILL NO. 171( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATOR WILKEN

A BILL  
FOR AN ACT ENTITLED

1 "An Act amending the National Petroleum Reserve - Alaska special revenue fund;  
2 establishing the Special Legislative Oil and Gas NPR-A Development Impact Review  
3 Committee and defining its powers and duties; and providing for an effective date."

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

5 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 LEGISLATIVE INTENT. It is the intent of the legislature to provide financial  
8 assistance to municipalities for the purpose of meeting certain operating and capital  
9 improvement expenditures arising out of oil and gas development under 42 U.S.C. 6506a,  
10 formerly 42 U.S.C. 6508.

11 \* Sec. 2. AS 24.20 is amended by adding a new section to read:

12 Article 4A. Special Legislative Oil and Gas NPR-A Development Impact Review  
13 Committee.

14 Sec. 24.20.580. Special Legislative Oil and Gas NPR-A Development

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**Impact Review Committee.** (a) There is established the Special Legislative Oil and Gas NPR-A Development Impact Review Committee. The committee is composed of three members of the senate appointed by the president of the senate and three members of the house of representatives appointed by the speaker of the house. The membership from each house shall include at least one member from the minority caucus of that house. The committee members may be appointed only from the finance committee of each house. The committee shall select its own chair.

(b) The committee shall be organized within 15 days after the organization of each legislature. Members serve for the duration of the legislature during which they are appointed. If a committee member is reelected or the member's term of office extends into the next succeeding legislature, the member continues to serve until reappointed or until the member's successor is appointed.

(c) The committee may meet during sessions of the legislature and during the interim between sessions at times and places in the state as the committee chair may determine.

(d) Members of the committee may receive, for the minimum time required to get to and from meetings and for the period while attending meetings, the same travel and per diem allowances provided by law for members of the legislature when attending sessions. However, members of the committee do not receive per diem for committee meetings during legislative sessions other than the per diem paid to members of the legislature.

(e) A majority of the members of the committee appointed from each house  
(1) constitutes a quorum for the purpose of carrying out the committee's duties under this section; and  
(2) is necessary to approve and forward to the respective finance committees in each house the committee's recommendations for appropriations.

(f) A member of the committee shall visit each community within the National Petroleum Reserve - Alaska  
(1) within one year after the member's appointment to the committee;  
and  
(2) at least once every three years during the member's term of service

1 if the member continues to serve on the committee during succeeding legislatures.

2 (g) The committee may consult with the Department of Commerce,  
3 Community, and Economic Development about applications submitted under  
4 AS 37.05.530.

5 \* Sec. 3. AS 37.05.530(a) is amended to read:

6 (a) The National Petroleum Reserve - Alaska special revenue fund is  
7 established. The fund consists of all money disbursed to the state by the federal  
8 government under 42 U.S.C. 6506a(D) and former 42 U.S.C. 6508 (P.L. 96-514) since  
9 December 12, 1980, less the amount deposited in the general fund and expended by  
10 the state by general fund appropriations before June 9, 1984.

11 \* Sec. 4. AS 37.05.530(c) is amended to read:

12 (c) The Department of Commerce, Community, and Economic Development  
13 shall adopt regulations under which municipalities that are most directly and  
14 severely impacted by National Petroleum Reserve - Alaska oil and gas development  
15 under 42 U.S.C. 6506a, formerly 42 U.S.C. 6508, may apply for and be eligible to  
16 receive appropriations from the fund established in this section [GRANTS] to  
17 alleviate the impact. An appropriation under this section may be made only upon  
18 application by the municipality to the Department of Commerce, Community,  
19 and Economic Development. Each application must state the intended use for  
20 which the appropriation will be expended. When a municipality applies under  
21 this subsection, the municipality shall also submit to the department evidence or  
22 a certificate that the municipality is current on submission of reports concerning  
23 the expenditure of any grant or appropriation previously received under this  
24 section; a municipality may not apply for and the department may not take any  
25 action on an application unless it is accompanied by this submission. The  
26 department

27 (1) shall receive the applications and related materials and verify  
28 that the municipality is current on submission of reports concerning the  
29 expenditure of any grant or appropriation previously received under this section;

30 (2) shall conduct a preliminary evaluation of each application and  
31 assign a rank; in

1 (A) conducting the preliminary evaluation, the department  
2 shall determine if

3 (i) the application is for an activity or service that  
4 involves planning; construction, maintenance, and operation of  
5 essential public facilities by the municipality; and necessary public  
6 services provided by the municipality; and

7 (ii) an appropriation made based on the application  
8 would alleviate the impact of oil or gas development under 42  
9 U.S.C. 6506a within the National Petroleum Reserve-Alaska; if, in  
10 the department's judgment, there is no evidence that an  
11 appropriation for an application would alleviate the impact of oil  
12 or gas development, the department shall submit the application to  
13 the committee under (3) of this subsection but may not give further  
14 consideration to or take any further action on the application  
15 under this section; and

16 (B) assigning a rank, the [THE] department shall give priority  
17 [IN THE ALLOCATION OF GRANTS] to municipalities that are  
18 experiencing or will experience the most direct or severe impact from oil and  
19 gas development under 42 U.S.C. 6506a, formerly 42 U.S.C. 6508, within the  
20 National Petroleum Reserve - Alaska;

21 (3) within 10 days after the convening of each regular session of  
22 the legislature, shall submit to the committee

23 (A) a list of all qualifying facilities or services, the ranking  
24 assigned to each facility and service, a recommendation regarding new or  
25 additional appropriations for the facilities and services, and a written  
26 justification for each new or additional appropriation; and

27 (B) a list of all municipalities that have already received  
28 grants or appropriations and written justification for each previous grant  
29 or appropriation; and

30 (4) when advised of the committee's recommendations for  
31 appropriations, shall notify municipalities of that action [THE DEPARTMENT

1 SHALL FUND ALL MERITORIOUS GRANT APPLICATIONS OUT OF THE  
2 MONEY APPROPRIATED TO IT EACH YEAR. WITHIN 10 DAYS AFTER THE  
3 CONVENING OF EACH REGULAR SESSION OF THE LEGISLATURE, THE  
4 DEPARTMENT SHALL SUBMIT TO THE LEGISLATURE A LIST OF ALL  
5 MUNICIPALITIES THAT HAVE RECEIVED GRANTS, A LIST OF ALL  
6 MUNICIPALITIES DETERMINED BY THE DEPARTMENT TO BE ELIGIBLE  
7 FOR FURTHER GRANTS, A RECOMMENDATION OF THE AMOUNT OF  
8 MONEY TO BE GRANTED FOR THOSE ADDITIONAL APPLICATIONS, AND  
9 WRITTEN JUSTIFICATION OF EACH PAST AND POTENTIAL GRANT].

10 \* Sec. 5. AS 37.05.530(d) is repealed and reenacted to read:

11 (d) In its review of applications submitted under (c) of this section, the  
12 committee shall, within 45 days after receipt of the information submitted by the  
13 department under (c)(3) of this section,

14 (1) examine applications and related and supporting materials to verify  
15 the needs claimed for each facility or service for which an application was submitted;

16 (2) evaluate the needs claimed;

17 (3) rank the needs that the committee believes comply with the  
18 standards set out in 42 U.S.C. 6506a(1), formerly 42 U.S.C. 6508, and (c)(2) of this  
19 section; and

20 (4) forward to the respective finance committees in each house the  
21 committee's recommendations for appropriations for facilities and services under this  
22 section.

23 \* Sec. 6. AS 37.05.530(e) is repealed and reenacted to read:

24 (e) A municipality that receives an appropriation under this section shall

25 (1) account separately for each grant or appropriation received;

26 (2) provide for an independent audit of the separate accounts  
27 maintained for each grant or appropriation, except that, for a grant or appropriation  
28 that is not more than \$300,000, the municipality shall provide for an independent  
29 unaudited review of the accounts maintained for the grant or appropriation;

30 (3) submit a copy of the independent audit report or independent  
31 review to the Department of Commerce, Community, and Regional Affairs; and

1 (4) expend the funds only for the use or purpose for which the grant or  
2 appropriation was made; the Department of Commerce, Community, and Economic  
3 Development may not otherwise modify the terms of a grant or appropriation to  
4 change the purpose or objective of the grant or appropriation or the terms and  
5 conditions under which the grant or appropriation may be expended.

6 \* Sec. 7. AS 37.05.530(f) is amended to read:

7 (f) Funds appropriated under [(d) OF] this section may not be used for the  
8 retirement of municipal debt.

9 \* Sec. 8. AS 37.05.530(g) is amended to read:

10 (g) Amounts received by the state under 42 U.S.C. 6506a(l) or former 42  
11 U.S.C. 6508 and not appropriated [FOR GRANTS TO MUNICIPALITIES] under (c)  
12 - (e) [(d)] of this section shall be deposited at the end of each fiscal year as follows: (1)  
13 25 percent of amounts received by the state during that fiscal year under 42  
14 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the principal of the Alaska permanent  
15 fund; and (2) .5 percent of amounts received by the state during that fiscal year  
16 under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the public school trust fund  
17 (AS 37.14.110); if, after making the appropriations under (c) - (e) of this section,  
18 the amounts remaining are insufficient to make payment in full of the deposits  
19 required by (1) and (2) of this subsection, the deposits shall be allocated pro rata  
20 between the fund deposits. The amounts remaining after the making of the payment  
21 of the deposits in full to the Alaska permanent fund and the public school trust fund  
22 may be appropriated to the power cost equalization and rural electric capitalization  
23 fund (AS 42.45.100). The amounts remaining after any appropriation to the power cost  
24 equalization and rural electric capitalization fund shall lapse into the general fund for  
25 use by the state for the following facilities and services: planning; construction,  
26 maintenance, and operation of essential public facilities; and other necessary public  
27 services.

28 \* Sec. 9. AS 37.05.530 is amended by adding new subsections to read:

29 (i) Unless otherwise provided by law or unless the period during which the  
30 municipality may expend the appropriation is extended by the Department of  
31 Commerce, Community, and Economic Development under this subsection, in the Act

1 making the appropriation from the National Petroleum Reserve - Alaska special  
2 revenue fund, the unexpended balance of an appropriation made in an Act making an  
3 appropriation from that fund lapses on June 30 of the fiscal year for which  
4 appropriated. The Department of Commerce, Community, and Economic  
5 Development may extend the period during which the municipality may expend the  
6 appropriation for unusual circumstances beyond the control of the municipality. The  
7 provisions of AS 37.25.010(a) and (b) apply to the unexpended balances of  
8 appropriations that are lapsed as described in this subsection. Amounts lapsed under  
9 this subsection shall revert to the general fund except that, if amounts lapsed are  
10 derived from appropriations that had been allocated pro rata among the principal of the  
11 Alaska permanent fund and the public school trust fund as authorized by (g) of this  
12 section, the commissioner of administration shall first apply the lapsing amounts to  
13 restore previously prorated allocations to the Alaska permanent fund and the public  
14 school trust fund to the amounts due each of those funds as calculated under (g)(1) and  
15 (g)(2) of this section.

16 (j) In this section, "committee" means the Special Legislative Oil and Gas  
17 NPR-A Development Impact Review Committee (AS 24.20.580).

18 \* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).

**Committee Substitute for Senate Bill 171 ( ) Version N**  
**NPR-A Community Grant Program**

**Sectional Analysis**

Section 1. States the intent of the legislature to provide financial assistance to municipalities impacted by oil and gas development within the National Petroleum Reserve – Alaska (NPR-A).

Section 2. Establishes the Special Legislative Oil and Gas NPR-A Development Impact Review Committee.

- The committee membership includes three members from the Senate Finance Committee and three members from the House Finance Committee, including at least one member from the minority in each body.
- The Impact Review Committee membership must include one member of the House or Senate from an election district that includes NPR-A. If necessary, the Speaker of the House and the President of Senate will jointly appoint the one member to serve.
- A majority of the members appointed from each house constitutes a quorum and is necessary to approve recommendations for appropriations.
- Each member of the committee shall visit each community in NPR-A within one year after the member's appointment and at least once every three years during the term of service.

Section 3. Makes conforming change to reflect a change made in the U.S. Energy Policy Act of 2005.

- Congress altered the numbering of the NPR-A authorizing language so that 42 U.S.C. 6508 is now designated as 42 U.S.C. 6506a.

Section 4. Authorizes the Department of Commerce, Community, and Economic Development (DCCED) to adopt regulations under which municipalities that are most directly and severely impacted by NPR-A oil and

Committee Substitute for Senate Bill 171 Version N  
Sectional Analysis

gas development may receive grants from the NPR-A Special Revenue Fund to alleviate the impact.

- DCCED will verify that the applicant is current on the required reports for previous NPR-A grants and will determine if the application is for an allowable purpose.
- Within 10 days after the convening of each regular session of the legislature, DCCED will submit a list of all the requested projects.
- The annual report prepared by DCCED will include written justification for each of the previous grants.

Section 5. Outlines the duties of the Special Legislative Oil and Gas NPR-A Development Impact Review Committee.

- Within 45 days, the Special Legislative Committee will examine the applications to verify the needs claimed, evaluate the needs, and rank the applications that the committee believes comply with the federal standards.
- The committee's recommendations for appropriations will be forwarded to the respective finance committees for consideration.

Section 6. Summarizes the responsibility of the municipality that receives an appropriation from the NPR-A Special Revenue Fund.

- The municipality will provide for an independent unaudited review for appropriation less than \$300,000 and an independent audit for an appropriation greater than \$300,000.
- The funds appropriated under this section may only be expended for the purpose for which the appropriation was made and DCCED may not modify the terms or change the purpose of the appropriation.

Section 7. Makes a technical change.

Section 8. Prioritizes the use of the NPR-A Special Revenue Fund dollars.

Committee Substitute for Senate Bill 171 Version N  
Sectional Analysis

- Funds received by the State of Alaska from the oil and gas development within NPR-A will be used first to alleviate the impact of the development within the petroleum reserve.
- Secondly, 25 percent of the total NPR-A dollars received by the State of Alaska will be deposited to the principal of the Alaska Permanent Fund and .5 percent of the total will be deposited to the Public School Trust Fund. If the amount remaining after addressing the impacts is insufficient to fully fund these two funds, the deposits shall be allocated pro rata.
- Thirdly, the amounts remaining after the two previous funds are paid in full may be appropriated to the Alaska Permanent Fund and the Public School Trust Fund to cover any previous shortfalls that occurred on or after the effective date of this legislation.
- Lastly, the legislature may make appropriations to the Power Cost Equalization and Rural Electric Capitalization Fund and the General Fund.

**Section 9.** Addresses the appropriations from the NPR-A Special Revenue Fund

- The legislature will list in the appropriation bill the title and the amount for each grant awarded under Sections 4 - 6.

**Section 10.** Adds three new subsections to AS 37.05.530.

- The Department of Commerce may suspend the award of a new grant if a municipality has not made adequate progress in complying with a previously awarded grant.
- The Department of Commerce may extend the period in which a municipality can spend the funds for unusual circumstances that are beyond the control of the municipality.
- The Department of Administration shall apply any lapse funds to previously pro-rated allocations to the Alaska Permanent Fund and the Public School Trust Fund.

**Section 11.** Establishes an immediate effective date.

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: WD24-LS0785\C  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
Title: "An Act amending the National Petroleum BRU: Legislative Council  
Reserve - Alaska special revenue fund; and establishing..." Component: Council and Subcommittees  
Sponsor: Senator Wilken  
Requestor: Senate Finance Component No.: 783

### Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	20.0	20.0	20.0	20.0	20.0	20.0
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
<b>TOTAL OPERATING</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20.0	20.0	20.0	20.0	20.0	20.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>

Estimate of any current year (FY2006) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

### POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

WD 24-LS0785\C establishes the Special Legislative Oil and Gas NPR-A Development Impact Review Committee (NPR-A). The NPR A Committee shall be organized within 15 days after the organization of each Legislature. Members may be appointed only from the Finance Committee of each house. Finance committee aides of Legislators appointed to the NPR-A Committee will staff the NPR-A Committee. The NPR-A Committee may meet during sessions and during the interim at times and places in the state as the Committee Chair may determine. The main purpose of the NPR-A Committee is to review grant application information submitted by the Department of Community and Regional Affairs and submit the NPR-A Committee's recommendations to the Finance Committees of the Senate and House. Each member of the NPR-A Committee is required to visit each community within the National Petroleum Reserve within one year of appointment to the NPR-A Committee.

Prepared by: Karla Schofield, Deputy Director Phone: 465-6626  
Division: Administrative Services Date/Time: 1/25/06 11:20 AM  
Approved by: Pamela Varni, Executive Director Date: 1/25/2006  
Agency: Legislative Affairs Agency

# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB171  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
Title NPR-A Community Grant Program RDU Comm Assist & Ec Dev (405)  
Component Community Advocacy  
Sponsor Wilken  
Requester Senate Community & Regional Affairs Component No. 2703

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

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</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--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation amends the National Petroleum Reserve-Alaska Special Revenue Fund, establishes the Special Legislative Oil and Gas NPR-A Development Impact Review Committee, and defines its powers and duties. It also repeals and amends sections of Alaska Statute 37.05.530.

New funds are not required to implement the provisions of this legislation.

Prepared by: Mike Black, Director  
Division: Community Advocacy  
Approved by: William C. Noll, Commissioner  
Agency: Commerce, Community and Economic Development

Phone 907 269 4535  
Date/Time 1/25/06 5 29 PM  
Date 1/25/2006

**GARY WILKEN**  
SENATOR  
Fairbanks



Senate

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## SPONSOR STATEMENT

### Committee Substitute for Senate Bill 171 ( ) NPR-A Community Grant Program

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Senate Bill 171 examines the National Petroleum Reserve – Alaska (NPR-A) Mitigation Grant Program administered by the Department of Commerce, Community, and Economic Development (DCCED) and modifies the selection process to provide for active oversight by the legislature.

The bounty of NPR-A is thought by many to match or exceed the oil and gas deposits found at Prudhoe Bay or Kuparuk. As was mentioned in the *Anchorage Daily News*, February 15, 2005, "(The) Bureau of Land Management estimates NPR-A northeast corner could hold more than 2 billion barrels of crude oil and 3.5 trillion cubic feet of natural gas." All Alaskans look forward to the time when they can enjoy the benefits of reasonable and responsible development of these natural resources.

When members of the United State Congress authorized competitive leases in NPR-A in 1980, they recognized that development in the petroleum reserve might severely impact communities in or near the area. The federal legislation directed that the revenue generated through NPR-A development be used first to mitigate direct impacts, if any, to municipalities, and then by the rest of the State of Alaska. This federal directive in 1980 created two troubling issues that today pose significant problems.

First, the federal legislation is in direct conflict with the Alaska State Constitution. The State of Alaska receives from the federal government 50 percent of royalties and lease payments from the oil and gas development in

NPR-A. As required by federal law, these funds are available, before consideration of any other public purpose, to communities that demonstrate impact from resource development in NPR-A. This directive is at odds with Article IX, Section 15 of our constitution.

*"At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund."*

Senate Bill 171 recognizes this unsettling conflict, but does not overtly address or remedy the conflict between our State Constitution and federal law. This issue, while bothersome, is set aside for another day. Instead, this legislation speaks to the second troublesome issue of how the federal NPR-A payments are distributed to Alaska communities that may be severely impacted by oil and gas development within the National Petroleum Reserve. With the sizeable increase in NPR-A lease payments since 2000 and with the clear expectation of future and profitable growth, now is the time to revisit how the NPR-A payments are distributed and why. It is the charge of the legislature to devise a method to fairly allocate the financial benefits of NPR-A to all citizens of Alaska while, at the same time, recognize and mitigate the direct impact of development on certain communities as required by federal law.

In response to a 1986 Alaska Superior Court decision, Senate Bill 171 sets in place a system to grant impact assistance to municipalities most directly or severely impacted by oil and gas activity within the National Petroleum Reserve - Alaska. First, the Department of Commerce, Community, and Economic Development shall conduct a preliminary evaluation of each application for assistance and determine whether the community provided evidence that the requested appropriation will alleviate an impact of the oil and gas development within the petroleum reserve. The department will rank all qualified applications and submit a list of all projects and the department's recommendations to the Special Legislative Oil and Gas NPR-A Development Impact Review Committee (Special Legislative Committee) within 10 days after the convening of each regular session of the legislature.

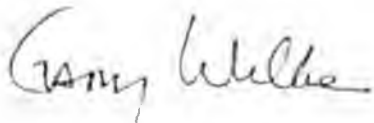
Second, the Special Legislative Committee, composed of three Senate finance members and three House of Representative finance members, will review the submitted applications and within 45 days forward the committee's recommendation to the respective finance committees for possible funding. A

majority of the members appointed from each legislative body is necessary to forward a funding request.

Third, the funds received by the State of Alaska from the oil and gas development within the National Petroleum Reserve – Alaska will be used first to alleviate the impact of the development. Then, twenty-five percent of the total NPR-A dollars received by the State will be deposited to the principal of the Alaska Permanent Fund and .5 percent of the total will be deposited to the Public School Trust Fund. If the amount remaining after addressing the impacts is insufficient to fully compensate these two funds, the deposits will be allocated pro rata. After these two dedicated funds are paid in full, the legislature may make appropriations to the Power Cost Equalization and Rural Electric Capitalization Fund and the General Fund.

Senate Bill 171 addresses the needs of communities impacted by development in NPR-A through a new legislative committee structure that ensures active legislative involvement. In addition, this legislation ensures that the Alaska Permanent Fund receives, to the extent allowed under federal law, 25 percent of all oil and gas lease rentals and royalties as dictated by the Alaska State Constitution.

I respectfully request your support.

A handwritten signature in cursive script, appearing to read "Gary Wilke".

**Committee Substitute for Senate Bill 171 ( )**  
**NPR-A Community Grant Program**

**Sectional Analysis**

Section 1. States the intent of the legislature to provide financial assistance to municipalities impacted by oil and gas development within the National Petroleum Reserve – Alaska (NPR-A).

Section 2. Establishes the Special Legislative Oil and Gas NPR-A Development Impact Review Committee.

- The committee membership includes three members from the Senate Finance Committee and three members from the House Finance Committee, including at least one member from the minority in each body.
- A majority of the members appointed from each house constitutes a quorum and is necessary to approve recommendations for appropriations.
- Each member of the committee shall visit each community in NPR-A within one year after the member's appointment and at least once every three years during the term of service.

Section 3. Makes conforming change to reflect a change made in the U.S. Energy Policy Act of 2005.

- Congress altered the numbering of the NPR-A authorizing language so that 42 U.S.C. 6508 is now designated as 42 U.S.C. 6506a.

Section 4. Authorizes the Department of Commerce, Community, and Economic Development (DCCED) to adopt regulations under which municipalities that are most directly and severely impacted by NPR-A oil and gas development may receive money from the NPR-A Special Revenue Fund to alleviate the impact.

- DCCED will verify that the applicant is current on the required reports for previous NPR-A grants and will determine if the application is for an allowable purpose.

Committee Substitute for Senate Bill 171  
Sectional Analysis

- DCCED will conduct a preliminary evaluation of each application and will assign a rank, giving priority to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development within NPR-A.
- Within 10 days after the convening of each regular session of the legislature, DCCED will submit a list of all the requested projects and the department's recommendations.
- The application must show evidence that the requested appropriation will alleviate the impact of oil and gas development within NPR-A. If DCCED determines there is no such evidence, the application is submitted to the Special legislative Oil and Gas NPR-A Development Impact Review Committee, but not ranked by the department.

Section 5. Outlines the duties of the Special Legislative Oil and Gas NPR-A Development Impact Review Committee.

- Within 45 days, the Special Legislative Committee will examine the applications to verify the needs claimed, evaluate the needs, and rank the applications that the committee believes comply with the federal standards.
- The committee's recommendations for appropriations will be forwarded to the respective finance committees for consideration.

Section 6. Summarizes the responsibility of the municipality that receives an appropriation from the NPR-A Special Revenue Fund.

- The municipality will provide for an independent unaudited review for appropriation less than \$300,000 and an independent audit for an appropriation greater than \$300,000.
- The funds appropriated under this section may only be expended for the purpose for which the appropriation was made and DCCED may not modify the terms or change the purpose of the appropriation.

Section 7. Makes a technical change.

Committee Substitute for Senate Bill 171  
Sectional Analysis

Section 8. Prioritizes the use of the NPR-A Special Revenue Fund dollars.

- Funds received by the State of Alaska from the oil and gas development within NPR-A will be used first to alleviate the impact of the development within the petroleum reserve.
- Secondly, 25 percent of the total NPR-A dollars received by the State of Alaska will be deposited to the principal of the Alaska Permanent Fund and .5 percent of the total will be deposited to the Public School Trust Fund. If the amount remaining after addressing the impacts is insufficient to fully fund these two funds, the deposits shall be allocated pro rata.
- After the two previous funds are paid in full, the legislature may make appropriations to the Power Cost Equalization and Rural Electric Capitalization Fund and the General Fund.

Section 9. Addresses when the appropriations made under Sections 4 – 6 lapse and the disposition these funds.

- The Department of Commerce may extend the period in which a municipality can spend the funds for unusual circumstances that are beyond the control of the municipality.
- Unless otherwise provided by law, the appropriation made under Sections 4 – 6 lapses on June 30 of the fiscal year for which appropriated, thus the legislature may establish the lapse date to meet the individual needs of the appropriation.
- The Department of Administration shall apply any lapse funds to previously prorated allocations to the Alaska Permanent Fund and the Public School Trust Fund.

Section 10. Establishes an immediate effect date.

**NPRA GRANT STATUS REPORT AS OF 11/21/05**

Grants Administrator (GA): Jolene Julian

Grant status is current as of the last approved Financial/Progress Report received.

"As of" column notes the report period end date of the most current Financial/Progress Report.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-21 6/30/06	Atqasuk JJ	Local Government/ Community Center Operations & Maintenance	368,621	368,621.00	10/31/05	0	This grant will supply in part the labor/FB for the administrator/clerk, asst. clerk, Recreation Director I & II, part-time janitor; maintenance and operation costs for the building which houses the city office and the recreation center; equipment, supplies & contractual for insurance, accountant & attorney fees. Operations normal. Final report submitted 11/22/05, grant fully expended. will close out with final payment processes.
06-N-01 6/30/07	Atqasuk JJ	Local Government Operations	336,468	0		336,468	This purpose of this grant is to provide continuing funding for the operation of the city government, youth programs and the Community Center. Grant funds will be used for key personnel payroll, insurance, professional services, utilities, communications, etc. Funds not available until 04 grant is fully expended. Report due for 7/1/05-10/31/05.
06-N-02 6/30/07	Atqasuk JJ	Youth Center Addition to Community Center	680,000	0		680,000	The purpose of this project is to construct an addition to the Community Center for a Youth Center with the intent of providing the young people of Atqasuk with a safe, drug-free environment where they may take part in a variety of supervised activities. Report due for 7/1/05-10/31/05.
00/4-01 9/30/06	NSB JJ	Village Power Plant Upgrades, Electrical Distribution System & Waste Heat Upgrades	10,069,367	9,882,187.21	09/30/05	187,179.79	Wainwright, Atqasuk, Nuiqsut projects are complete except final billings and new power grid insulators needed for Electrical Distribution. Currently awaiting a waiver of competitive bid due to lack of bidders to complete the grant. When and if waived, ASRC will contract labor, equip and materials for upgrades to the power grids in Atqasuk, Nuiqsut and Wainwright. The quarter ending 9/30/05 reported no expenditures.
00/4-02 6/30/06	NSB JJ	All Infrastructure Services Study  After award a change was approved from an "all-encompassing" study to preparing individual plans related to the original scope of work	1,500,000	1,283,019.10	03/31/05	216,980.90	*Quarterly report for 4/1/05 - 06/30/05 and 07/01/05 - 09/30/05 have been received and reviewed, but there are pending questions regarding expenditures. Awaiting an updated spreadsheet of balances on contracts from NSB GA, Sarah Nicely. Still trying to resolve the issue of amount of funds available for increasing contracts. I have not yet approved either of the above mentioned reports.

Prepared by DCCED

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
02-N-05 6/30/06	NSB JJ	Capacity Building in Atkasuk, Nuiqsut & Anaktuvuk Pass	100,000	75,606.29	09/30/05	24,393.70	This grant will provide training and oversight to city/tribal staff on grant writing, grant compliance/ administration, financial management and basic accounting. A 4-day Quickbooks training session in BRW was attended by NUI, AIN, AP and ATQ staff. NUI and AIN staff received completion certificates. On-site visit/training in NUI in May and June. Quickbooks software and training has been provided in Nuiqsut. City Budget and Monthly Financial Report Training was conducted in the villages in July and August. Currently awaiting pending invoices; grant funds should be exhausted next quarter per Jan Ames.
02-N-08 6/30/06	NSB JJ	Wainwright Basic Government O&M	250,000	249,880.16	09/30/05	119.84	This grant will provided basic government operations for the City of Wainwright. Funds should be exhausted next quarter, zero expenditures were reported this quarter.
04-N-04 6/30/06	NSB JJ	Waterfowl in the NPRA Continuation	443,619	246,212.03	09/30/05	197,406.97	Funds will be used to document abundance, distribution, breeding biology, reproductive success and survival of some of the subsistence waterfowl that occur within NPRA, including two threatened species, Steller's and Spectacled Eiders. Aerial surveys of Brant, breeding pair Snow Geese, and Stellar's Eiders conducted in June. Brood-rearing surveys for all to be conducted during next quarter. 2005 Summer research included a Snow Geese breeding pair survey, aerial surveys for Steller's Eiders, ground surveys for King Eiders near Teshekpuk Lake. This quarter's expenditures included contractual services to ABR, Labor & FB as well as materials and supplies.
04-N-05 6/30/06	NSB JJ	Arctic Fox Satellite Project	316,582	221,748.00	09/30/05	94,834.00	Funds will be used for contractual services, labor/FB, travel and materials/supplies necessary for outfitting 20 arctic fox with radio transmitters and collection and analysis of the data. Currently Several foxes have been collared and are being tracked and monitored. Expenditures this past quarter were for contractual services to ARGO's, UAF as well as materials and supplies for field personnel.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-06 6/30/06	NSB JJ	Caribou Movements & Distribution	359,245	149,374.45	09/30/05	209,870.55	Funds will be used for contractual services, labor/FB, materials/supplies and other services necessary for the continued tracking of the Central Arctic and Teshekpuk Lake caribou herds and analysis of data. TLH movement and distribution patterns continue to be monitored. Plant biomass to be photographed near Teshekpuk Lake.
04-N-07 6/30/06	NSB JJ	Survey & Inventory of Fish Resources	362,931	266,434.44	09/30/05	96,496.56	Funds will be used for contractual services, labor/FB, travel and materials/supplies necessary for continuing the sampling, tagging and radio tracking of subsistence fish; interviewing elders regarding fishing experience; and writing a comprehensive report summarizing the findings of this research. During July and August research was based out of field camps located on Teshekpuk Lake. Expenditures included contractual services, materials and supplies necessary for field camp.
04-N-08 6/30/06	NSB JJ	Fish Petroleum Hydrocarbon Study	405,659	58,332.53	09/30/05	270,843.63	Funds will be used for contractual services, labor/FB, travel and materials/supplies necessary for the collection and analysis of samples in four species of subsistence fish in order to establish baseline data on the current status of petroleum hydrocarbons in fish in the NPRA. Fish and sediment samples will be taken from Nuiqsut and Western Teshekpuk Lake area. Field work and sampling was done in Nuiqsut during the summer months and a trip that including sampling of BWF was done on Teshekpuk Lake. A meeting with the PI's was held in Sept to review activities to date and prepare a plan and budget to finish the grant project.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-09 6/30/06	NSB JJ	Subsistence Harvest Monitoring	188,030	58,015.10	09/30/05	130,014.90	Funds will be used for contractual services, labor/FB, travel and materials/supplies necessary to continue the documentation of yearly wildlife harvest; identification of specific areas important to subsistence hunting activities and any adverse impacts caused by NPRA development. During this quarter Taqulik Hepa traveled to Nuiqsut to train NUI staff to conduct a community harvest survey. The NSB DWM and NUI have entered into an MOA to conduct harvest surveys for the Subsistence Harvest Documentation Project.
04 N-10 6/30/06	NSB JJ	Electric/Thermal Oxidation/Waste Heat	1,500,000	81,066.29	06/30/05	1,418,933.71	Funds will be used for contractual and professional service costs associated with remodeling the thermal oxidation system (TOS), expanding the TOS facility, and preparing a feasibility study on development of an electrical co-generation system at the facility. Cogeneration and Waste Heat feasibility Studies 95% completion review set for July. Seeking alternative funding sources. Preparing a phased project scenario. Updated timeline submitted and request for extension of the grant term. Report due for 7/1/05 – 9/30/05.
04-N-11 6/30/06	NSB JJ	Grant Oversight & Supervision	213,418	100,793.09	09/30/05	112,624.91	Funds will be used to send NSB grant staff to NPRA communities to provide capacity building as well as to send NSB staff to professional development training. NSB GA attended Grants Management training in SC during this quarter. Travel expenses for village personnel to attend a workshop on NPRA Impacts are included in this quarter's expenditures. Quickbooks training has been completed in Alqasuk.
04-N-12 6/30/06	NSB JJ	Volunteer Search & Rescue (SAR) Equipment	565,425.00	276,493.29	09/30/05	288,931.71	Funds will be used to purchase search and rescue equipment, parts and supplies as well as for travel and contractual costs associated with training provided to NPRA community's SAR members. \$181,040 in grant equipment has been expended to date. This quarters report reflects the purchase of a 20ft sea skiff.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-14 6/30/06	NSB JJ	Barrow Sewage Treatment Facility	10,000,000	1,223,499.40	09/30/05	8,776,500.60	This grant will provide funds for the construction of a new sewage treatment facility in Barrow, which is expected to safely store and treat raw sewage and runoff for the next 20 years. Design complete and sent to contractors. UIC Construction awarded bid at 15.7 million. Permitting of the facility has been completed. A significant amount of work is accruing; answering contractor questions, meetings and reviewing submittals.
04-N-15 6/30/06	NSB JJ	Emergency Radio Communications	1,550,570	490,472.90	09/30/05	998,527.10	Project funds used for the purchase of equipment, materials & supplies for the 800 MHz radio system used by NSB emergency response teams and freight charges. Training for the NSB staff in the maintenance of the equipment and entire radio system is also included. The new Communications Tower thermal piling install is nearly 80% complete.
04-N-16 6/30/06	NSB JJ	Police Department Facilities & Training	728,999	240,469.62	09/30/05	488,529.38	Funds utilized for upgrading police department facilities in the NPRA communities, purchase firearms and ammunition, purchase police vehicles for the four communities (1 each), and to provide professional development training for police officers. Four Ford trucks were purchased and reimbursed in the 2 <sup>nd</sup> quarter. On-site Training from HTE was completed in April. This training covered CAD400, Crimes and Orep specialized computer software training for the NSB Police Department. A number of Police Department staff attended the extensive training. Two additional patrol vehicles were purchased with excess funds due to a reduced cost in the original number of vehicles. 23 shotguns were also ordered and reimbursed this quarter.
04-N-17 12/30/05	NSB JJ	Telecommunications System Upgrade	156,145	148,682.43	09/30/05	7,462.57	Funds have been used to purchase equipment necessary for upgrading the current information technology system and freight costs associated with the purchase. Comtech was the contractor for this job and has completed and billed the contractual portion of this grant. The grant has been extended to 12/30/05 to complete the grant. This quarter's expenditures included training and travel expenditures.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-18 6/30/06	NSB JJ	Research Equipment for NPRA Activities	250,000	41,115.54	09/30/05	208,884.46	Funds will be used to purchase research equipment for collecting and analyzing data on subsistence activities and fish and wildlife resources, purchase replacement boat motors, and replacement or purchase of field equipment for use in the collection of data. Equipment purchased to date includes boat motors, incubator oven and extra shelves, digital camcorder, prefab weatherport, boat gauge, laptop computers, memory card, satellite phones, marine radios, digital camera, 2 Kayaks and ultra cold freezer. Borough gave up on waiting for an estimate from GCI for the Fiber Optic Cable, they are seeking other bids. This period computer equipment and GPS receivers were purchased and reported.
04-N-19 12/31/05	NSB JJ	Barrow School Resource Officers (SRO)	237,240	203,740.10	09/30/05	33,499.90	Grant funds are utilized to employ School Resource Officer's for three Barrow schools, purchase educational supplies/materials to promote D.A.R.E. Travel and training included as well. This grant has been extended to 12/31/05 The National D.A.R.E conference was attended in August and salaries are now being reimbursed through December.
04-N-20 6/30/05	NSB JJ	NPRA Village School Counselors	435,736	384,139.26	09/30/05	51,596.74	The purpose of this grant is to train and staff school counselor positions. Counselors were funded for one year and the Professional Services line item for their wages/FB has been zeroed out. The training component is the only line item with a balance at this point and successful training sessions were held this last quarter. Grantee anticipates project will be complete by 12/30/05.
04-N-26 6/30/06	NSB JJ	Project Compliance & Fiscal Coordinator	198,250	0.00	09/30/05	198,250	The Wildlife Department with the NSB hired a Project Compliance Coordinator prior to this grant and was not aware that this grant allowed for those wages to be covered. No expenditures have been reported to date. The next report however should reflect the Project Coordinator's salary back dated to the start of this grant.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-27 6/30/08	NSB JJ	Childcare/Learning Center/Training	56,123	20,254.52	09/30/05	35,868.48	The Daycare Center has now been closed since 6/30/04. Interest has been shown, but to date no other entity has taken action on taking over operation of the facility. NSB still considering re-scope to fund home facilities day care services training through the One-Stop Job Center. No activity this quarter.
04-N-28 12/30/06	NSB JJ	Village Summer Recreation Program	121,374	84,231.16	09/30/05	36,772.98	Funds are being used to employ a Recreation Coordinator and a Recreation Aide for a summer recreation program in five NPRA communities; operations costs; and equipment/supplies purchases. In addition, the NSB Dir. of O&M and a NSB Grants Administrator will travel to each village to provide training and to assess operations and effectiveness midway through the term. Programs were operated during the 2004 & 2005 summer. 2005 expenditures have yet to be reported as of 09/30/05.
04-N-29 6/30/07	NSB JJ	Mayor's Job Program	653,929	653,929	09/30/05	0	This grant is a continuation of the program initiated with 02-N-06. The program is expected to create 49 temporary entry-level jobs and provide training to participants to enhance their job skills and motivation, thereby preparing them for employment opportunities created by development of NPRA lands. During the grant period, the NSB hired over 40 employees utilizing these grant funds. The grant included positions in Barrow, Wainwright, Atkasuk, Nuiqsut and Anaktuvuk Pass. A final report has been received and grant will be closed out when final payment is processed.
04-N-30 6/30/06	NSB JJ	Workforce Development Program	1,515,825	556,084.05	09/30/05	959,740.95	Funds will be used to develop a One-Stop Job Center where NPRA village members can obtain skills, certifications, and the expertise necessary to become employed by the infrastructure created by NPRA development. Report for period 07/01/05-09/30/05 included Drivers Ed, NSTC Unescorted, Bus Presentation Skills, Teacher Aide and CDL training courses.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
05-N-02 6/30/06	NSB JJ	Wainwright Local Government Operations	250,000	122,484.30	09/30/05	127,515.70	This project will fund the following positions in Wainwright: full-time City Administrator, full-time Program Assistant, part-time City Clerk, and part-time Gaming Supervisor, as well as supplies, training/travel, insurance, maintenance/utilities and administration. On-site Quickbooks was set up with the FY06 budget and training was provided to the City Clerk in July. Expenditures reported for July-August included salary pay for Dennis Tjepelman, rent for the city offices for July-Oct and a credit for fuel purchase was applied to the grant in lieu of the Energy Assistance Program.
05-N-03 6/30/06	NSB JJ	Barrow Allied Health Care Training Program	319,999.50	80,026.48	09/30/05	239,973.02	This Program will provide a continuum of training and education in paraprofessional fields essential to developing local health care providers on the North Slope, an essential public service. Summer Camp Reunion was held in May. Supplies for renovation of the training center were purchased, training equipment and supplies purchased, job description for Coordinator and Midlevel Clinical Instructor developed, FY06 CHAP training timeline developed. This quarter's report reflects only medical supply expenditures.
05-N-04 6/30/07	NSB JJ	NPRA Social & Cultural Impact Study	300,586.50	5,052.52	09/30/05	295,533.98	This project will (1) document observations and perceptions of North Slope residents regarding historical, current and potential effects of oil industry activities on hunting, and (2) determine how oil/gas development has affected hunters. Revised work plans to take into account the need to do a pre-test, survey and finally data analysis has been drawn up. It is hoped that contracts will be in place and will begin next quarter. There were no hours billed to this grant this quarter.
05-N-05 06/30/08	NSB JJ	Oil/Gas Development Comprehensive Plan	400,000	153.86	09/30/05	399,846.14	This project will develop a comprehensive borough-wide oil and gas land-use plan to guide industrial development. Expenditures to date were for publications. Progress is pending the completion of the NSB Comprehensive Plan as it will serve as strong framework for this plan. Discussions on public involvement and project schedule are up and coming.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
05-N-06 6/30/06	NSB JJ	School Counselors Extended Program	205,000	204,938.50	09/30/05	61.50	This is a continuation of the program that was initially funded with 04-N-20. This grant provided Barrow's Hopson Middle School and Barrow Elementary, Ipalook each with a full time school counselor for the 04/05 school year. A balance of \$61.50 remains on this grant and a final progress report has been received. An email was sent to the GA to confirm expending final balance or closure on 11/18/05.
05-N-07 6/30/06	NSB JJ	School Resource Officers (SRO)	125,000	0.00	09/30/05	125,000	This is a continuation of the project that was initially funded with 04-N-19. Grant funds will be used to pay labor/FB and training for one SRO for one year. Grant 04-N-19 is under spent due to less SRO's hired than expected last year. NSB will utilize those grant funds for labor/FB before expending funds on this grant.
05-N-08 6/30/06	NSB JJ	School Based Programs	500,000	369,472.17	09/30/05	130,527.83	The NSB will partner with the NSB School District to provide open gyms and structured activities with grant funds in Atkasuk, Anaktuvuk Pass, Barrow, Nuiqsut and Wainwright. Tutoring and recreation programs have been implemented in 7 borough-wide schools. From the numbers of participants recorded for each school it appears the programs are well attended. Barrow included a 3-week summer school; this does not reduce the funding available for the other schools so the request was approved. The grant period has been extended into the 05/06 school year; funds will likely be exhausted in the first semester.
06-N-08 6/30/09	NSB JJ	Allied Health Training Center	3,400,000	0		3,400,000	The North Slope Allied Health Training Program (NSAHTP) was established to provide a continuum of training and education in paraprofessional fields essential to developing local health care providers on the North Slope. Providers and participants include the Borough, NSB Health Department, Arctic Slope Native Association, Samuel Simmonds Memorial Hospital, and Ilisagvik College. The purpose of this project is to provide funding for the North Slope Allied Health Training Center which will coordinate training that has been identified to address and assuage the impacts of NPRA oil and gas development. Report due for 7/1/05 - 9/30/05.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
06-N-09 6/30/09	NSB JJ	Continue Studies to Investigate Wildlife/ Subsistence	2,461,368	0		2,461,368	The purpose of this project is to supplement existing research within the NSB Department of Wildlife Management, which is critical to responding to Inupiat hunter's concerns about oil and gas exploration and development. This project would cover a three-year period to continue the following research: (1) Subsistence Harvest Documentation; (2) Waterfowl Surveys; (3) Key Subsistence Fish Species; (4) Hydrocarbons in Fish; and (5) Satellite Tracking of the Teshekpuk Caribou Herd. Grant funds are requested for labor/benefits, contractual, equipment, materials/supplies, travel and 21% administration. Report due for 7/1/05 – 9/30/05.
06-N-10 6/30/08	NSB JJ	Health, Survival & Sustainability of Key Subsistence Resources	654,426	0		654,426	The purpose of this project is to conduct new studies over a 3-year period that address and document independent aspects of wildlife population biology. Each study has been designed to complement each other so the NSB Department of Wildlife Management may better understand the influences of weather and habitat on natural winter survival of caribou; project future population estimates of the TLH (Teshekpuk Lake Herd) under different conditions; and assess and document the health of subsistence animal and fish populations. This project will benefit Anaktuvuk Pass, Atkasuk, Barrow, Nuiqsut and Wainwright. Report due for 7/1/05 – 9/30/05.
06-N-11 6/30/08	NSB JJ	Mayor's Job Program	2,527,961	0		2,527,961	The purpose of this project is to continue the existing Mayor's Job Program, which provides short-term employment for NSB residents at Borough offices and with other employees such as the Arctic Slope Native Association, Native Village of Barrow and the City of Barrow. The program provides training for up to 45 individuals to assist them with acquiring necessary job skills to advance to full-time employment. There are often approximately 300 applicants for this program. Report due for 7/1/05 – 9/30/05.
06-N-14 6/30/08	NSB JJ	Village Capacity Building	968,182	0	09/30/05	968,182	Funds will be used to provide training to elected officials and staff in the NPRA impacted communities for capacity building. DCCED conducted a two-day Grant Application Process training session in Barrow during Sept. NSB employees and village representatives attended both days. No expenditures were reported during the first quarter.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
06-N-15 6/30/06	NSB JJ	Wainwright Office Renovation	38,114	0		38,114	The purpose of this project is to repair the City Office building to provide a safe, warm environment for city business. This includes replacement of damaged floor substrate, floor tiles, ceiling lighting, furnace, hot water heater, fire door and addition of o/s air intake. Grant funds are requested for contractual services and 21% administration. Report due for 7/1/05 – 9/30/05.
06-N-16 6/30/06	NSB JJ	Wainwright Lagoon Boat Launch	525,000	0		525,000	The purpose of this project is to replace or renovate the Wainwright Lagoon Boat Ramp to provide a safe launch site for subsistence and rescue activities. Grant funds are requested for contractual services and 5% administration. Report due for 7/1/05 – 9/30/05.
06-N-17 6/30/06	NSB JJ	Wainwright Local Government Operations	311,500	0		311,500	The purpose of this project is to provide continued funding for a City Administrator, Program Assistant and City Clerk to build the capacity of the City of Wainwright to successfully manage its financial affairs and grant programs, to implement new sources of revenue, and to continue staff training. Grant funds are requested for labor/benefits, contractual services, maintenance/repairs, insurance, utilities, materials/supplies, training/travel, audit/accountant fees and 21% indirect. Report due for 7/1/05 – 9/30/05.
06-N-18 12/31/06	NSB JJ	Wainwright Softball Field	35,000	0		35,000	The purpose of this project is to purchase and install a backstop, bleachers and other equipment required to provide a summer softball program for Wainwright youth which will be conducted on the Municipal Reserve recreational area owned by the City. Grant funds are requested for contractual services, materials/supplies and 21% administration. Report due for 7/1/05 – 9/30/05.
06-N-19 6/30/06	NSB JJ	Wainwright Youth Program	229,500	0	09/30/05	229,500	Grant funds will provide funding for the Wainwright Youth Program for staff, recreational equip and operating costs. The Recreation Director and Recreation Assistant positions were both filled in Sept. No expenses were reported in the first quarter.
06-N-20 6/30/09	NSB JJ	Workforce Development Program	3,729,451	0		3,729,451	The purpose of this project is to continue the existing Workforce Development Program, which is designed to provide entry-level training for unemployed residents, apprenticeship training for residents with more advanced job skills, and training to enhance the job skills of current NSB employees. Report due for 7/1/05 – 9/30/05.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
06-N-21 6/30/06	NSB JJ	Atqasuk Energy Assessment	100,042	0		100,042	The purpose of this project is to identify the most cost-effective, cleanest and safest alternative to energy (power, light and heat) in the community of Atqasuk. Fuel costs in Atqasuk are currently the highest on the Slope at \$3.50 per gallon and they had to purchase 500,000 gallons for FY05. Grant funds were awarded for contractual engineering/cost analysis and 21% indirect. Report due for 7/1/05 – 9/30/05.
06-N-22 6/30/07	NSB JJ	Fire Equipment & Training	250,000	0		250,000	<p>This grant had an initial request for \$1,114,543 and included mainly fire fighting equipment purchases and training. The grant amount was reduced per the request of the NSB to \$250,000. The revised scope of work reflecting the reduced grant amount is currently in the negotiation process.</p> <p>The NSB Fire Department bears the statutory responsibility for providing fire suppression services, rescue services and emergency medical services in each community of the NSB including all of the NPRA impacted communities. The number of fire department emergencies are expected to increase in each of these communities with the proposed Alpine Satellite Development Plan, the plan to expand the road system in and around the village of Nuiqsut and the possibility of the multi-billion dollar Alaska natural gas pipeline. It is absolutely necessary that the current facilities and equipment are maintained and updated as needed. This grant, funding fire and medical equipment and training, will be used to mitigate the impact of oil field exploration and development. Report due for 7/1/05 – 9/30/05.</p>
06-N-23 6/30/08	NSB JJ	Misdemeanor Probation Officer	346,071	0		346,071	The purpose of this project is to create one full-time Misdemeanor Probation Officer position for three years, which will be tasked with collecting information on misdemeanor offenders and their compliance with court-ordered conditions of probation/release. Grant funds will be used towards Labor and FB as well as some travel, contractual lab testing services and necessary materials and supplies. Report due for 7/1/05 – 9/30/05.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
06-N-24 6/30/08	NSB JJ	North Slope Science Initiative	425,578	0	09/30/05	425,578	The purpose of this project is to support the Borough's involvement in the North Slope Science Initiative (NSSI). The NSSI was established to develop a science-based program that integrates inventory, monitoring and research activities to support resource management decisions on the North Slope of Alaska. There have been no reported expenditures to date.
06-N-25 6/30/08	NSB JJ	NPRA Technical Review Team	1,468,508	0	09/30/05	1,468,508	The goal of this project is to ensure the borough can adequately stay abreast of and respond to the increasingly complex environmental impact statements, environmental analyses and permit applications as well as decisions and reports related to these. Grant funds will be used for services from a biologist, permit specialist and an attorney, including travel and support costs related to attending and holding public hearings and other meetings. No expenditures have been reported at this time. Progress includes hiring the attorney and interviewing for the wildlife biologist position. Research has also begun on the selection of computers and printers to be used by the review team.
06-N-26 6/30/08	NSB JJ	Oil Spill Response Team	737,867	0		737,867	The purpose of this project is to develop a dedicated spill response team with squads located in Atkasuk, Barrow, Nuiqsut and Wainwright. Each team would have primary responsibility for handling spills in and near their respective communities, but would also be able to rapidly respond to neighboring communities to assist in large-scale spills. The Oil Spill Response Team with the NSB will provide the various oil companies a trained, experienced team of professionals to call upon in situations that might require additional manpower. Report due for 7/1/05 - 9/30/05.
06-N-27 6/30/08	NSB JJ	Police Importation Combat Program	1,101,512	0		1,101,512	The purpose of this project is to implement an investigative unit comprised of three new full-time Police Officer positions for a 3-year period, dedicated to combating the illegal importation, manufacture and distribution of drugs and alcohol occurring in each of the NPRA impacted communities. This grant will provide necessary support to the NSB Police Department. Report due for 7/1/05 - 9/30/05.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
06-N-28 6/30/08	NSB JJ	Police Officers for NPRA Villages	1,486,689	0		1,486,689	The purpose of this project is to employ a full-time Police Officer for a three-year period in Atkasuk, Barrow, Nuiqsut and Wainwright. Grant funds are for labor/benefits and 21% administration. Report due for 7/1/05 – 9/30/05.
06-N-29 6/30/08	NSB JJ	Social & Cultural Impact Study	275,880	0		275,880	The purpose of this project is to prepare a comprehensive scientific study to identify the key socio-economic impacts of oil and gas development in Atkasuk, Barrow, Nuiqsut and Wainwright. Phase 1 of the study started in July 2004 and consists of designing the survey instrument and data collection. Phase 2 will analyze data collected in phase 1, focusing on the observations and perceptions of NSB residents regarding historical, current and potential effects of oil industry activities on onshore and offshore hunting. Grant funds will be used for contractual services. Report due for 7/1/05 – 9/30/05.
06-N-30 6/30/06	NSB JJ	Utility Master Plan/ Emergency Plan	106,221	0		106,221	The purpose of this project is to prepare a Borough-wide (including non-NPRA) Utility Master Plan and Emergency Utility Plan to assess the future requirements of power, water, sewer, waste collection and landfill functions across the North Slope and develop a tool for the Borough to use to prepare communities for the changes ahead. Grant funds are requested for contractual engineering. Report due for 7/1/05 – 9/30/05.

**NPRA GRANT STATUS REPORT for BARROW AS OF 11/1/05**

GRANT ADMINISTRATOR (GA): Pauletta Bourne

Grant status is current as of the last approved Financial/Progress Report received.

"As of" column notes the report period end date of the most current Financial/Progress Report.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
00/4-12 6/30/06	Barrow PB	Renovate Teen Center & Community Center	1,000,000	482,746.53	09/30/05	517,253.47	Purpose of project for renovation & upgrade of Barrow Teen Center & Community Center. The interior of the teen center was demolished in September. Materials bid out were received and renovation commenced and continues.
00/4-13 6/30/06	Barrow PB	Design, Construct & Purchase Boat Ramp	1,000,000	700,640.47	09/30/05	299,359.53	Native Village of Barrow has been contracted to use their loader to maneuver the boat ramps in and out of the water as the City of Barrow's loader was broken while attempting these same maneuvers. City requested to amend budget, email amendment for signature 11/8.
00/4-14 6/30/06	Barrow PB	Construct Maintenance Building	630,000	129,987.50	08/31/05	500,012.50	In August, Olympia Steel constructed City of Barrow's Steel Building. They gave 9'12 ship date. Have been working w/Olympia Steel and Evert's air cargo on logistics of delivery.
04-N-01 6/30/06	Barrow PB	Recreation Building Addition Feasibility	40,000	0.00	9/30/05	40,000.00	Purpose of the project is to complete a feasibility study regarding the renovation and construction of an addition to the recreational building. Task order form for a recreation building addition feasibility study has been forward to LCMF. City of Barrow is requesting that work on the feasibility study be completed by February 1, 2006.
04-N-02 6/30/06	Barrow PB	Multi-Purpose Facility Equipment Purchase	53,719	21,371.91	09/30/05	32,347.09	Purpose of this project is to upgrade and expand existing public services currently provided at the Roller Rink by purchasing necessary equipment and supplies. RFP for sound system upgrade and procurement of materials to create an acoustic 'sweet spot' in roller rink.
04-N-23 06/30/05	Barrow PB	Public Facilities Operations & Maintenance	420,705	420,705	09/30/05	0.00	Purpose of this project is to fund in part the O&M costs for the following public facilities in Barrow: City Hall, Recreational Building, Community Center, Youth Center, Roller Rink, Ice Rink and outdoor playgrounds. This grant will also cover O&M costs for the maintenance department and the Summer Youth Program. Summer Youth Program successfully closed out. The city continues to provide quality recreation, boat harbor, cemetery, and self governance services to the citizens of Barrow.

Prepared by DCCED  
Rev. 11-1-05

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-24 6/30/06	Barrow PB	Quest Mentorship Program/KF,BW	265,000	217,164.48	04/30/05	47,835.52	Purpose of this grant is to fund the Quest Mentorship Program through KBRW AM/FM radio station.
04-N-25 6/30/06	Barrow PB	Additional Road to Cemetery	44,230	32,481.95	09/30/05	11,748.05	Purpose of this project is to construct a one-quarter mile road, drainage culverts and shoulder work to gain access to the cemetery. Native Village of Barrow has been contracted to level the cemetery, fill in stagnant water holes with gravel and construct a gravel road with one main artery and two narrower arms.
05-N-01 6/30/07	Barrow PB	Tuzzy Library	180,000	26,310.75	05/31/05	153,689.25	Tuzzy Library is a consortium comprised of COB, NSB and Ilisagvik College. Purpose of this project is to hire a full-time Library Technician to provide general library services with a focus on children and Inupiat culture. Funds will also pay for supplies/materials and training/travel opportunities for the Technician. A short break in the program was called as the Technician went on vacation and the summer reading program and city recreation programs were scheduled for June.
06-N-03 6/30/06	Barrow PB	Basic Local Government Operations	1,385,843	262,689.06	9/30/05	1,122,853.94	Purpose of this project is to provide the City with funding for continued operations and maintenance of essential public services. The City of Barrow continues to operate every day, providing quality recreation and community services for the residents of Barrow and visitors of Barrow.
06-N-04 12/31/06	Barrow PB	City Hall Building Addition Feasibility Study	69,413	0	9/30/05	69,413	City of Barrow lawyers have been instructed to draft resolutions for the City Council to pass so they may award this contract to local architectural and engineering firm ASCG.
06-N-05 6/30/06	Barrow PB	City Impound & Disposal Site Project	174,389	0	9/30/05	174,389.00	RPF for construction of a 120 X 200 gravel pad, lined w/ty-barr and styroboard and filled w/2feet of gravel netted one bid from SKW Eskimos Inc. Construction to being in October. City requested to amend budget, email amendment for signature 11/9.
06-N-06 12/31/06	Barrow PB	Roller Rink Renovation Feasibility Study	63,556	0	9/30/05	63,556	City of Barrow lawyers have been instructed to draft resolution for the City Council so they may award this contract to local architectural and engineering firm ASCG.

**NPRA GRANT STATUS REPORT for NUIOSUT AS OF 11/1/05**

GRANT ADMINISTRATOR (GA): Judy Haymaker

Grant status is current as of the last approved Financial/Progress Report received.

"As of" column notes the report period end date of the most current Financial/Progress Report.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
00/4-25 6/30/06	NSB JH	Nuiqsut Natural Gas Piping Distribution System	3,800,000	3,037,121.71	09/30/05	762,878.29	The distribution system will connect to the planned gas processing equipment at the termination of the existing gas pipeline between the Phillips Petroleum Alpine facility and Nuiqsut. Work on the below ground distribution system is complete. The construction contract for below ground work has been closed out. Remaining work includes procurement and installation of individual gas meters, service pressure regulators, and mounting hardware for each service location. This work will be accomplished concurrently with the conversion work after the natural gas system has been tested and is certified as ready as fully operational. An amendment was requested of DCCED in order to have the budgeted amounts in line with the expenditures.
00/4-26 6/30/06	NSB JH	Nuiqsut Natural Gas Conversion	2,200,000	236,499.03	09/30/05	1,963,500.97	This project will convert homes, public facilities and private buildings from fuel oil equipment to natural gas fired equipment. Design work is complete. Work will be bid when schedule for complete system regulatory approval, commissioning, startup and testing has been established. An amendment requested of DCCED in order to budget with actual expenditures.
00-N-27 6/30/06	NSB JH	Nuiqsut Natural Gas Pipeline	1,580,000	16,896.66	09/30/05	1,563,103.34	This grant utilizes funds from five FY00 grants originally awarded to the City of Nuiqsut (00/4-18, 19, 20, 23 & 24). In 10/03 the City agreed to close the grants with no further expenditures and transfer the funds to NSB to administer on their behalf. NSB decided in 8/04 to proceed with two projects- this one and 00-N-28. The purpose of this project is to complete final installation and start-up of the entire natural gas system from the natural gas processing module at the Alpine Oil production facility pad to the in-village gas distribution system in Nuiqsut. Contract has been let for commissioning. This includes technical support during regulatory approval process, assembly of complete system operations and maintenance manuals, development of standard operating procedures, development and installation of automated communication system between the Alpine operators and the in-village operators, final completion of modules at each end of the system, and coordination and oversight of the startup and testing period. An in-house analysis of operating options is underway. Once complete the information will be used to determine whether to provide in-house operating staff or contract day-to-day operations.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
00-N-28 6/30/06	NSB JH	Nuiqsut City Hall/Kisik Center Renovation	943,752.62	0	09/30/05	943,752.62	See above comments for 00-N-27. The purpose of this project is to renovate the Nuiqsut Community Center. Renovations will be primarily mechanical and electrical along with miscellaneous work to correct code deficiencies and upgrade the aging facility where necessary. A 1,500 SF addition will also be constructed with grant funds. A professional services contract is in place with ASCG to design the required renovation and multipurpose room addition. This contract includes the construction mgmt., inspections, etc. The total amount of the contract is \$85K. ASCG has completed their initial site visit and provided a deficiency report and recommendations. This report has been submitted to the Nuiqsut City Manager for comments. Today the 35% conceptual design drawings and estimates were received. There are plans to meet with the Design Engineers in Nuiqsut to review with the City Staff later this month. The 95% drawings are scheduled for delivery in November. Once all parties are in agreement, the job will be bid. (Probably around the first of the year.) Construction should begin in late Spring 2006.
01-N-07 pending 6/30/05	NSB JH	Nuiqsut Cultural Center O&M	288,000				This grant was originally awarded to the City of Nuiqsut who agreed in 10/03 to transfer the grant to NSB to administer on their behalf. Grant funds were originally requested for staff, equipment & operations for a facility that does not exist yet. This grant is still being negotiated with NSB. A letter was sent 4/12/04 requesting clarification on the scope of work and budget. Periodic reminders have been sent requesting the status. NSB grants staff claim they were busy working on FY06 NPRA grant applications and planned to respond in early 2005.
01-N-08 6/30/06	NSB JH	Nuiqsut Teen Center O&M	121,310	100,621.27	08/31/05	20,688.73	Usership continues to be high. *Expenditures were for City of Nuiqsut for the months of March – June, but NSB processed the reimbursements for these during August. Waiting on report from Jan Ames.
01-N-09 pending 6/30/05	NSB JH	Nuiqsut Wooden Deck Ball Court	30,000				This grant was originally awarded to the City of Nuiqsut who agreed in 10/03 to transfer the grant to NSB to administer on their behalf. Grant funds were originally requested to construct a 60'x60' outdoor basketball court. This grant is still being negotiated with NSB. A letter was sent 4/13/04 requesting clarification on the scope of work and budget. The letter also outlined the ASC funding contingency that a cover be built over the deck to protect it from the elements and decrease maintenance costs. The ASC also wanted to make sure the design takes into consideration the site soil conditions. NSB responded on 5/27/04 with concerns about adding a cover based on the limited budget. They requested approval to utilize plastic decking or other wood preservative

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
							products instead, which is acceptable (written approval sent on 6/2). NSB planned to proceed with obtaining cost estimates but no response has been received. A reminder was sent on 11/10/04 (see comment on 01-N-07 re: NSB's plans to respond).
01-N-10 pending 6/30/05	NSB JH	Nuiqsut Emergency Hunting Shelters	60,000				This grant was originally awarded to the City of Nuiqsut who agreed in October 2003 to transfer the grant to NSB to administer on their behalf. Grant funds originally requested to construct three 12'x12' kit cabins for hunters. This grant is still being negotiated with NSB. A letter was sent 4/12/04 requesting clarification on the scope of work and budget. NSB responded on 5/27/04 with a request to limit construction to two shelters given the limited budget; this was approved on 6/2. A reminder requesting the status was emailed on 11/10/04 (see comment on 01-N-07 re: NSB's plans to respond).
02-N-07 6/30/06	NSB JH	Nuiqsut Natural Gas Project (NNGP)	450,000	\$396,529.88	09/30/05	\$53,470.12	This is the next phase of the ongoing NNGP. These grant funds will be used to construct all downstream (Nuiqsut end) natural gas processing facilities and a supply line from the gas processing facilities to the power generation facility. Work is substantially complete. Electrical connections and minor interior electrical work remain. This work will be completed concurrently with system commissioning and startup.
04-N-03 6/30/06	NSB JH	Nuiqsut Natural Gas Upstream Conditioner	2,000,000	1,661,646.75	09/30/05	338,353.25	Funds will be used for construction of the upstream processing complex, the next phase of the overall Nuiqsut Natural Gas Project. Facility is substantially complete. Minor interior work remains including liquid containment areas, fire suppression system testing, gas built survey, desiccant loading, and final process hazard analysis. This work is underway. Completion will be coordinated with commission and system startup.
06-N-12 6/30/06	NSB JH	Nuiqsut Boat Ramp Project Analysis & Design	200,000	0		200,000	The purpose of this project is to conduct a feasibility study to determine options for a boat ramp design and to produce construction design for the preferred option. Report due for 7/1/05 - 10/31/05.

Grant # & Term Date	Grantee & GA	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
06-N-13 6/30/06	NSB JH	Nuiqsut Youth Center Operations & Maintenance	150,000	0	9/30/05	150,000	The purpose of this project is to provide the youth of City of Nuiqsut with a safe, supervised environment where they may take part in a variety of recreational and educational activities. Continuing program funded by #01-NPRA-08.
05-N-10 6/30/05	Nuiqsut JH	Local Government Operations	250,000	\$250,000	07/31/05	\$0	The purpose of this project is to pay labor/FB for a FT City Administrator; FT Program Assistant and PT Bookkeeper/City Clerk and PT Janitor as well as basic government operations. Overtime/payroll issues to be resolved. Report expended the remainder of the funds, zero balance remaining. Close-out amendment mailed to the City to officially close the grant.
06-N-07 6/30/06	Nuiqsut JH	Local Government Operations/ Cultural Coordinator	468,000	\$69,443.16	9/30/05	\$398,556.84	The purpose of this project is to funding for key administrative personnel positions and the new Cultural Coordinator position as well as other costs associated with the successful operation of a local government. 8/31/05 was the last day for the Nightwatch/Maintenance persons. Took on a temporary maintenance/laborer person through the North Slope Borough Mayor's Job Program. The floor tile for the City Hall has been laid down in the outside entrance. Office supplies were ordered. Hired a new cultural coordinator and she is to start 10/1/05.

## GARY WILKEN

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## SPONSOR STATEMENT

### Senate Bill 171 NPR-A Community Grant Program

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Senate Bill 171 examines the National Petroleum Reserve -- Alaska (NPR-A) Mitigation Grant Program administered by the Department of Commerce, Community, and Economic Development (DCCED) and modifies the selection process to provide for active oversight by the legislature.

The bounty of NPR-A is thought by many to match or exceed the oil and gas deposits found at Prudhoe Bay or Kuparuk. As was mentioned in the *Anchorage Daily News*, February 15, 2005, "(The) Bureau of Land Management estimates NPR-A northeast corner could hold more than 2 billion barrels of crude oil and 3.5 trillion cubic feet of natural gas." All Alaskans look forward to the time when they can enjoy the benefits of reasonable and responsible development of these natural resources.

When members of the United State Congress authorized competitive leases in NPR-A in 1980, they recognized that development in the petroleum reserve might severely impact communities in or near the area. The federal legislation directed that the revenue generated through NPR-A development be used first to mitigate direct impacts, if any, to municipalities, and then by the rest of the State of Alaska. This federal directive in 1980 created two troubling issues that today pose significant problems.

First, the federal legislation is in direct conflict with the Alaska State Constitution. The State of Alaska receives from the federal government 50 percent of royalties and lease payments from the oil and gas development in

NPR-A. As required by federal law, these funds are available, before consideration of any other public purpose, to communities that demonstrate impact from resource development in NPR-A. This directive is at odds with Article IX, Section 15 of our constitution.

*"At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund."*

Senate Bill 171 recognizes this unsettling conflict, but does not overtly address or remedy the conflict between our State Constitution and federal law. This issue, while bothersome, is set aside for another day. Instead, this legislation speaks to the second troublesome issue of how the federal NPR-A payments are distributed to Alaska communities that may be severely impacted by oil and gas development within the National Petroleum Reserve. With the sizeable increase in NPR-A lease payments since 2000 and with the clear expectation of future and profitable growth, now is the time to revisit how the NPR-A payments are distributed and why. It is the charge of the legislature to devise a method to fairly allocate the financial benefits of NPR-A to all citizens of Alaska while, at the same time, recognize and mitigate the direct impact of development on certain communities as required by federal law.

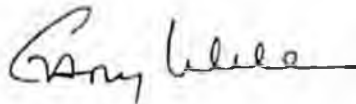
In response to a 1986 Alaska Superior Court decision, Senate Bill 171 sets in place a system to grant impact assistance to municipalities most directly or severely impacted by oil and gas activity within the National Petroleum Reserve – Alaska. First, the Department of Commerce, Community, and Economic Development shall review and conduct a preliminary evaluation of each grant application to determine whether the community can demonstrate *"extraordinary municipal and educational operating expenditure: attributable to oil and gas development in NPR-A that are beyond the municipality's reasonable capability to meet."* (See SB 171, page 3, lines 3-6) The department will submit a list of all qualifying projects to the legislature.

Second, the Special Legislative Oil and Gas NPR-A Development Impact Review Committee, composed of three Senate finance members and three House of Representative finance members, will review the submitted applications and within 45 days forward the committee's recommendation to the respective finance committees for possible funding.

Third, twenty-five percent of the NPR-A payments will be deposited to the principal of the Alaska Permanent Fund and .5 percent to the Public School Trust Fund, as required in AS 37.14.110. If the amounts awarded to qualified municipalities as grants exceed the available money, each deposit in the previously mentioned funds and each grant will be reduced proportionately.

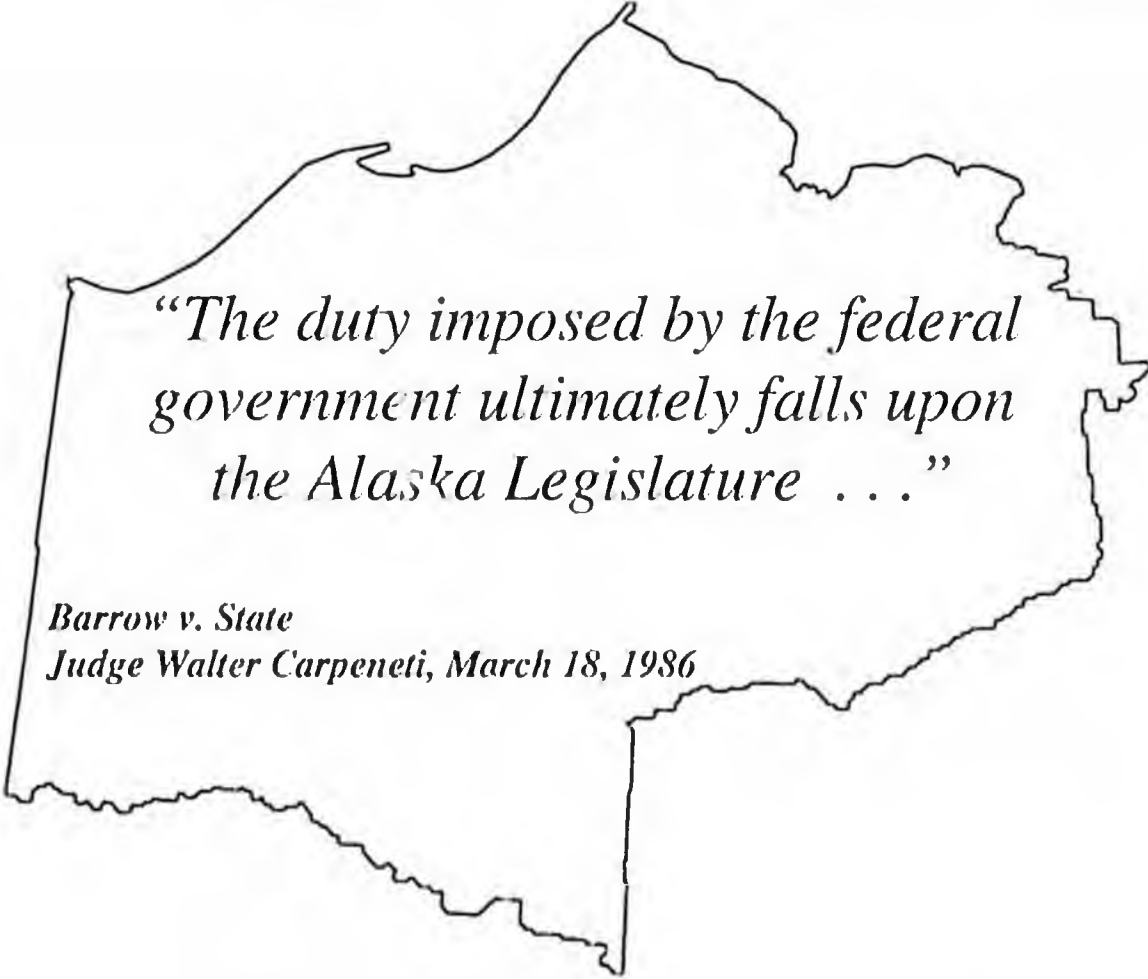
And last, a successful grantee shall submit to the Department of Commerce, Community, and Economic Development a financial report and a copy of an independent audit or review covering any previous grants before any subsequent grants are awarded.

I would appreciate your support for Senate Bill 171.

A handwritten signature in cursive script, appearing to read "Gary Lunde".

# NPR-A Impact Mitigation Program

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*“The duty imposed by the federal government ultimately falls upon the Alaska Legislature . . . .”*

*Barrow v. State  
Judge Walter Carpeneti, March 18, 1986*

Senate Bill 171

Sponsored by Garv Wilken [akrepublicans.org/wilken](http://akrepublicans.org/wilken)

## NPR-A Impact Mitigation Program

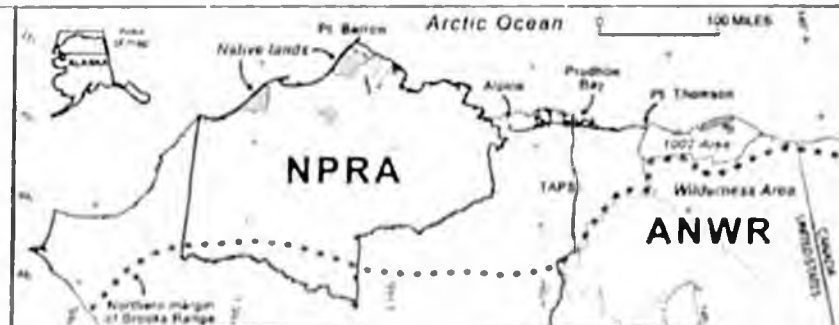
Alaska Constitution vs. Alaska Statute

Current Impact Mitigation Program

Importance of "Impact"

Senate Bill 171

## National Petroleum Reserve – AK



- 23.5 million-acre petroleum reserve (= Indiana)
- NW third of Alaska's arctic between the Brooks Range and the Arctic Ocean

## The history of NPR-A

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- 1923 President Warren Harding established the Naval Petroleum Reserve
- 1976 Dept of Interior assumed jurisdiction and changed the name
- 1980 Congress addressed changes to National Petroleum Reserve - AK

## Changes in 1980

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- Congress authorized competitive leases in NPR-A (42 U.S.C., Sec. 6508)
- Federal law cleared the way for the private development of NPR-A resources
- State of Alaska to receive 50% of the total revenue from NPR-A leases

## The legislature responded

To the new federal law: *"The State is required to give priority to communities "most directly or severely impacted" by development."*

- Established an NPR-A Special Revenue Fund within the Dept of Revenue (CS SB 835 am II, 1982)
  - Half of NPR-A receipts appropriated to communities affected by leasing
  - Other half available for state appropriation

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## But Gov. Hammond Vetoed

*"The dedication of such federal monies appears to be . . . inconsistent with the dedication of revenue to the Alaska Permanent Fund."*  
Governor Hammond, Veto Message, June 24, 1982

### Alaska State Constitution

Article IX Section 15

Alaska Permanent Fund

"At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund." (Adopted in 1976)

## And so the legislature . . .

*Without a specific state law on the books . . .*

- Received \$48.6M during the early 1980s
- Deposited half of the State's share into the Permanent Fund and .5% to the Public School Fund
- Deposited the remainder of the funds in the General Fund

## Calculation by Alaska Constitution

*In 1982, the Legislature appropriated the NPR-A receipts according to the Alaska State Constitution*

NPR-A Receipts	\$48,600.0
50% of gross receipts to Perm Fund	<\$24,300.0>
.5 of gross receipts to Public School Trust	<\$243.0>
Available to General Fund for Impacted Communities	\$24,057.0

## But what about the federal law?

- In 1985, the North Slope Borough and NPR-A communities sued the state
- The plaintiffs wanted:
  - ❶ A "rational process" for communities to apply for the grants
  - ❷ Declaration that all NPR-A funds be automatically deposited into the special revenue fund and available for grants
  - ❸ A system to separately account the receipt of NPR-A funds and to reconstitute the special revenue fund

## The Superior Court said . . .

*Barrow v. State, Alaska Superior Court, Judge Walter Carpenetti  
March 18, 1986*

- ❶ The State is required to establish a system to grant impact assistance to subdivisions most directly or severely impacted by NPR-A activity.
- ❷ Automatic deposits into the Permanent Fund and General Fund violates the federal law.
- ❸ Under the supremacy clause of the federal constitution, federal law controls.

## The legislature listened

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- Adopted legislation to implement the court findings (CSHB 491(FIN), 1986)
  - Established the Impact Mitigation Program
  - Authorized DCCED to adopt regulations setting eligibility criteria for NPR-A grants
- Appropriated \$24.5 million to the NPR-A special revenue fund

Judge Carpeneti ruled that the NPR-A special revenue fund be reconstituted.  
The \$24.5 million payment was in response to this ruling.

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## Where did the money go?

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First and foremost,  
grants to four impacted communities

After that . . .

1. 50 percent to the principal of the Perm Fund
2. .5 percent to the Public School Trust Fund
3. Remaining amounts to the General Fund

**Note:** In 1999, HCS CSSB 157 (FIN) and H (1999) passed the legislature and requires a 25% deposit to the Permanent Fund and allows a deposit to the Power Cost Equalization fund before the General Fund.

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## Calculation by Alaska Statute

(AS 37.05.530(g))

*Conforms with 1980 federal law which conflicts with our Alaska Constitution*

NPR-A Federal Receipts	\$31,623.8
Grants to NPR-A Communities (DCCED Rec)	<\$24,706.5>
Net NPR-A Receipts	\$6,917.3
25% of Net Receipts to Permanent Fund	<\$1,729.3>
.5% of Net Receipts to Public School Trust	<\$34.6>
Available Receipts for PCE (May be approp )	\$5,153.4
Available for General Fund	Remainder (if any)

(Example uses requested FY06 numbers)

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## Comparison of Two Methods

<i>AK Constitution vs. AK Statutes</i>	AK Constitution Art. IX, Sec. 15	AK Statutes (per fed law)
NPR-A Federal Receipts	\$ 31,623.8	\$ 31,623.8
25% of <u>Gross</u> Repts to Perm Fund	<7,906.0>	
.5% of <u>Gross</u> Repts to School Fund	<158.1>	
Grants to Communities (DCCED Rec)	<23,559.7>	<24,706.5>
25% of <u>Net</u> Receipts to Perm Fund		<1,729.3>
.5% of <u>Net</u> Repts to School Fund		<34.6>
Available Repts for PCE (May Approp)	0.0	5,153.4
Available Receipts for GF	0.0	Remainder (if any)

Example uses requested FY06 amount.

## NPR-A Impact Mitigation Program

Alaska Constitution vs. Alaska Statute

Current Impact Mitigation Program

Importance of "Impact"

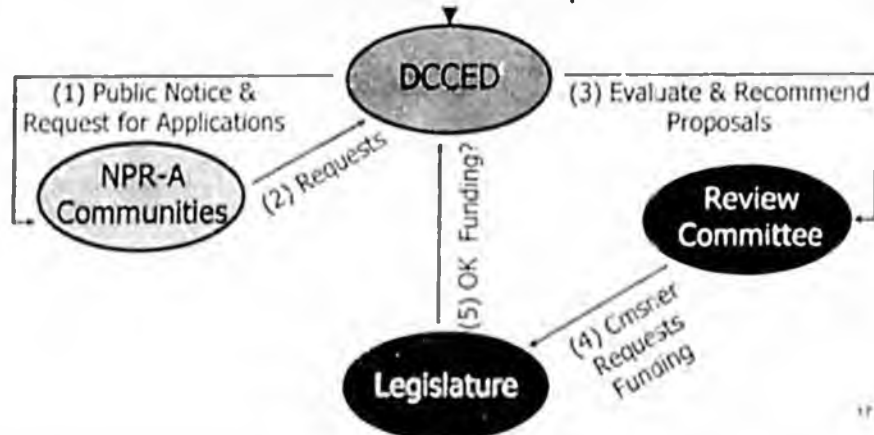
Senate Bill 171

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## The Current Mitigation Program

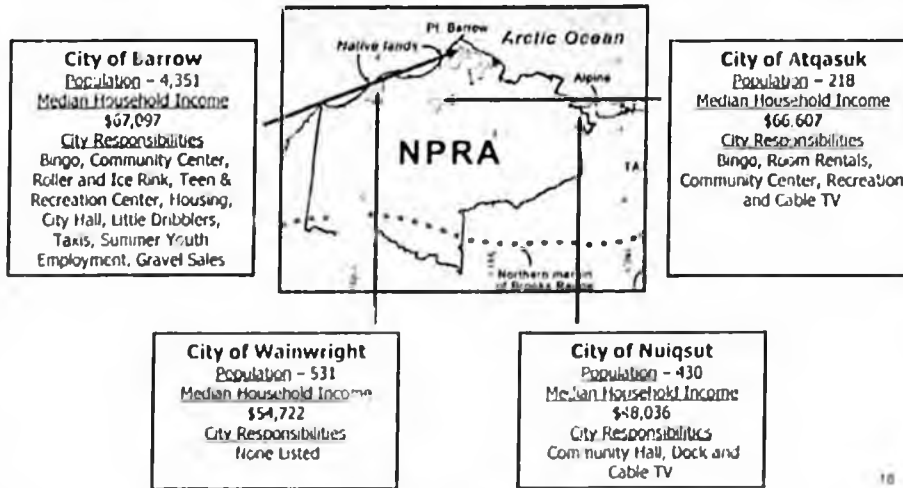
Committee Substitute for House Bill 491 (Hm), 1986

U.S. Dept of Interior notifies Dept. of Commerce,  
Community and Economic Development regarding possible  
NPR-A Federal Receipts



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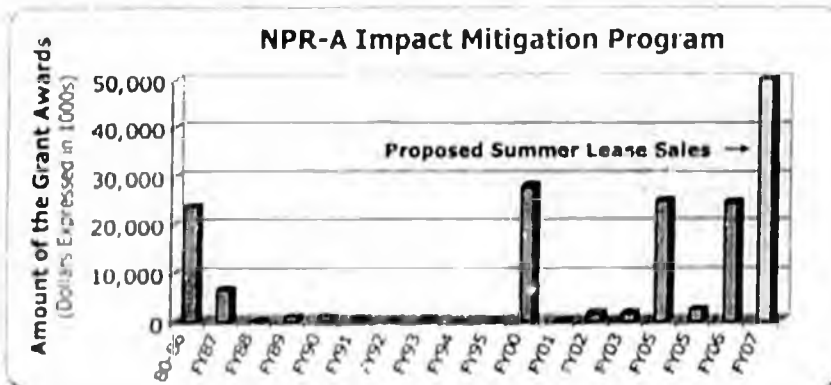
## Where are the communities?



Source: DCRD and Alaska Municipal League, Alaska Municipal Options Directory

## Total Distribution to Date

... and FY07 projections

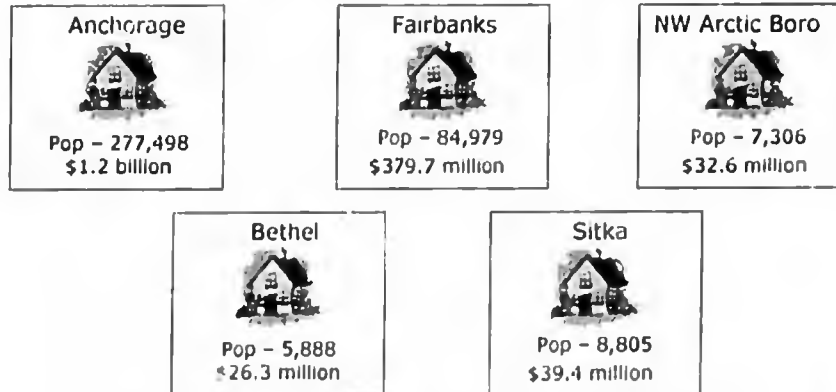


FY06 is the requested amount. FY07 is the projected amount from the proposed NPR-A summer lease sales.

Since 1980, a total of \$117,249,388 has been awarded to 4 communities. (Total includes the FY06 requested amount of \$24,700,500) (FY07 and FY91 include 5 communities)

## A Perspective in Statewide Terms

*What if* . . . the FY06 requested grant amount was computed on a per person basis, what would that mean for other AK communities on 7/1/05?



The FY06 requested amount, \$24,706,539, is divided by the total population of NPR-A grant recipients, 5,530, for a per person amount, \$4,468.

## NPR-A Impact Mitigation Program

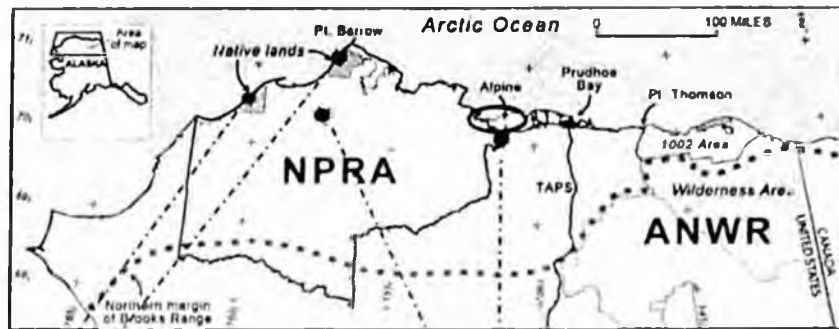
Alaska Constitution vs. Alaska Statute

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Senate Bill 171

## Where is NPR-A O&G Activity?



Proximity to Current NPR-A Oil and Gas Activity

- Wainwright ~ 220 miles
- Barrow ~ 160 miles
- Nuiqsut ~ 6 miles
- Atkasuk ~ 160 miles

## And the main O&G Activity?



National Petroleum Reserve - Alaska

## Today "IMPACT" is rated as a minimum consideration

FY01 NPR-A Impact Mitigation Program	FY03 NPR-A Impact Mitigation Program	FY05 NPR-A Impact Mitigation Program
<p><b>Basis for Recommendation</b></p> <p>Description – 15 points  <b>Impact – 50 points</b>            Budget – 15 points            Readiness – 15 points            Capability – 5 points</p>	<p><b>Basis for Recommendation</b></p> <p>Description – 30 points  <b>Impact – 30 points</b>            Budget – 20 points            Sustain – 15 points            Capability – 5 points</p>	<p><b>Basis for Recommendation</b></p> <p>Description – 25 points  <b>Impact – 25 points</b>            Budget – 20 points            Sustain – 20 points            Capability – 10 points</p>

As administered by the Department of Commerce, Community and Economic Development

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## What does the law say?

- Federal Law – 42 U.S.C. 6508
  - *In allocation of the NPR-A funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by the development of oil and gas leased in NPR-A.*
- Alaska State Law – AS 37.05.530
  - *A municipality may use the NPR-A funds only for services to alleviate the impact of oil and gas development within NPR-A.*
- Alaska Regulations – 3 AAC 150.050
  - *Impact means an effect reasonably attributable to NPR-A oil and gas activities under 42 U.S.C. 6508.*

(Requirements Added)

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## Regs Define Impact to Mean

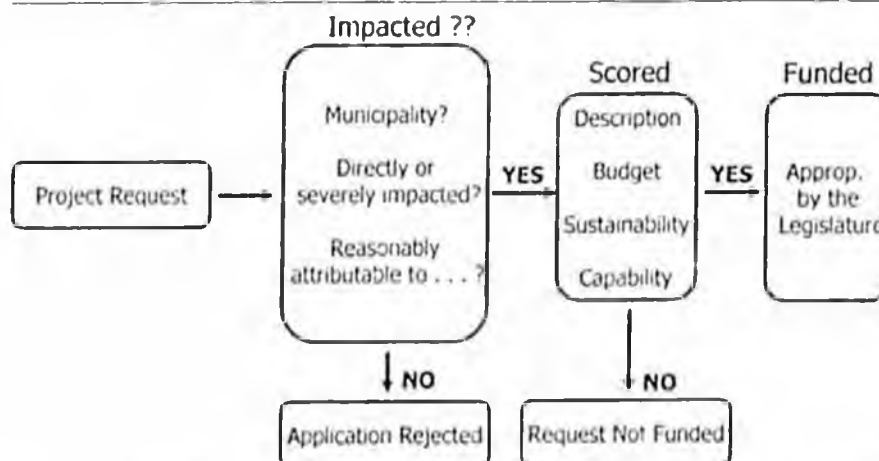
Reasonably attributable to NPR-A  
oil and gas activities on the following:

(3 AAC 150.050 - emphasis added)

- Population
- Employment
- Finances
- Social/Cultural Values
- Air & Water Quality
- Fish & Wildlife Habitat
- Ability to Provide Services
- Other Demonstrable Important Things

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## Impact is the First Criteria



*The State shall give priority to subdivisions of the State most directly or severely impacted (42 U.S.C. 6501)*

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## An example for review

Wainwright Lagoon Boat Launch - \$525,000 – *To replace or renovate the Wainwright Lagoon Boat Ramp*

"Impact" on	Applicant	But . . .
Population	"Construction of the oil production infrastructure and pipeline has driven up the growth of population."	The population of Wainwright has increased from 492 to 546 in 1990 – 2000.
Employment and Finances	"Due to decline in property tax revenues from aging oil and gas infrastructure, the Borough cannot financially help the community."	The reduction in revenue is not due to NPR-A development. In fact, NPR-A development will increase the borough revenues.

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## . . . and to continue

Wainwright Lagoon Boat Launch - \$525,000

"Impact" on	Applicant	But . . .
Social and Cultural Values	"The social disruption prompted by oil and gas development affects many traditional activities."	Wainwright is 220 miles from NPR-A development
Fish and Wildlife Habitat	"Access to hunting areas would change if oil development reduces the availability of subsistence resources."	Past experience at Prudhoe Bay has shown that O&G activities and wildlife can co-exist.

**Question:** Were the listed impacts reasonably attributable to oil and gas development within NPR-A?

A review committee of three rated "Impact" only 20 points out of 100, the project was recommended.

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## And another example. . .

City of Barrow Impound and Disposal Site Project - \$174,389

"Impact" on	Applicant	But . . .
Visual Resources	"Many of the abandoned vehicles that the City of Barrow has allowed people to dump on city land were brought to Barrow during the oil boom in the last quarter of the 20 <sup>th</sup> century."	The "oil boom" discussed was outside NPR-A. The impact must be " <i>reasonably attributable</i> " to oil and gas development within NPR-A.
None	No other impact was stated by the applicant	

**Question:** Was the listed impact reasonably attributable to oil and gas development within NPR-A?

The review committee rated "Impact" between 20 - 24 points out of 100; the project was recommended.

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## And another one . . .

Roller Rink Renovation Feasibility Study - \$63,556 - *To identify the costs to renovate the Barrow Roller Rink*

"Impact" on	Applicant	But . . .
Employment	"Although an estimated 4,000 jobs exist on the N. Slope in the O&G industry only a fraction are held by Inupiat."	The vast majority of the jobs in O&G industry are not <i>reasonably attributable</i> to NPR-A development.
Unemployment	"As the economic benefits of O&G development begin to decline, it leaves members less able to survive . . ."	The decline in O&G development is not in NPR-A; this petroleum reserve is just beginning to be explored.

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## ... and to continue

City of Barrow Roller Rink Renovation Feasibility Study - \$63,556

"Impact" on	Applicant	But ...
Social and Cultural Values	"The decline in subsistence resources due to NPR-A O&G development negatively impacts the Inupiat culture."	Studies are currently undertaken to determine the impact to wildlife, if any, to Barrow residents 160 miles from Alpine.
Public Services	Although the population has had a small net loss in the previous five years, the burden on the City of Barrow has not been reduced.	Most of the workers connected with NPR-A development reside on the oil company's production sites and not in local towns.

**Question:** Were the listed impacts reasonably attributable to oil and gas development within NPR-A?

A review committee of three rated "Impact" between 15-25 points out of 100; the project was recommended. 32

## Additional Concerns

- Grants are all funded as capital projects and the dollars do not lapse (AS 37.25.020)
  - But less than 40% of the grants are for capital projects (the majority of grants are for operating expenses)
- Funds are approved before old grants for the same purpose are expended ...
  - As an example of many grants, only 15% of an FY04 group operating grant of \$1,759,484 to survey wildlife is disbursed, but an FY06 grant for \$2,461,368 is recommended for the same purpose

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## To continue

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- Few grants follow timelines
  - Only 40% of grant funds scheduled for completion on 6/30/05 has been spent
- Awards are not based on successful completion of previous grants

FY00



Nuiqsut Cultural Center Construction  
\$939,800 – Not Started as of 4/26/05

BUT

FY02

\$\$\$

Nuiqsut Cultural Center Operating  
\$288,000

These grants funds will be used for new projects without notice to or approval from the legislature. <sup>24</sup>

## NPR-A

### Impact Mitigation Program

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Alaska Constitution vs. Alaska Statute

Current Impact Mitigation Program

Importance of "Impact"

Senate Bill 171

## Now is the time

To listen to the Alaska Superior Court ( *Barrow v. State*, March 18, 1986)

"The duty imposed by the federal government ultimately falls upon the Alaska Legislature and it includes the duties to examine the claimed needs of the subdivisions arising from oil and gas development impacts, to evaluate them and, if the claimed needs are found to exist, to rate them in order of priority, and to meet them out of NPR-A revenues."

(Emphasis Added)

## Legislature has authority . . .

1. To examine the claims for financial assistance
2. To evaluate and rank the grant requests
3. To determine the appropriate amount of NPR-A revenue for use by impacted municipalities
4. To determine the specific projects that are funded

Legal Services memorandum, March 18, 2005

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## Senate Bill 171

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*"It is the intent of the legislature to provide temporary emergency financial assistance to municipalities for the purpose of meeting certain extraordinary operating and capital improvement expenditures necessitated by NPR-A oil and gas development."* (Section 1. LEGISLATIVE INTENT in the proposed legislation)

- Establishes a Legislative Impact Review Committee (composed of 3 finance members of each body)
  - Consults with DCCED and then approves and forwards grant recommendations to respective finance committees

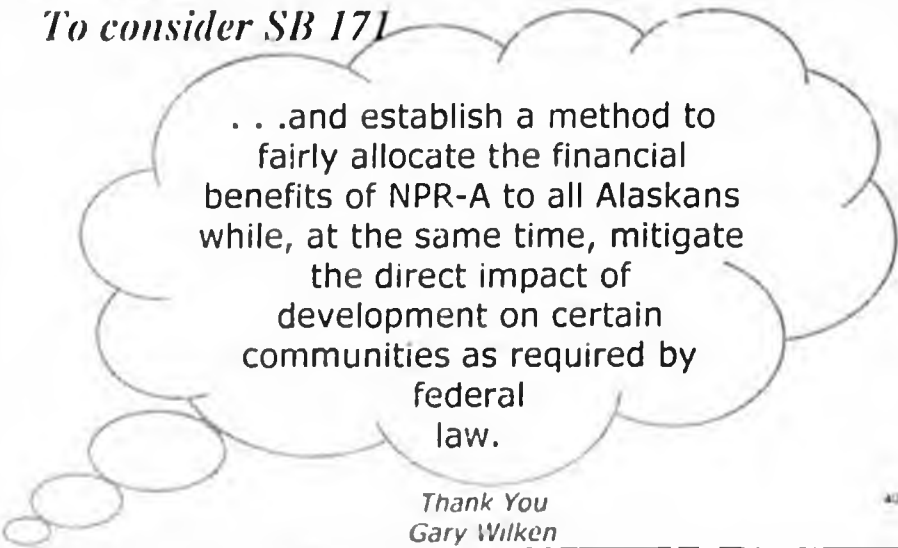
## And to continue

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- Deposits to unique funds are based on the total federal NPR-A receipts
  - Perm Fund and Public School Trust
- Grants are awarded for one year, unless otherwise noted
- Lapse money is appropriated to the Permanent Fund, School Trust, or General Fund

**Now is the time . . .**

*To consider SB 171*

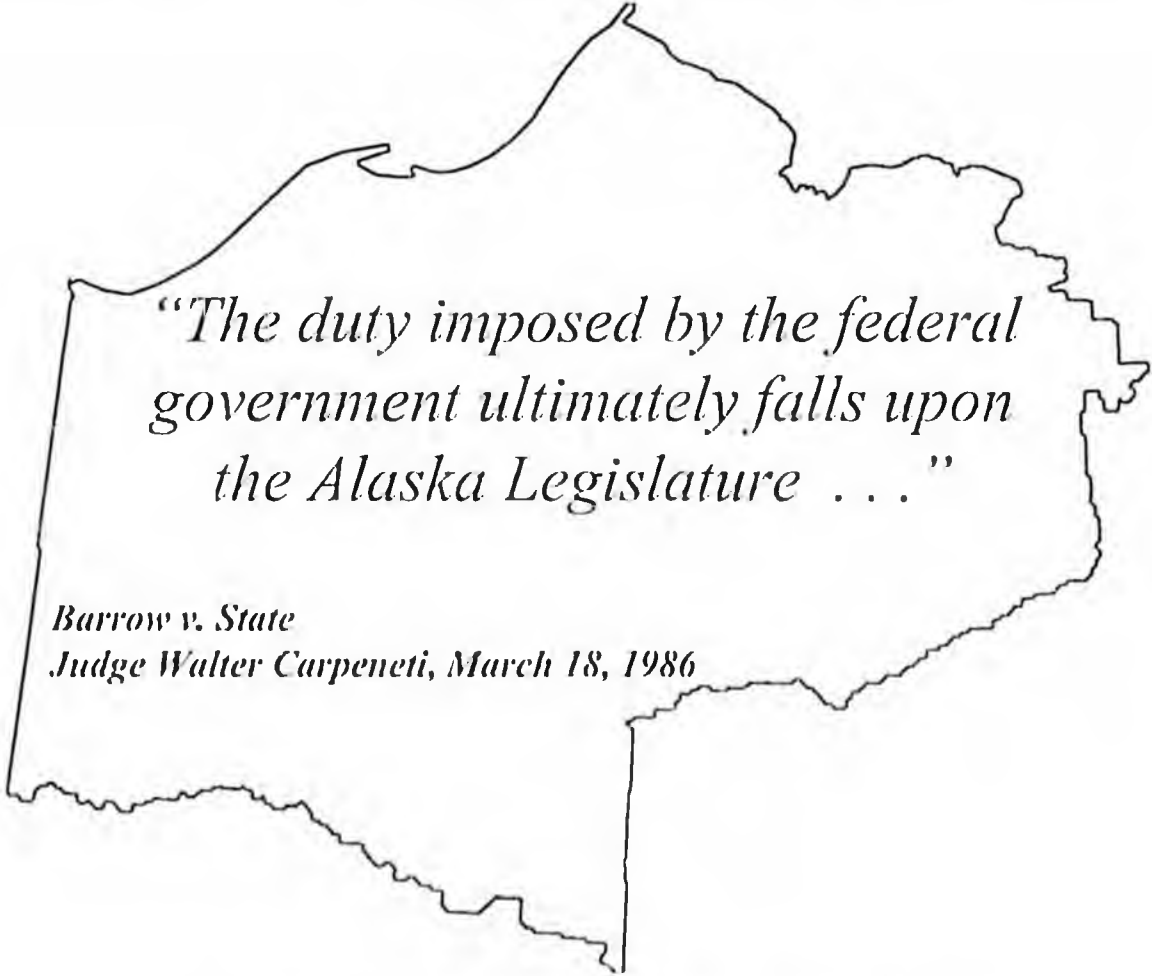


. . .and establish a method to  
fairly allocate the financial  
benefits of NPR-A to all Alaskans  
while, at the same time, mitigate  
the direct impact of  
development on certain  
communities as required by  
federal  
law.

*Thank You  
Gary Wilken*

# Senate Bill 171

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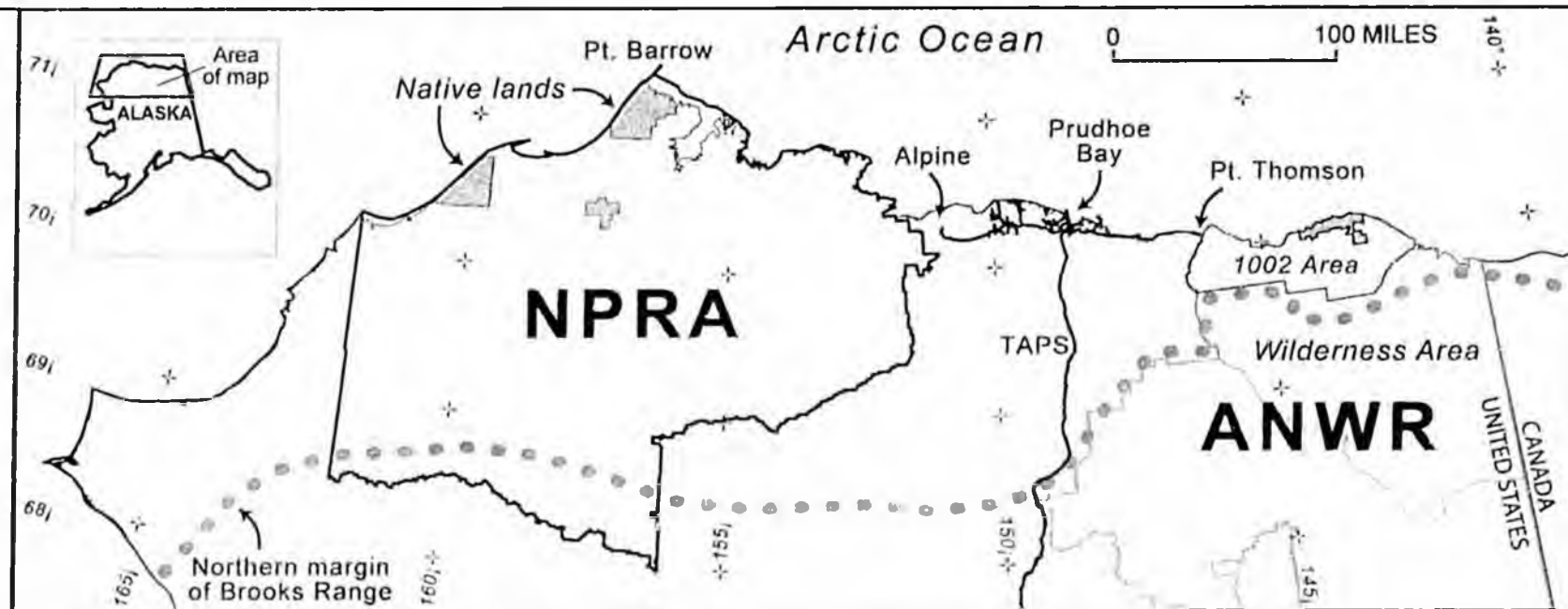
*“The duty imposed by the federal government ultimately falls upon the Alaska Legislature . . . .”*

*Barrow v. State  
Judge Walter Carpeneti, March 18, 1986*

Sponsored by Gary Wilken [akrepublicans.org/wilken](http://akrepublicans.org/wilken)

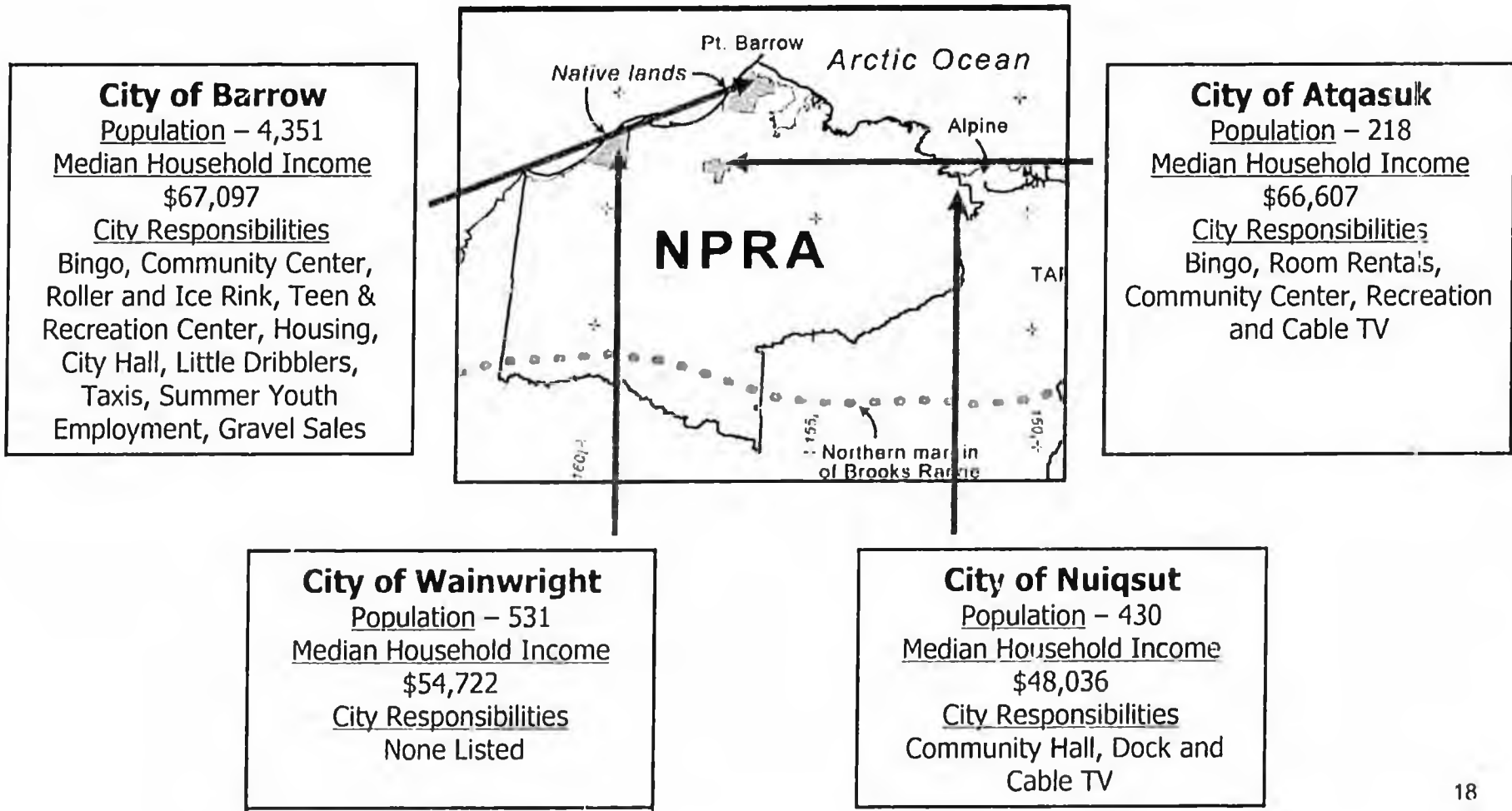
1/26/06

# National Petroleum Reserve – AK



- 23.5 million-acre petroleum reserve (~ Indiana)
- NW third of Alaska's arctic between the Brooks Range and the Arctic Ocean

# Where are the communities?



Source: DCCED and Alaska Municipal League – *Alaska Municipal Officials Directory*

# What does the law say?

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## □ Federal Law – 42 U.S.C. 6508

- *In allocation of the NPR-A funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by the development of oil and gas leased in NPR-A.*

## □ Alaska State Law – AS 37.05.530

- *A municipality may use the NPR-A funds only for services to alleviate the impact of oil and gas development within NPR-A.*

## □ Alaska Regulations – 3 AAC 150.050

- *Impact means an effect reasonably attributable to NPR-A oil and gas activities under 42 U.S.C. 6508.*

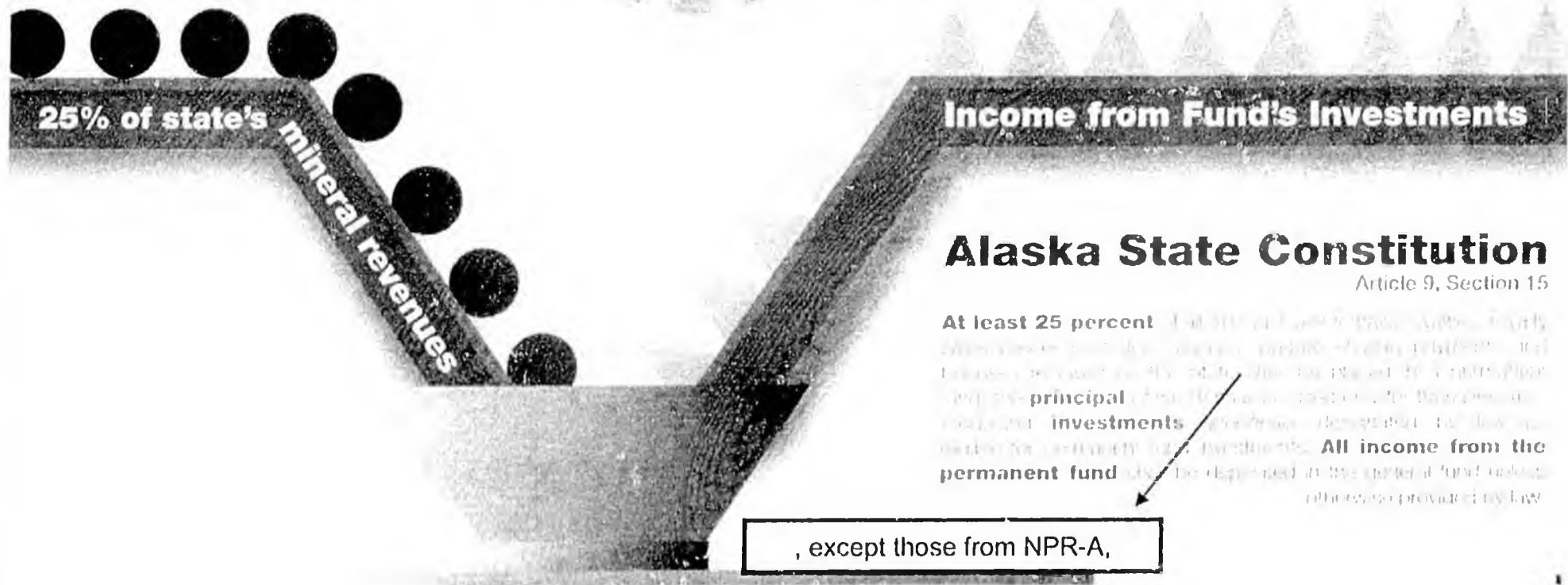
(Emphasis Added)

Alaska Permanent Fund Corporation

2006

# Fund Works

Investing in your future



25% of state's

mineral revenues

Income from Fund's Investments

## Alaska State Constitution

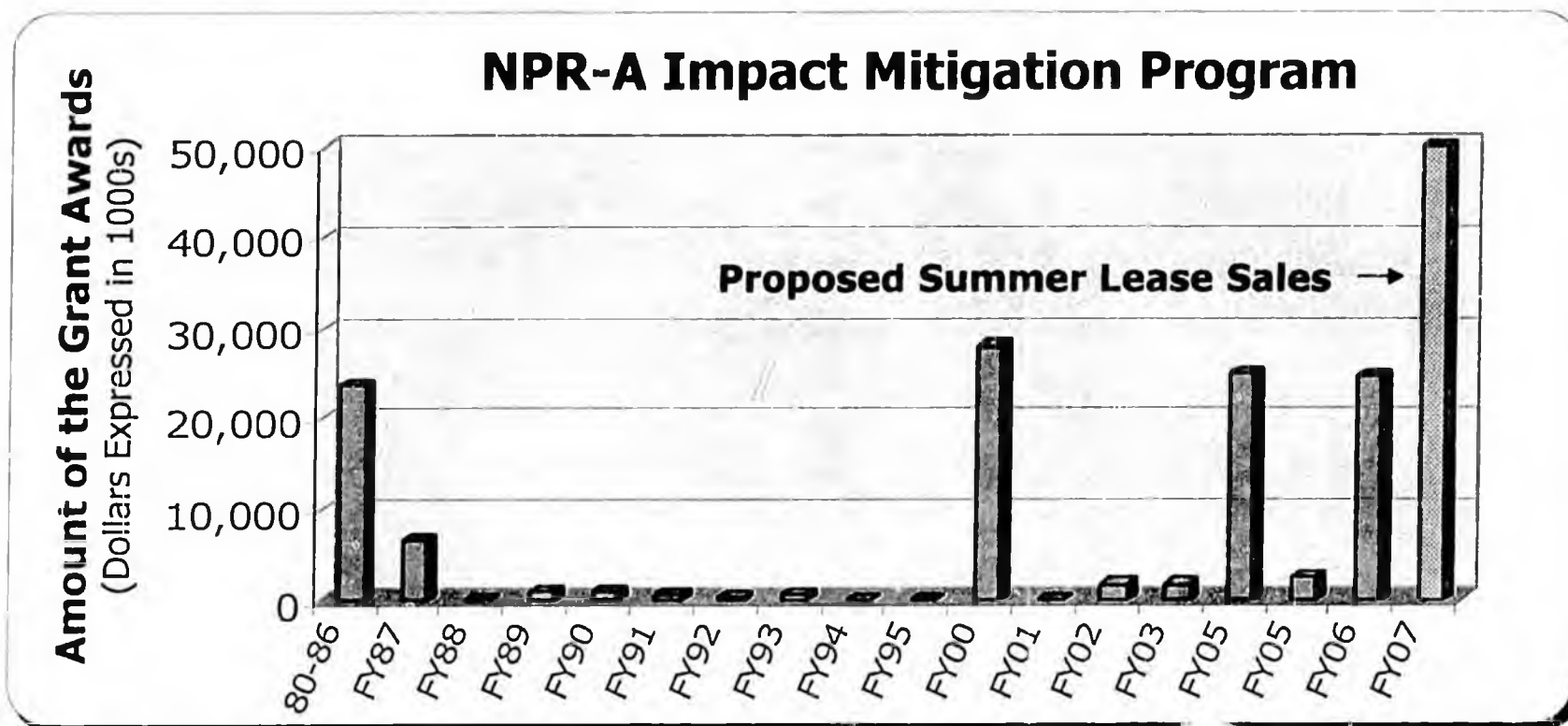
Article 9, Section 15

At least 25 percent of the net proceeds from the sale of oil, gas, coal, and other minerals shall be deposited in the permanent fund. The principal of the permanent fund shall be invested in accordance with the provisions of this section. All income from the permanent fund shall be deposited in the capital fund unless otherwise provided by law.

, except those from NPR-A,

# Total Distribution to Date

... and FY07 projections




FY06 is the requested amount. FY07 is the projected amount from the proposed -A summer lease sales.

Since 1980, a total of **\$117,249,388** has been awarded to 4 communities.<sup>19</sup>  
 (Total includes the FY06 requested amount of \$24,706,500) (FY87 and FY91 include 5 communities)

# A Perspective in Statewide Terms


*What if* . . . the FY06 requested grant amount was computed on a per person basis, what would that mean for other AK communities on 7/1/05?

Anchorage




Pop - 277,498  
\$1.2 billion

Fairbanks




Pop - 84,979  
\$379.7 million

NW Arctic Boro



Pop - 7,306  
\$32.6 million

Bethel



Pop - 5,888  
\$26.3 million

Sitka



Pop - 8,805  
\$39.4 million

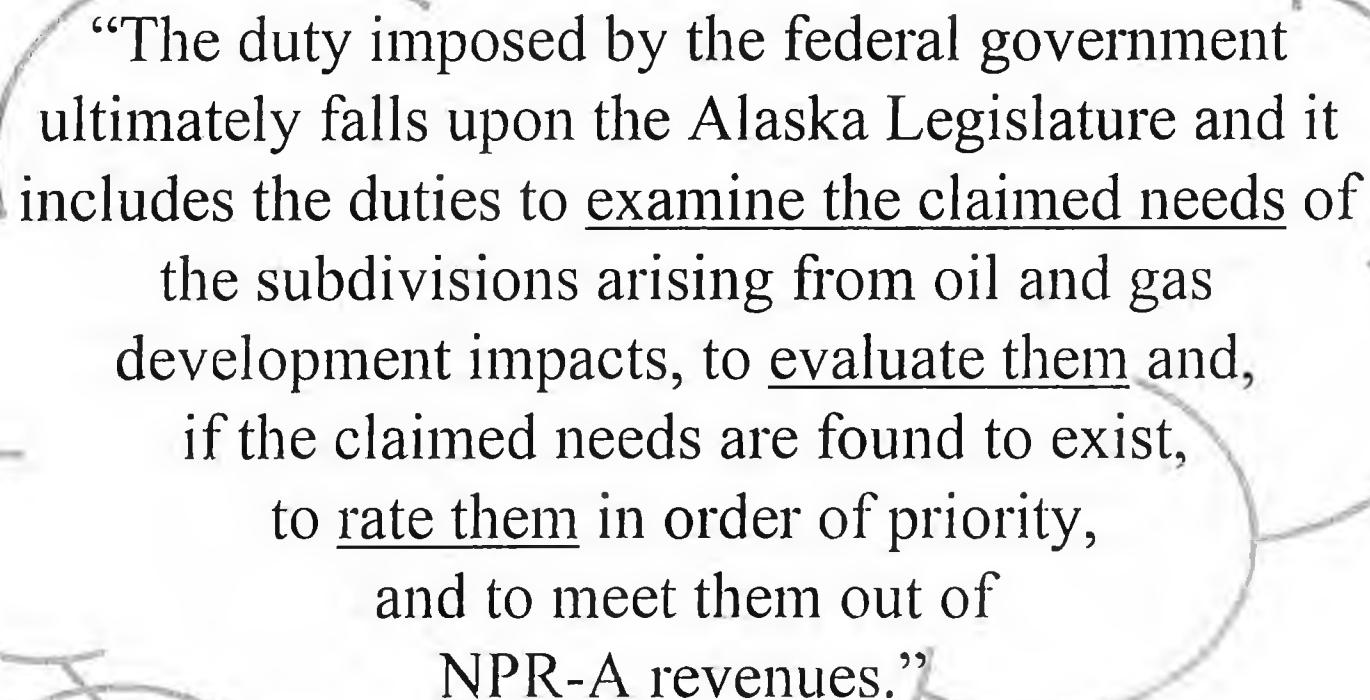
The FY06 requested amount, \$24,706,539, is divided by the total population of NPR-A grant recipients, 5,530, for a per person amount, \$4,468.



# Now is the time

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To listen to the Alaska Superior Court: ( *Barrow v. State*, March 18, 1986)



“The duty imposed by the federal government ultimately falls upon the Alaska Legislature and it includes the duties to examine the claimed needs of the subdivisions arising from oil and gas development impacts, to evaluate them and, if the claimed needs are found to exist, to rate them in order of priority, and to meet them out of NPR-A revenues.”

(Emphasis Added)

**NPRA GRANT STATUS REPORT AS OF 12/31/04**

GRANTS ADMINISTRATORS: JEAN MASON & JOLENE JULIAN

Grant status is current as of the last approved Financial/Progress Report received.

"As of" column notes the report period end date of the most current Financial/Progress Report.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-21 6/30/06	Atqasuk	Local Government/ Comm. Center O&M	368,621	177,709.02	12/31/04	190,911.98	This grant will supply in part the labor/FB for the administrator/clerk, asst. clerk, Recreation Director I & II, part-time janitor; maintenance and operation costs for the building which houses the city office and the recreation center; equipment, supplies & contractual for insurance, accountant & attorney fees. Operations normal.
00/4-12 6/30/05	Barrow	Renovate Teen Center & Community Center	1,000,000	164,948.11	11/30/04	835,051.89	New Mayor elected in October. Property Manager (PM) hired who has been collecting and reviewing all engineering/grant/contractual documents pertaining to this project. Grantee reported in Nov. that there was a fire in the ventilation system due to excess dust. This occurred during school hours – no children were present. COB maintenance crew cleared out vents and changed air filters and the club reopened same day. PM is working with Fire Marshal to identify necessary renovations to the Teen and Community Centers.
00/4-13 6/30/05	Barrow	Design, Construct & Purchase Boat Ramp	1,000,000	696,708.78	11/30/04	302,291.22	City is working with local engineering firm, LCMF, which has been retained to provide technical assistance on City projects.
00/4-14 6/30/05	Barrow	Construct Maintenance Building	630,000	122,827.80 Advance = \$27,655.75	11/30/04	507,172.20	One bid received for pre-fab building. The area originally engineered for building was designated as part of the Piuraagvik Recreation Park in 1985 and cannot be used. A meeting with LCMF engineering firm is scheduled for 12/10/04.
02-N-03 6/30/06	Barrow	Public Facilities O&M	350,000	230,620.33	08/31/04	119,379.67	Purpose of project is to fund in part the maintenance and operation of recreational and public facilities and to fund the Summer Youth Program that the City sponsors annually. Operations normal. Lateness for reporting is due to changes being made to accounting procedures.
04-N-01 6/30/05	Barrow	Recreation Bldg. Addition Feasibility	40,000	0.00	11/30/04	40,000.00	Purpose of the project is to complete a feasibility study regarding the renovation and construction of an addition to the recreational building. Meeting is scheduled with LCMF engineers/administrators.

Prepared by DCCED

SB 171

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-02 6/30/05	Barrow	Renovate Multi-Purpose Facility	53,719	14,192.11	11/30/04	39,526.89	Purpose of this project is to upgrade and expand existing public services currently provided at the Roller Rink by purchasing necessary equipment and supplies.
04-N-22 6/30/05	Barrow	Basic Local Government O&M	1,309,806	1,081,575.55	08/31/04	228,230.45	Purpose of this project is to fund in part the operation and maintenance of the city council, administration and recreation departments. Expenditures to date include travel and training, parts and supplies, software purchase and support service fees, and wages/benefits. Materials/supplies purchase includes new cordless telephone system for the Recreation Center and a new sound system for the Council chambers. Lateness for reporting is due to changes being made to accounting procedures.
04-N-23 pending	Barrow	Public Facilities O&M	420,705	0.00	5/31/04	420,705.00	This grant is under agreement but funds will not be released until 02-N-03 for the same purpose is closed. Purpose of this project is to fund in part the operation and maintenance costs for the following public facilities in Barrow: City Hall, Recreational Building, Community Center, Youth Center, Roller Rink, Ice Rink and outdoor playgrounds. This grant will also cover O&M costs for the maintenance department and the Summer Youth Program.
04-N-24 6/30/05	Barrow	Quest Mentorship Program/KRBW	265,000	147,401.09	11/30/04	117,598.91	Purpose of this grant is to fund the Quest Mentorship Program through KBRW AM/FM radio station. Since July two interns have left program, recruitment held and two new interns hired. Interns assisted in many aspects of conducting KBRW's annual fund drive, "Drive-to-Thrive".
04-N-25 6/30/05	Barrow	Additional Road to Cemetery	44,230	1,880.48	11/30/04	42,349.52	Purpose of this project is to construct a one-quarter mile road, drainage culverts and shoulder work to gain access to the cemetery. Grant funds will be used for design, materials, freight, supplies and labor costs. Cemetery needs to be surveyed and drainage professionally determined. Mayor is negotiating with local engineering firm for technical assistance with City's Capital Improvement Projects.
05-N-01 6/30/07	Barrow	Tuzzy Library	180,000	0.00	11/30/04	180,000	Tuzzy Library is a consortium comprised of COB, NSB, and Ilisagvik College. Purpose of this project is to hire a full-time Library Technician to provide general library services with a focus on children and Inupiat culture. Funds will also pay for supplies/materials and training/travel opportunities for the Technician. This period a MOA was executed between COB and Ilisagvik College, who provides library services management for Tuzzy Library.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
00/4-01 6/30/05	NSB	Village Power Plant Upgrades, Electrical Distribution System & Waste Heat Upgrades	10,069,367	9,882,187.21	12/31/04	187,179.79	Wainwright, Atkasuk, Nuiqsut projects are complete except final billings and new power grid insulators needed for Electrical Distribution. Projects all complete, awaiting change order to expend the remaining funds.
00/4-02 6/30/05	NSB	All Infrastructure Services Study  After award, a change to the scope was approved from an "all-encompassing" study to preparing individual plans related to the original scope of work.	1,500,000	1,230,940.99	12/31/04	269,059.01	All proposed contracts require GA approval prior to execution. <b>Approved plans</b> include the following: Infrastructure Services Study @ \$70,000, complete; Coastal Mgmt Program Update @ \$150,000 terminated; ANCSA 14c Study @ \$25,000, completed; Jobs Survey @ \$95,000, completed; Fuel Containment Solutions @ \$200,000, completed; Domestic Violence Impact & Needs Study @ \$70,000, in progress; Comprehensive Plan @ \$108,500, in progress; Thermal Oxidation System Feasibility @ \$150,000, in progress; Magnesium Flake Dust Control Study @ \$66,550, in progress; NSB Organizational Review @ \$275,000, in progress; Technology Review Study @ \$100,000, in progress; Transportation Plan @ \$300,000, in progress; Jobs Study II @ \$20,000, in progress.
00/4-25 6/30/05	NSB	Nuiqsut Natural Gas Piping Distribution System	3,800,000	2,911,780.71	12/31/04	888,219.29	The distribution system will connect to the planned gas processing equipment at the termination of the existing gas pipeline between the Phillips Petroleum Alpine facility and Nuiqsut. Construction/pipe distribution project is 95% complete. Remaining funds will be expended during commissioning phase – pipes and modules are scrubbed and the system started manually.
00/4-26 6/30/05	NSB	Nuiqsut Natural Gas Conversion	2,200,000	266,499.03	12/31/04	1,933,500.97	This project will convert homes, public facilities and private buildings from fuel oil equipment to natural gas fired equipment. Design contract was awarded to ASCG with work to be done concurrently with the distribution project. Conversion will be prioritized as follows: homes 1 <sup>st</sup> , public facilities next and for-profit facilities, if funding allows. Design work complete.
00-N-27 6/30/05	NSB	Nuiqsut Natural Gas Pipeline	1,580,000	0		1,580,000	This grant utilizes funds from five FY00 grants originally awarded to the City of Nuiqsut (00/4-18, 19, 20, 23 & 24). In 10/03 the City agreed to close the grants with no further expenditures and transfer the funds to NSB to administer on their behalf. NSB decided in 8/04 to proceed with two projects– this one and 00-N-28. The purpose of this project is to complete final installation and start up of the entire natural gas system from the natural gas processing module at the Alpine Oil production facility pad to the in-village gas distribution system in Nuiqsut. Grant was executed in 01/05; the 1 <sup>st</sup> quarterly report is due 4/15/05.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
00-N-28 6/30/05	NSB	Nuiqsut City Hall/Kisik Center Renovation	943,752.62	0		943,752.62	See above comments for 00-N-27. The purpose of this project is to renovate the Nuiqsut Community Center. Renovations will be primarily mechanical and electrical along with miscellaneous work to correct code deficiencies and upgrade the aging facility where necessary. A 1,500 SF addition will also be constructed with grant funds.
01-N-07 pending 6/30/05	NSB	Nuiqsut Cultural Center O&M	288,000				This grant was originally awarded to the City of Nuiqsut who agreed in 10/03 to transfer the grant to NSB to administer on their behalf. Grant funds were originally requested for staff, equipment & operations for a facility that does not exist yet. This grant is still being negotiated with NSB. A letter was sent 4/12/04 requesting clarification on the scope of work and budget. A reminder requesting the status was sent to NSB on 11/10/04. NSB grants staff claim they were busy working on FY06 NPRA grant applications and planned to respond in early 2005.
01-N-08 6/30/06	NSB	Nuiqsut Teen Center O&M	121,310	4213.27	12/31/04	117,096.73	This grant was originally awarded to the City of Nuiqsut who agreed in 10/03 to transfer the grant to NSB to administer on their behalf. Amendment pending to identify new job descriptions for staff and to transfer funds from training and equipment into contractual.
01-N-09 pending 6/30/05	NSB	Nuiqsut Wooden Deck Ball Court	30,000				This grant was originally awarded to the City of Nuiqsut who agreed in 10/03 to transfer the grant to NSB to administer on their behalf. Grant funds were originally requested to construct a 60'x60' outdoor basketball court. This grant is still being negotiated with NSB. A letter was sent 4/13/04 requesting clarification on the scope of work and budget. The letter also outlined the ASC funding contingency that a cover be built over the deck to protect it from the elements and decrease maintenance costs. The ASC also wanted to make sure the design takes in consideration the site soil conditions. NSB responded on 5/27/04 with concerns about adding a cover based on the limited budget. They requested approval to utilize plastic decking or other wood preservative products instead, which is acceptable (written approval sent on 6/2). NSB planned to proceed with obtaining cost estimates but no response has been received. A reminder was sent on 11/10/04 (see comment on 01-N-07 re: NSB's plans to respond).
01-N-10 pending 6/30/05	NSB	Nuiqsut Emergency Hunting Shelters	60,000				This grant was originally awarded to the City of Nuiqsut who agreed in October 2003 to transfer the grant to NSB to administer on their behalf. Grant funds originally requested to construct three 12'x12' kit cabins for hunters. This grant is still being negotiated with NSB. A letter was sent 4/12/04 requesting clarification on the scope of work and budget. NSB responded on 5/27/04 with a request to limit construction to two shelters.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
							given the limited budget; this was approved on 6/2. A reminder requesting the status was emailed on 11/10/04 (see comment on 01-N-07 re: NSB's plans to respond).
02-N-05 6/30/05	NSB	Capacity Building in Atqasuk, Nuiqsut & Anaktuvuk Pass	100,000	47,159.17	12/31/04	52,840.83	Effective 7/1/03, an amendment was executed to allow services to be provided to Anaktuvuk Pass in addition to Atqasuk & Nuiqsut. This change will not reduce the amount of training to be provided, as the budget was modified to remove funding for the two staff who will provide training/oversight. Instead, this cost will be covered by the NSB. This grant will provide training and oversight to city/tribal staff on grant writing, grant compliance/ administration, financial management and basic accounting. NSB will provide the same assistance to Wainwright with other funds. Communities will be encouraged to merge the city & tribal governments to consolidate their resources. To date City staff have attended the Rural Cap Conference in ANC, gaming training in BAR, and NPRA grant training in BAR. Staff and Council (9) from villages participated in 4-week "Introduction to Grants" class via teleconference. Local Governance and Clerk's Training with DCCED staff is scheduled for mid-February.
02-N-07 6/30/06	NSB	Nuiqsut Natural Gas Project (NNGP)	450,000	\$309,832.65	12/31/04	\$140,167.35	This is the next phase of the ongoing NNGP. These grant funds will be used to construct all downstream, (Nuiqsut end) natural gas processing facilities and a supply line from the gas processing facilities to the power generation facility. Fire suppression system purchased. Project should be complete in early 2005.
02-N-08 6/30/05	NSB	Wainwright Basic Government O&M	250,000	224,083.62	12/31/04	25,916.38	Funds were released on 6/19/03 after 01-N-04 for the same purpose was closed. Full time City Administrator was hired with contract term of 02/17/04 - 02/17/05. Operations normal.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-03 6/30/06	NSB	Nuiqsut Natural Gas Upstream Conditioner	2,000,000	1,430,035	12/31/04	569,965	Funds will be used for construction of the upstream processing complex, the next phase of the overall Nuiqsut Natural Gas Project. Work is 95% complete. Utility poles and connection to the power grid is last major item. Ground must be frozen to set poles – scheduled for November 04.
04-N-04 6/30/06	NSB	Waterfowl in the NPRA Continuation	443,619	57,491.41	12/31/04	386,127.59	Funds will be used to document abundance, distribution, breeding biology, reproductive success and survival of some of the subsistence waterfowl that occur within NPRA, including two threatened species, Steller's and Spectacled Eiders. During 2004 aerial surveys were conducted for nesting and brood-rearing Brant and Snow Geese and ground surveys for King Eiders. Data is being summarized and a report drafted.
04-N-05 6/30/06	NSB	Arctic Fox Satellite Project	316,582	109,141.67	12/31/04	207,440.33	Grant funds will be used for contractual services, labor/FB, Travel, and Materials/Supplies necessary for outfitting 20 arctic fox with radio transmitters and collection and analysis of the data received. Ten foxes in Prudhoe Bay were trapped and collars deployed. Three collars were deployed on foxes in the NPRA. The NPRA fox population is very low. Two of the NPRA fox died of unknown causes. One of the NPRA fox traveled to Prudhoe before dying.
04-N-06 6/30/06	NSB	Caribou Movements & Distribution	359,245	7,778.46	12/31/04	351,466.54	Funds will be used for contractual services, labor/FB, materials, supplies and other services necessary for the continued tracking of the Teshekpuk Lake and Central Arctic caribou herds and analysis of data gathered. Ten GPS collars were deployed this summer. To date, data generated from these collars has documented a deflection from the TransAlaska Pipeline. Analysis continues in an effort to decouple the impacts due to the pipeline from those of the rivers and differences in cliff height in the vicinity of the route these collared caribou traveled.
04-N-07 6/30/06	NSB	Survey & Inventory of Fish Resources	362,931	187,858.67	12/31/04	175,072.33	Funds will be used for contractual services, labor/FB, travel and materials/supplies necessary for continuing the sampling, tagging and radio tracking of subsistence fish; interviewing elders regarding fishing experience; and writing a comprehensive report summarizing the findings of this research. Aerial surveys flown in October to relocate fish.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-08 6/30/06	NSB	Fish Petroleum Hydrocarbon Study	405,659	26,024.01	12/31/04	379,634.99	Funds will be used for contractual services, labor/FB, travel and materials/supplies necessary for the collection and analysis of samples in four species of subsistence fish in order to establish baseline data on the current status of petroleum hydrocarbons in fish in the NPRA. Contractor in the process of analyzing 04 samples. 2 <sup>nd</sup> year (05) field session to begin.
04-N-09 6/30/06	NSB	Subsistence Harvest Monitoring	188,030	28,858.84	12/31/04	159,171.16	Funds will be used for contractual services, labor/FB, travel and materials/supplies necessary to continue the documentation of yearly wildlife harvest; identification of specific areas important to subsistence hunting activities and any adverse impacts caused by NPRA development. A comprehensive report will be produced to document the findings from this research. This quarter BAR community household list was updated and interviews conducted in 152 of 200 households. WAIN community harvest survey for Jan. 04–June 04 completed and community household list updated. A.P. community harvest survey completed for the period Jan. 04–June 04; 7 households remain to be surveyed. Hunters are being interviewed. NUJ and ATQ subsistence specialist positions are currently vacant.
04-N-10 6/30/06	NSB	Electric/Thermal Oxidation/Waste Heat	1,500,000	4462.00	12/31/04	1,495,538	Funds will be used for contractual and professional service costs associated with remodeling the thermal oxidation system (TOS), expanding the TOS facility, and preparing a feasibility study on development of an electrical co-generation system at the facility. Awaiting approval of construction contract.
04-N-11 6/30/06	NSB	Grant Oversight & Supervision	213,418	91,679.37	12/31/04	121,738.63	Funds will be used to send NSB grant staff to NPRA communities to provide capacity building as well as to send NSB staff to professional development training.
04-N-12 6/30/06	NSB	Volunteer Search & Rescue (SAR) Equipment	565,425	68,823.00	12/31/04	496,602.00	Funds will be used to purchase search and rescue equipment, parts and supplies as well as for travel and contractual costs associated with training provided to NPRA community's SAR members. Equipment purchased to date includes: boat motor, 55 Gypsi Personal Locator Beacons and S&R Training from ERI Intl.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-13 6/30/05	NSB	Fire Department Equipment Upgrade	250,276	250,276	12/31/04	0	Grant funds for this project have been fully expended and the project was successfully completed. All necessary equipment was purchased and the final payment of \$14,717.32 is pending with our fiscal section (1/27/05). This grant will be closed once the warrant processes.
04-N-14 6/30/06	NSB	Barrow Sewage Treatment Facility	10,000,000	7,315.91	12/31/04	9,992,684.09	This grant will provide funds for the construction of a new sewage treatment facility in Barrow, which is expected to safely store and treat raw sewage and runoff for the next 20 years. "Site D" was selected as location. On-going coordination continues among agencies re: permitting. Design 65% complete, bid documents expected March 2005.
04-N-15 6/30/05	NSB	Emergency Radio Communications	1,550,570	47,800.44	12/31/04	1,502,769.56	Funds will be used for the purchase of equipment, materials & supplies for the 800 MHz radio system used by NSB emergency response teams and freight charges. Funds will also pay for training NSB staff in the maintenance of the equipment and entire radio system. The new radio tower is being planned and construction should take place early spring 2005.
04-N-16 6/30/06	NSB	Police Department Facilities & Training	728,999	128,046.50	12/31/04	600,952.50	Funds will be utilized for upgrading police department facilities in the NPRA communities, purchase firearms and ammunition, purchase police vehicles for the four communities (1 each), and to provide professional development training for police officers. Four Ford trucks were purchased and reimbursed in the 2 <sup>nd</sup> quarter. On-site Training from HTE is planned for late March and early April 2005.
04-N-17 6/30/05	NSB	Telecommunications System Upgrade	156,145	20,887.11	12/31/04	135,257.89	Funds will be used to purchase equipment necessary for upgrading the current information technology system, freight costs associated with the purchase, and to provide training to NSB staff in the installation, operation and maintenance of the new equipment. Diversified Services is no longer the contractor for this project. Contract with Comtech for professional services currently pending approval. An amendment will be necessary upon approval. Travel expenses were reimbursed this quarter.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-18 6/30/06	NSB	Research Equipment for NPRA Activities	250,000	19,282.85	9/30/04	230,717.15	Funds will be used to purchase research equipment for collecting and analyzing data on subsistence activities and fish and wildlife resources, purchase replacement boat motors, and replacement or purchase of field equipment for use in the collection of data. Equipment purchased to date includes boat motors, incubator oven and extra shelves, digital camcorder, prefab weatherport, boat gauge, laptop computers, memory card, satellite phone, marine radios and a digital camera. NSB Dept. of Wildlife Management (DWM) has begun inquiries into fiber optic connection for the Borough and the Dept.'s computer system; as of 12/31/04 they had not received a quote on this cost.
04-N-19 6/30/05	NSB	Barrow School Resource Officers (SRO)	237,240	89,473.96	12/31/04	147,766.04	Grant funds will be utilized to hire two SRO's for three Barrow schools, purchase educational supplies/material for use by the SRO's, and for costs associated with sending SRO's to training. Expenditures reported to date includes payroll for the period of 10/04-12/23/04 for two SRO's and travel for Joe Pruit to attend D.A.R.E In-service Training.
04-N-20 6/30/05	NSB	NPRA Village School Counselors	435,736	369,849.47	12/31/04	65,886.53	Funds will be utilized for the labor/FB for school counselors in each of four NPRA communities. Funds will also be used for developing and presenting a training seminar in Barrow. Counselors were funded for one year and the Professional Services line item for their wages/FB has been zeroed out. The training component is unspent at this time.
04-N-26 6/30/06	NSB	Project Compliance & Fiscal Coordinator	198,250	0.00	12/31/04	198,250	Project scope needs to be modified somewhat as the DWM had to fill the position prior to the grant award. Anticipate completing the re-scope in Feb. 2005.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
04-N-27 6/30/05	NSB	Childcare/Learning Center/Training	56,123	20,254.52	12/31/04	35,868.48	The Daycare center has closed as of 6/30/04. City is considering taking over operations. NVB and ASNC have expressed interest in operating the Daycare, but no action taken. NSB still considering re-scope to fund home facilities day care services training through the One-Stop Job Center.
04-N-28 6/30/05	NSB	Village Summer Recreation Program	121,374	28,971.49	12/31/04	92,402.51	Funds will be used to hire a Recreation Coordinator and a Recreation Aide for a summer recreation program in five NPRA communities; operations costs; and equipment/supplies purchases. In addition, the NSB Dir. of O&M and a NSB Grants Administrator will travel to each village to provide training and to assess operations and effectiveness midway through the term. Programs were operated this summer in the five villages.
04-N-29 6/30/07	NSB	Mayor's Job Program	653,929	579,705.57	12/31/04	74,223.43	This grant is a continuation of the program initiated with 02-N-06; funds were released when 02-N-06 was officially closed (11/21/03). The program is expected to create 49 temporary entry-level jobs and provide training to participants to enhance their job skills and motivation, thereby preparing them for employment opportunities created by development of NPRA lands. During the 2 <sup>nd</sup> quarter, 13 employees were working under the program. During 3 <sup>rd</sup> quarter, 11 employees were working. A total of 68 participants have been through the program since 4/2003.
04-N-30 6/30/06	NSB	Workforce Development Program	1,515,825	73,447.59	12/31/04	1,442,377.41	Funds will be used to develop a One-Stop Job Center where NPRA village members can obtain skills, certifications, and the expertise necessary to become employed by the infrastructure created by NPRA development. Umbrella approval was provided 1/13/04 of Ilisagvik College courses 2003-2004 that relate to employment. Savaat Center, the One-Stop center, opened June 2004. An amendment is pending to add labor/FB's for 4 positions, which is necessary due to large volume of program participants. This will make delivery of the program more effective.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
05-N-02 6/30/05	NSB	Wainwright Local Government Operations	250,000	4,618.01	12/31/04	245,381.99	This project will fund the following positions in Wainwright: full-time City Administrator, full-time Program Assistant, part-time City Clerk, and part-time Gaming Supervisor, as well as supplies, training/travel, insurance, maintenance/utilities and administration. Grant funds will be utilized once 02-NPRA-08 funds are exhausted, with the exception of the Contractual line item. This line item funds the Administrator's salary and housing allowance for one year.
05-N-03 6/30/06	NSB	Barrow Allied Health Care Training Program	319,999.50	23,995	12/31/04	296,004.50	This Program will provide a continuum of training and education in paraprofessional fields essential to developing local health care providers on the North Slope, an essential public service. A color image copier was purchased during this quarter. The copier will be used for producing training materials.
05-N-04 6/30/07	NSB	NPRA Social & Cultural Impact Study	300,586.50	1311.10	12/31/04	299,275.40	This project will (1) document observations and perceptions of North Slope residents regarding historical, current and potential effects of oil industry activities on hunting, and (2) determine how oil/gas development has affected hunters. Discussions and strategy sessions held during this quarter.
05-N-05 06/30/05	NSB	Oil/Gas Development Comprehensive Plan	400,000	0.00	12/31/04	400,000	This project will develop a comprehensive borough-wide oil and gas land-use plan to guide industrial development. URS is the contractor. Professional services contract expected to be completed January 2005.
05-N-06 6/30/06	NSB	School Counselors Extended Program	205,000	0.00	12/31/04	205,000	This is a continuation of the program that was initially funded with 04-N-20. Grant funds will be used for two additional counselors in Barrow.

Grant # & Term Date	Grantee	Project	Award	Disbursed To Date	As of	Balance	Purpose/Status/Comments
05-N-07 6/30/06	NSB	School Resource Officers (SRO)	125,000	0.00	9/30/04	125,000	This is a continuation of the project that was initially funded with 04-N-19. Grant funds will be used to pay labor/FB and training for one SRO for one year. Grant 04-N-19 is under spent due to less SRO's hired then expected last year. NSB will utilize those grant funds for labor/FB before expending funds on this grant.
05-N-08 6/30/05	NSB	School Based Programs	500,000	0.00	12/31/04	500,000	Grant fully executed 8/5/04. The NSB will partner with the NSB School District (SD) to provide open gyms and structured activities with grant funds in Atkasuk, Anaktuvuk Pass, Barrow, Nuiqsut and Wainwright. Tutoring and recreation programs have been implemented in 7 borough-wide schools. From the numbers of participants recorded for each school it appears the programs are well attended. No financial activity to report as invoicing from the NSB-SD has yet to be processed.
05-N-10 6/30/05	Nuiqsut	Local Government Operations	250,000	145,601.94	12/31/04	104,398.06	The purpose of this project is to pay labor/FB for a FT City Administrator; FT Program Assistant and PT Bookkeeper/City Clerk and PT Janitor. A grant amendment was executed to clarify positions covered (per newly adopted City ordinance) and labor/FB for these positions. Also, the training component will not be necessary as this can be covered under a NSB grant.

FY06 NPRA APPLICATION REVIEW

SORT BY SCORE

APPLICANT	PROJECT TITLE	COMMUNITIES TO BENEFIT	AMOUNT REQUESTED	AVERAGE SCORE	\$ RECOMMENDED FOR AWARD	RECOMMENDATION OR CONTINGENCY (IF ANY)
North Slope Borough	Continue Studies to Investigate Wildlife/Subsistence (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,461,368	92	2,461,368	
North Slope Borough	Wainwright City Office Renovation	Wainwright	38,114	91	38,114	
North Slope Borough	Social & Cultural Impact Study - Phase 2	ATQ, BAR, NUI & WAIN	275,880	91	275,880	
North Slope Borough	Wainwright Youth Program	Wainwright	229,500	87	229,500	
North Slope Borough	Oil Spill Response Team (3-years)	ATQ, BAR, NUI & WAIN	737,867	87	737,867	
North Slope Borough	Police Officers for NPRA Villages (3-years)	ATQ, BAR, NUI & WAIN	1,486,689	87	1,486,689	
North Slope Borough	Health, Survival & Sustainability of Key Subsistence Resources (3-years)	AKP, ATQ, BAR, NUI, WAIN	654,426	87	654,426	
City of Nuiqsut	Local Government Operations	Nuiqsut	375,000	85	375,000	
North Slope Borough	Wainwright Softball Field	Wainwright	35,000	85	35,000	
City of Atkasuk	Youth Center Addition to Community Center	Atkasuk	680,000	83	680,000	
North Slope Borough	Fire Equipment & Training	ATQ, BAR, NUI & WAIN	1,114,543	83	250,000	Request reduced by applicant to \$250,000 on 1/22/05
North Slope Borough	Workforce Development Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	3,729,451	83	3,729,451	
City of Barrow	City Impound & Disposal Site Project	Barrow	174,389	82	174,389	
City of Nuiqsut	Cultural Coordinator	Nuiqsut	93,000	82	93,000	Fund as part of the LGO grant
North Slope Borough	Atkasuk Energy Assessment	Atkasuk	100,042	82	100,042	
North Slope Borough	Mayor's Job Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,527,961	82	2,527,961	
North Slope Borough	Police Importation Combat Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	1,101,512	82	1,101,512	
North Slope Borough	North Slope Science Initiative (3-years)	AKP, ATQ, BAR, NUI, WAIN	425,578	82	425,578	
North Slope Borough	Wainwright Local Government Operations	Wainwright	311,500	81	311,500	
City of Barrow	City Hall Building Addition Feasibility Study	Barrow	69,413	81	69,413	
North Slope Borough	Village Capacity Building (3-years)	Borough-wide (including non-NPRA)	968,182	81	968,182	Renegotiate scope & budget to ensure outcome meets community needs
City of Nuiqsut	Youth Center Operations & Maintenance	Nuiqsut	150,000	81	150,000	Contingent on award to NSB to administer on Nuiqsut's behalf
North Slope Borough	NPRA Technical Review Team (3-years)	AKP, ATQ, BAR, NUI, WAIN	1,468,508	81	1,468,508	
City of Atkasuk	Local Government Operations	Atkasuk	336,468	80	336,468	
City of Barrow	Roller Rink Renovation Feasibility Study	Barrow	63,556	80	63,556	
North Slope Borough	Wainwright Lagoon Boat Launch	Wainwright	525,000	78	525,000	Complete design before release of funds

FY06 NPRA APPLICATION REVIEW

SORT BY SCORE

North Slope Borough	Police Facility HVAC Replacement	Barrow	750,000	78	0	Application withdrawn by applicant on 1/22/05
City of Barrow	Basic Local Government Operations	Barrow	1,608,853	77	1,385,843	Reduced award by \$223,010
North Slope Borough	Allied Health Training Center (4-years)	AKP, ATQ, BAR, NUI, WAIN	4,800,000	77	3,400,000	Reduced award by \$1,400,000
North Slope Borough	Utility Master Plan/Emergency Plan	Borough-wide (including non-NPRA)	106,221	75	106,221	
North Slope Borough	Misdemeanor Probation Officer (3-years)	Barrow	346,071	75	346,071	
City of Nuiqsut	Design/Install Retractable Boat Ramp	Nuiqsut	1,500,000	74	200,000	Contingent on award to NSB to administer on Nuiqsut's behalf; Reduced to fund design only
City of Barrow	Paint Piuraagvik & City Hall	Barrow	347,965	72	0	Do not fund.
City of Barrow	Clean Up Crew Program (2-years)	Barrow	119,893	71	0	Do not fund.
North Slope Borough	Remote Meter Reading Technology	Borough-wide (including non-NPRA)	455,250	71	0	Do not fund.
North Slope Borough	NPRA Village Fire Stations Renovation	ATQ, BAR, NUI & WAIN	1,500,000	70	0	Do not fund.
City of Barrow	KBRW Quest Internship Program	Barrow	72,400	70	0	Do not fund.
City of Barrow	Archive City Documents	Barrow	716,656	70	0	Do not fund.
North Slope Borough	School Counselors Extended Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,410,185	66	0	Do not fund.
North Slope Borough	NSBSD High School Voc/Tech (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,472,194	66	0	Do not fund.
North Slope Borough	K3-K4 Early Childhood Education Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	3,615,147	62	0	Do not fund.
North Slope Borough	Enhancing Education Through Technology (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,272,809	59	0	Do not fund.
North Slope Borough	District & Community Library & Media Centers (3-yr)	AKP, ATQ, BAR, NUI, WAIN	1,200,492	58	0	Do not fund.
North Slope Borough	Administration & Finance Training Grant	ATQ, BAR, NUI & WAIN	207,092	57	0	Do not fund.
North Slope Borough	Search & Rescue Training and Equipment (3-years)	AKP, ATQ, BAR, NUI, WAIN	832,027	56	0	Do not fund.
City of Barrow	Public Facilities Operations & Maintenance	Barrow	650,921	55	0	Do not fund.
City of Barrow	Native Village of Barrow Wellness Court Program	Barrow	298,500	55	0	Do not fund.
North Slope Borough	911 Emergency Dispatch Upgrade	AKP, ATQ, BAR, NUI, WAIN	1,013,423	53	0	Do not fund.
North Slope Borough	Inupiat Community Education (3-years)	AKP, ATQ, BAR, NUI, WAIN	3,209,813	49	0	Do not fund.
North Slope Borough	Education in Context Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,442,277	46	0	Do not fund.
North Slope Borough	Fire/Search & Rescue Communications Upgrade	Borough-wide (including non-NPRA)	1,731,203	0	0	Do not fund; duplicate of FY04 NSB
City of Nuiqsut	Design/Construct Multi-Use Center	Nuiqsut	1,200,000	0	0	Do not fund; duplicate of FY00 NSB
City of Nuiqsut	School Recreation Activities	Nuiqsut	54,000	0	0	Do not fund; duplicate of FY05 NSB

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**National Petroleum Reserve-  
Alaska (NPRA) Impact  
Mitigation Grant Program  
Report to the Second Session  
of the Twenty Fourth Alaska  
Legislature**

State of Alaska

Frank Murkowski, Governor

Department of Commerce, Community &  
Economic Development

William Noll, Commissioner



DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

Division of Community Advocacy

*Frank H. Murkowski, Governor*  
*William C. Noll, Commissioner*  
*Michael Black, Director*

January 16, 2006

The Honorable Ben Stevens  
Senate President  
Twenty-Fourth Alaska State Legislature  
Second Session  
State Capitol, Room 111  
Juneau, Alaska 99801-1182

The Honorable John Harris  
Speaker of the House  
Twenty-Fourth Alaska State Legislature  
Second Session  
State Capitol, Room 208  
Juneau, Alaska 99801-1182

Dear President Stevens and Speaker Harris:

This document is the Division of Community Advocacy's report on the status of the National Petroleum Reserve-Alaska (NPR-A) Impact Mitigation Grant Program.

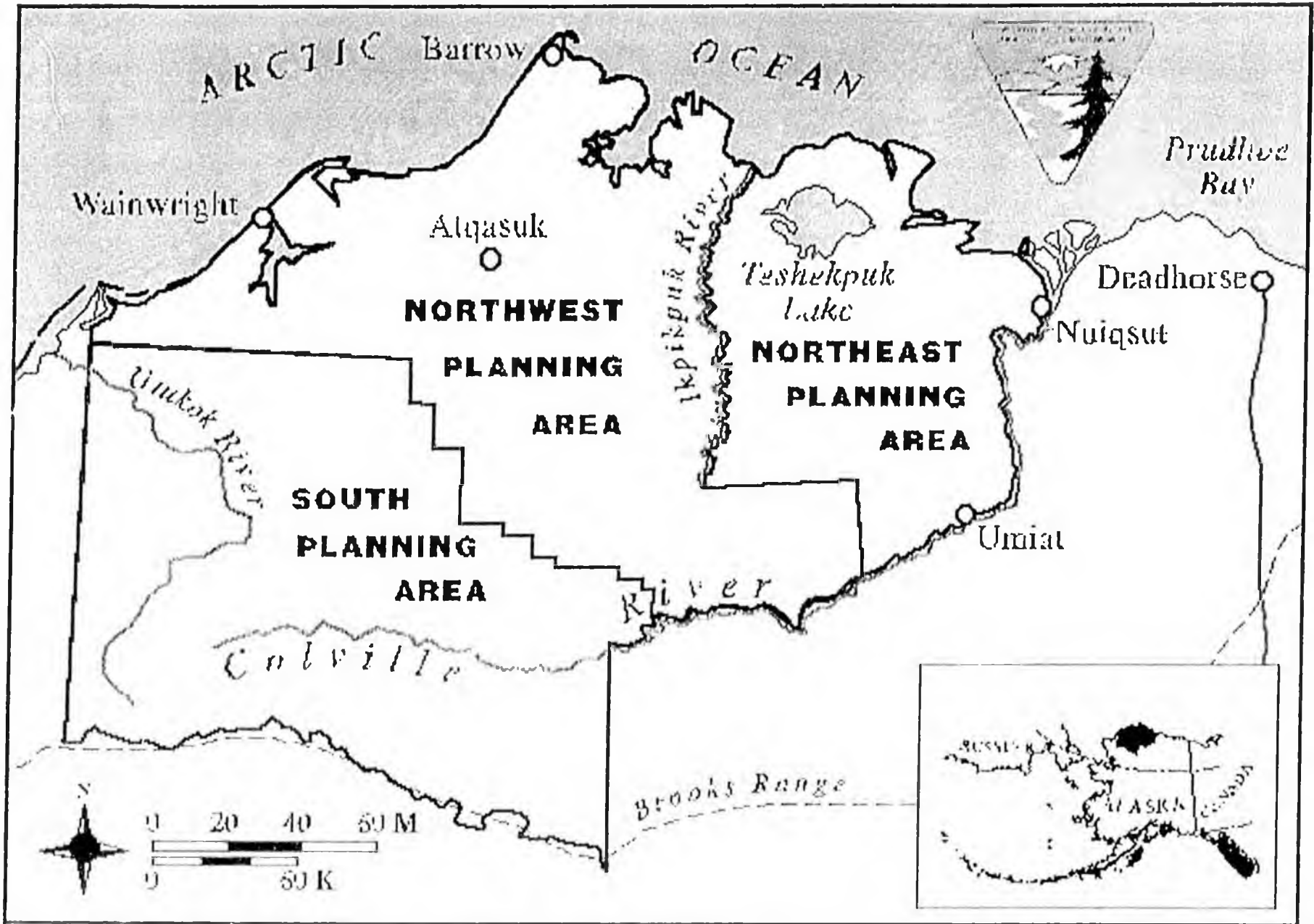
The State of Alaska receives 50% of the federal revenues from oil and gas lease sales located in the NPR-A. Those revenues are deposited into the NPR-A Special Revenue Fund to provide grants to communities impacted by oil and gas development. This report provides information on the program and the status of the grants previously approved.

Please contact me if you have any questions about the NPR-A Program or this report.

Cordially,

Michael Black, Director  
Division of Community Advocacy

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## **NPR-A Impact Mitigation Program History and Overview**

As authorized December 12, 1980 by 42 U.S.C. Chapter 78, Sections 6501-6508, the Federal Government, through the Department of Interior, Bureau of Land Management, allows for the exploration and development of oil and gas within the National Petroleum Reserve-Alaska (NPR-A).

Although the federal government manages the NPR-A, Section 6508 of the federal statute requires that fifty-percent of the money received by the federal government from the "sales, rentals, bonuses, and royalties on leases issued..." be paid to the State of Alaska. Leases awarded by the federal government are usually for ten years and require that each company holding a lease pay a decreasing annual amount.

In accordance with Section 6508, the monies are to be used by "the State of Alaska for (a) planning, (b) construction, maintenance, and operation of essential public facilities, and (c) other necessary provisions of public service: *Provided further*, That in the allocation of such funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by development of oil and gas leased under this section."

The State of Alaska began receiving payments in State fiscal year (FY) 1983. To segregate these monies, in SLA 1984, Chapter 94 the Alaska Legislature enacted AS 37.05.530 (a) and (b). This statute established the National Petroleum Reserve Alaska Special Revenue Fund. Henceforth, NPR-A payments were to be deposited within the NPR-A Fund and used to support:

1. NPR-A Impact Mitigation grants to communities in accordance with AS 37.05.530 (c) through (e) which established the NPR-A Impact Mitigation Program. Under this program, communities may apply for assistance, i.e. grants, to fund projects that fall within federal and state guidelines. As required, priority is given to those communities most directly or severely impacted by oil and gas development.
2. Of the remaining lease payments, not needed to fund NPR-A Impact Mitigation grants, twenty-five percent is transferred to the Alaska Permanent Fund per AS 37.05.530(g).
3. Of the remaining payments, not needed to fund NPR-A Impact Mitigation grants, one-half percent is transferred to the Public School Trust Fund per AS 37.05.530(g).
4. Up to the entire amount of the remaining payments may be appropriated by the Legislature to the Power Cost Equalization and Rural Electric Capitalization Fund per AS 37.05.530(g).
5. Any remaining payments are then transferred to the State's General Fund per AS 37.05.530(g).

Prior to 1984, half of the total NPR-A funds received by the State were deposited in the Alaska Permanent Fund, one-half percent in the Public School Trust Fund and the remainder was deposited in the General Fund and used to fund various Legislative appropriations. In 1985 the North Slope Borough, Wainwright and Barrow filed suit alleging that the State's method of allocating the NPR-A payments was in conflict with federal law. The decision in *Barrow v. State*, No. 1JU-85-2634, established that: (1) the State's distribution of NPR-A revenue had been incorrect and it did conflict with federal requirements; (2) the State needed to "reconstitute" the NPR-A Fund in part; and (3) henceforth, the State would allow first priority to the municipalities and/or communities most directly impacted by the NPR-A development.

As a result of the litigation, the NPR-A Fund was reconciled and reconstituted as of October 1987. It was also reconciled and reconstituted again as of September 1990 and again as of June 1992. Multiple reconciliations between actual NPR-A payments received and cash available in the NPR-A Fund were necessary because:

- (1) The NPR-A payments (deposited in the NPR-A Fund) were being used to fund *two* programs. In addition to funding the NPR-A Impact Mitigation Program the payments were also funding grants awarded by the Department of Administration under the Municipal Grants Program; and
- (2) In FY 92 AS 37.05.530 was amended and required a recalculation of available cash in the NPR-A Fund annually back to FY 87.

SLA 1985, Chapter 96; SLA 1986, Chapter 128; SLA 1988, Chapter 173; and SLA 1990, Chapter 208 appropriated, repealed, and reappropriated the grants funded from NPR-A payments but administered under the Municipal Grants Program by the Department of Administration. These projects and their grants are not reflected in this report. This report addresses only the grants that were/are funded from NPR-A payments *and* awarded under the NPR-A Impact Mitigation Program.

FY 87 was the first year of the actual NPR-A Impact Mitigation Program. The general procedure remains the same today as in 1987. Periodically, the Department is notified by the U.S. Department of Interior, Bureau of Land Management (BLM) that the federal government will be offering tracts of land for lease in the National Petroleum Reserve-Alaska. The Department then provides public notice that funding may become available for NPR-A Impact Mitigation grants and requests that communities submit project proposals (grant applications). The Department establishes a review committee, makes award recommendations, and if both NPR-A lease revenue and a Legislative appropriation is received, the Department awards NPR-A Impact Mitigation grants to specific communities for specific projects.

The Bureau of Land Management (BLM) receives payments from the NPR-A leases in two installments each year. The first installment includes payments received between April 1 and September 30; the second installment includes payments received between October 1 and March 31. BLM forwards fifty-percent of the amount received to the State of Alaska in two installments, usually received by December 31<sup>st</sup> and May 31<sup>st</sup>.

Each year, the Department requests a Legislative capital appropriation for that year's anticipated fifty-percent. The appropriation and subsequent revenue are then used to fund NPR-A grants according to AS 37.05.530.

Aggregate information for the initial years of the NPR-A Impact Mitigation Program is reflected below. Project specific information is provided beginning on page 7 of this report.

<u>State Fiscal Year</u>	<u># of Projects and Communities</u>	<u>\$ Awarded</u>
FY 87	12 Projects 5 Communities	7,240,237
FY 88	0	0
FY 89	1 Project 1 Community	937,000
FY 90	8 Projects 4 Communities	836,745
FY 91	7 Projects 5 Communities	590,000
FY 92	7 Projects 4 Communities	367,378
FY 93	4 Projects 4 Communities	447,126
FY 94	4 Projects 4 Communities	18,941
FY 95	4 Projects 4 Communities	25,538
FY 96 through FY 99	0	0
<b>Total</b>		<b>\$10,462,965</b>

By FY 96 all existing NPR-A leases had been terminated, relinquished, or had expired. The Bureau of Land Management (BLM) notified the Department that additional NPR-A payments would not be forthcoming. Therefore, the NPR-A Impact Mitigation Program was inactive from FY 96 through FY 99.

The NPR-A Impact Mitigation Program remained inactive until the early part of calendar year 1999. At that time the Department was notified that BLM would be entering into new ten-year (approximate) leases in May 1999 on tracts of land in the NE planning area of the National Petroleum Reserve-Alaska.

BLM estimated that upon issuance of the leases, the federal government would receive approximately \$80,000,000 in fees. Alaska would receive fifty-percent, approximately \$40,000,000, about six months after the leases were awarded.

In anticipation of the forthcoming \$40,000,000 in payments, the Alaska State Legislature appropriated funding for NPR-A Impact Mitigation grants in FSSLA99 Chapter 2, Section 63. Additionally, the Department provided public notice and requested impacted communities to submit grant applications for potential projects. The Department established a review committee, evaluated the grant applications and in April 2000 recommended award of 24 grants totaling \$28,000,000 to four communities.

In January 2000 the State received \$40,298,622 in payments. The State retained \$28,000,000 of the cash within the NPR-A Fund for the NPR-A Impact Mitigation grants. As required by AS 37.05.530(g) the remaining cash was distributed to the Alaska Permanent Fund, Public School Trust Fund, and the Power Cost Equalization and Rural Electric Capitalization Fund.

In the two years following the May 1999 leases, BLM received slightly over \$3.3 Million annually. Alaska continued to receive fifty-percent, or approximately \$1,683,850 in FY 02 and \$1,686,105 in FY 03. Companies will continue to pay a declining annual lease amount to the federal government through 2009 or 2010. The State will continue to receive fifty-percent of the fees (approximately \$1,700,000).

In May 2002 the State was notified by BLM that new ten-year leases would be awarded June 3, 2002. BLM awarded leases on 60 tracts in the NPR-A NE planning area, totaling approximately 579,269 acres. BLM estimated the initial lease fees at \$63,811,496. The State's fifty-percent was estimated at approximately \$31,905,748. The total received in April 2003 was actually \$34,556,469.

In anticipation of the continuing payments from the May 1999 leases and the initial payments from the June 2002 leases, the Department requested a \$35,300,000 capital appropriation for FY 04, to be funded with the NPR-A payments. The Department requested and received grant applications from impacted communities and awarded 30 projects totaling \$25,011,457 to three communities in March 2003. The actual amount received in April 2003 was \$34,556,469. As required by AS 37.05.530(g) the remaining cash was distributed to the Alaska Permanent Fund, Public School Trust Fund, and the Power Cost Equalization and Rural Electric Capitalization Fund.

The State will continue to receive fifty-percent of the fees (approximately \$830,000) on the 2002 leases through 2012 or 2013.

Effective October 16, 2003 the NPR-A program regulations were amended to change the date by which grant applications must be postmarked (for receipt by the Department) from September 15<sup>th</sup> annually to November 15<sup>th</sup> annually. This was the only change made to the regulations.

For FY 05, the State originally anticipated receiving approximately \$3,190,170 for the NPR-A Impact Mitigation Grants. Applications were received in November 2003. The Department established a review committee, evaluated the grant applications and in December 2003 recommended award of 10 grants totaling \$3,030,000 to three communities. However, in May 2004 when it became apparent that the funds available had been reduced from initial estimates, the tentative awards were reduced to the actual amount received (\$2,530,586). Nine grants were awarded to three communities.

In June 2004, BLM awarded new leases on approximately 165 tracts of land in the NPR-A NW planning area. BLM estimated the initial lease fees at \$53,904,491. On 11/15/04 the State received \$1,738,829.50 as the first installment from BLM for rent and bonuses received between 4/1/04 and 9/30/04 on the leases awarded in May 1999 and June 2002. The second installment received by the State in May 2005 was \$29,855,765 for bonus bids received between 10/1/04 and 3/31/05, bringing the total receipts to \$31,594,594.50.

The Department provided public notice and requested impacted communities to submit FY06 grant applications for potential projects in September 2004. Department staff also traveled to Barrow in September 2004 to provide NPR-A assistance and grant training to eligible communities. A total of 53 applications requesting approximately \$52,000,000 in grant funding were received by the deadline. In January 2005, 30 grants totaling \$24,706,539 were recommended for award leaving \$6,888,055.50 for distribution according to AS 37.05.530 (g).

The Department provided public notice and requested impacted communities to submit FY07 grant applications for potential projects in September 2005. Department staff also traveled to Barrow in September 2005 to provide NPR-A assistance and grant training to eligible communities. A total of 18 applications requesting approximately \$5,281,209 in grant funding were received by the deadline. As of January 2006, no awards have been made. Attached is a list of the 18 applications received by the November 15, 2005 deadline.

Aggregate information is reflected beginning on page 6 of this report. Project specific information is provided immediately thereafter.

<u>SLA and State Fiscal Year (FY)</u>	<u># of Projects and Communities</u>	<u>\$ Awarded</u>
FSSLA 1999 Chapter 2 Section 63 - FY 00	24 Projects 4 Communities	28,000,000
SLA 2000 - FY 01	0	0
SLA 2001 Chapter 61 Section 85 - FY 02	10 Projects 3 Communities	1,683,849.50
SSSLA 2002 Chapter 1 Section 29 - FY 03	8 Projects 3 Communities	1,686,104.50
SLA 2003, Chapter 82 Section 11 - FY 04	30 Projects 3 Communities	25,011,457
SLA 2004, Chapter 159 Section 6 - FY 05	9 Projects 3 Communities	2,530,586
FSSLA 2005, Chapter 3 Section 10 - FY 06	30 Projects 4 Communities	24,706,539
TOTAL		\$83,618,536

**FY 87 NPR-A Impact Mitigation Grants Awarded**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Community Center Operations & Maintenance	99,000	Fund 50% of operating costs; only partly related to NPR-A development.	Closed 3/90
Atkasuk	Community Center Expansion	500,000	Project provides space for additional cultural programs; related to mitigation of cultural impacts.	Closed 1/88
Atkasuk	Basic Local Government Operations	90,000	Fund administrator position and miscellaneous office equipment/supplies. Administrator to develop strategies and plan for dealing with future NPR-A impacts and other grants.	Closed 9/90
Barrow	Boat Ramps	825,000	Related to subsistence impacts.	Closed 9/92
North Slope Borough	Barrow Residential Care	539,637	Partly related to NPR-A impacts; fund a portion of operating costs. Serves regional needs.	Closed 9/90
North Slope Borough	Barrow - Juvenile Detention	3,000,000	Related to incremental impacts of NPR-A development. Serves regional needs.	Closed 6/93
North Slope Borough	Comprehensive Subsistence Management Plan	232,500	Related to overall subsistence impacts of NPR-A development.	Closed 9/91
Nuiqsut	Dry Boat Storage	551,395	Related to subsistence impacts. Fund construction of storage facility but not entrepreneurial activity unrelated to NPR-A impacts. Maintenance and operation costs partly related; funded at 50%.	Closed 9/90
Nuiqsut	Basic Local Government Operations	109,250	Large expansion of municipal government. Fund full time administrator 1-1/2 years and miscellaneous office equipment/supplies. Administrator to develop strategies and plan for future impacts and administer other grants. Fund 50% (\$19,250) of request for computer/recreation equipment, only partly related to impacts.	Closed 10/89
Nuiqsut	Expansion of Community Center	682,075	Related to cultural impacts; fund construction (\$625,000). Maintenance and operation costs partly related; fund at 50%.	Closed 10/89
Wainwright	Boat Ramp Construction	550,000	Related to mitigation of subsistence impacts. One boat ramp on sea and one on river.	Closed 11/88
Wainwright	Boat Ramp Planning	61,380	Planning Boat Ramp project (see above).	Closed 5/88
<b>Total</b>		<b>\$7,240,237</b>		

**FY 89 NPR-A Impact Mitigation Grants Awarded**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough	Alcohol and Drug Abuse Facility	937,000	Residential and emergency respite care, alcohol and drug abuse treatment center located in Barrow. Serves regional needs.	Closed 10/91
<b>Total</b>		<b>\$937,000</b>		

**FY 90 NPR-A Impact Mitigation Grants Awarded**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Operations	79,130	Continuation funding of FY 87 award. Related to mitigation of NPR-A impacts.	Closed 7/91
Atkasuk	Community Center Planning and Operations	96,982	Maintenance of facility related to expected long-term impacts of NPR-A exploration and development.	
Barrow	Cultural Center Planning	48,250	Related to mitigation of cultural impacts of NPR-A exploration and development. Fund planning/design of facility.	Closed 8/91
Barrow	Basic Local Government Assistance	74,788	Fund each position by half, City to make up difference.	Closed 10/90
Barrow	City's Public Facilities Operations & Maintenance	238,843	Maintenance of public facilities related to expected long-term impacts of NPR-A exploration and development.	Closed 11/90
Nuqsut	Community Center/City Hall Operations & Maintenance	57,900	Previous NPR-A grant funded expansion of center. Operations & Maintenance of facilities related to counteracting long-term cultural impacts from NPR-A exploration and development.	Closed 1/91
Wainwright	Basic Local Government Operations	82,961	Goal: properly process and disseminate information and have adequate management in order for City to properly function. Related to mitigation of NPR-A impacts.	Closed 5/91
Wainwright	Community Center Operations & Maintenance	157,891	Maintenance and operation of center related to expected long-term impacts of NPR-A activities.	Closed 7/91
<b>Total</b>		<b>\$836,745</b>		

**FY 91 NPR-A Impact Mitigation Grants Awarded**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Community Center Operations & Maintenance	21,181	On-going maintenance and operation of facility related to impacts of NPR-A activities.	Closed 7/91
Barrow	Volunteer Fire Department Operations	133,980	Project pertains to life/health/safety.	Closed 11/91
Barrow	Search and Rescue Operations	104,000	Project pertains to life/health/safety.	Closed 11/91
Barrow	City Facilities Operations & Maintenance	49,319	On-going maintenance and operation of facility related to impacts of NPR-A activities.	Closed 4/91
North Slope Borough	Arctic Women in Crisis	200,000	Facility and program serves regional needs; pertains to life/health/safety.	Closed 9/91
Nuiqsut	Boat Storage Operations & Maintenance	30,500	On-going maintenance related to NPR-A impacts.	Closed 8/91
Wainwright	Community Center Operations & Maintenance	51,020	On-going maintenance and operation of facility related to impacts of NPR-A activities.	Closed 7/91
<b>Total</b>		<b>\$590,000</b>		

**FY 92 NPR-A Impact Mitigation Grants Awarded**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	69,802	Equipment/Office Supplies; Freight; Salaries/Benefits; Administrative/Audit Costs; Phone; Office Utilities.	Closed 8/92
Atkasuk	Community Center Operations & Maintenance	14,328	Maintenance and operation of center related to expected long term impacts of NPR-A activities.	Closed 1/92
Barrow	Public Facilities Operations & Maintenance	146,951	Operation of public facilities related to long-term impacts of NPR-A activities.	Closed 10/92
Nuiqsut	Basic Local Government Assistance	49,963	Salary/Benefits; Equipment/Office Supplies.	Closed 4/92
Nuiqsut	Utilities Operations & Maintenance	5,878	City facility utility costs.	Closed 4/92
Wainwright	Basic Local Government Assistance	66,128	Equipment/Freight; Administrative Costs; Office Utilities; Salaries/Benefits; Maintenance of city vehicle.	Closed 9/92
Wainwright	Community Center Operations & Maintenance	14,328	On-going maintenance and operation of facility related to long term impacts of NPR-A activities.	Closed 9/92
<b>Total</b>		<b>\$367,378</b>		

FY 93 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Initial</u>	<u>Increase</u>	<u>Total</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	21,280	28,720	50,000	Equipment/Office Supplies; Freight; Salaries/Benefits; Administrative/Audit Costs; Phone; Office Utilities.	Closed 4/93
Barrow	Public Facilities Maintenance and Operations	61,286	138,714	200,000	Operation of public facilities related to long-term impacts of NPR-A activity.	Closed 6/93
Nuiqsut	Basic Local Government Assistance	21,280	68,720	90,000	Office Benefits; Equipment/ Office Supplies.	Closed 6/93
Wainwright	Basic Local Government Assistance	21,280	85,846	107,126	Equipment/Freight; Administrative Costs; Office Utilities; Salaries/Benefits; Maintenance of city vehicle.	Closed 6/93
<b>Total</b>		<b>\$125,126</b>	<b>\$322,000</b>	<b>\$447,126</b>		

**FY 94 NPR-A Impact Mitigation Grants Awarded**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	4,167.02	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 3/94
Barrow	Public Facilities Operations & Maintenance	6,439.94	Funds for utilities in association with public facilities.	Closed 3/94
Nuiqsut	Basic Local Government Assistance	4,167.02	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 12/93
Wainwright	Basic Local Government Assistance	4,167.02	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 4/94
<b>Total</b>		<b>\$18,941</b>		

**FY 95 NPR-A Impact Mitigation Grants Awarded**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	8,172.27	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 7/95
Barrow	Public Facilities Operations & Maintenance	7,661.50	Funds for utilities in association with public facilities.	Closed 6/95
Nuiqsut	Basic Local Government Assistance	3,319.98	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 6/95
Wainwright	Basic Local Government Assistance	6,384.58	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 7/95
<b>Total</b>		<b>\$25,538</b>		

**NPR-A Impact Mitigation Grants Awarded - Based on April 2000 Recommendations**  
**FY 00 Appropriation (page 1 of 2)**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atqasuk 00- NPR-A-4-16	Community Center Maintenance & Operations	90,000	Maintenance and operation of center related to expected long-term impacts of NPR-A.	Closed 10/01
Atqasuk 00- NPR-A-4-15	Basic Local Government Operations	109,000	Fund salaries for new positions and increase of hours on current positions from part-time to full-time.	Closed 4/02
Barrow 00- NPR-A-4-11	Public Facilities - Maintenance & Operations	650,000	Fund staff and other expenses to operate city recreation facilities.	Closed 8/02
Barrow 00- NPR-A-4-12	Renovation/Upgrade of Barrow Teen Center and Community Center	1,000,000	The facilities are needed due to increase in NPR-A activities. The City's ability to absorb this impact through existing facilities and services is limited.	Active
Barrow 00- NPR-A-4-13	Design, Construct & Purchase Retractable Boat Ramp	1,000,000	NPR-A uplands development will displace subsistence users from some areas. A boat ramp will provide subsistence hunters better access to the ocean.	Active
Barrow 00- NPR-A-4-14	Maintenance Building Construction	630,000	Need for warm storage can be linked to mitigation of foreseeable NPR-A impacts.	Active
North Slope Borough 00- NPR-A 4-01	Village Power Plant/ Electrical Distribution & Waste Heat Conversion	10,069,367	NPR-A development will impact power generation & distribution. Upgraded power production and distribution mitigates population growth impacts and increasing 'westernization' of local lifestyles.	Active
North Slope Borough 00- NPR-A-4-02	All Infrastructures Services Study	1,500,000	Studies will identify additional and continuing effects of NPR-A development on public facilities and the provision of public services. Impacts known or anticipated can be supplemented with new data and forecasts.	Active
North Slope Borough 00- NPR-A-4-03	Nuiqsut Above Ground Service Connections	2,100,000	A total of 124 residential, commercial, and public facilities were connected to water and sewer service.	Closed 3/03
North Slope Borough 00- NPR-A-4-04	Nuiqsut Police Officer for 3 years	100,000	The community is presently impacted by NPR-A development. An additional officer will help the city address NPR-A related impacts.	Closed 9/01
North Slope Borough 00- NPR-A-4-05	Wainwright Community Center Renovations	191,283	Provides improved facilities for locals who have family members working away from home in NPR-A related employment. Improved opportunity for social and community support.	Closed 6/03
North Slope Borough 00- NPR-A-4-06	Fire Department Equipment & Training	1,114,150	Provides an essential public service. Current firefighting equipment is old and outdated; existing fire trucks are not equipped to handle the new city water system. Need is linked to anticipated growth in service demand caused by NPR-A development.	Closed 6/03
North Slope Borough 00- NPR-A-4-07	Harvest Monitoring: Subsistence Documentation	100,000	Subsistence hunting is a culturally important activity. The need for harvest monitoring is clearly related to the foreseeable impacts of oil/gas development. Establishment of baseline data will permit more accurate monitoring of oil/gas impacts on wildlife.	Closed 4/02
North Slope Borough 00- NPR-A-4-08	Survey & Inventory Fish Resources in Lakes & Streams of Eastern NPR-A	150,000	The need for the inventory is clearly related to the foreseeable impacts of oil/gas development. Establishment of baseline data will permit more accurate monitoring of oil/gas impacts on wildlife.	Closed 1/04
<b>Sub-Total (page 1)</b>		<b>\$18,803,800</b>		

**NPR-A Impact Mitigation Grants Awarded - Based on April 2000 Recommendations**  
**FY 00 Appropriation (page 2 of 2)**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough 00-NPRA-4-09	Tracking & Analysis of Teshekpuk Lake Caribou Herd Movement and Distribution	150,000	The need for the analysis is clearly related to the foreseeable impacts of oil/gas development. Establishment of baseline data will permit more accurate monitoring of oil and gas impacts on wildlife.	Closed 12/02
North Slope Borough 00-NPRA-4-10	Waterfowl Surveys	150,000	The need for the survey is clearly related to the foreseeable impacts of oil/gas development. Establishment of baseline data will permit more accurate monitoring of impact on wildlife.	Closed 11/01
North Slope Borough 00-NPRA-4-25	Nuiqsut Natural Gas Piping Distribution	3,800,000	This grant and 00-NPRA-4-26 were originally awarded to Nuiqsut who chose in 10/01 to have the NSB administer both projects on their behalf. NPRA development will create a higher demand for fuel use. Impacts include larger volumes and more frequent shipping, handling, air pollution, fuel spills and leaks, and expanded fuel storage needs.	Active
North Slope Borough 00-NPRA-4-26	Nuiqsut Natural Gas Home/Building Conversion	2,200,000	Same as above.	Active
North Slope Borough 00-NPRA-27	Nuiqsut Natural Gas Pipeline	1,580,000	Provides funds for the final installation and start up of the natural gas system from the processing module at the Alpine oil facility pad to the in-village gas distribution system in Nuiqsut.	Active
North Slope Borough 00-NPRA-28	Nuiqsut City Hall/Kisik Center Renovation	1,280,548	Project originally awarded to City of Nuiqsut but was re-negotiated with the NSB. Renovations include mechanical and electrical upgrades to correct code deficiencies and construction of an addition. The addition is planned to include a multi-purpose room of approximately 1,500 SF, restrooms, mechanical room and a combined custodial closet and storage area. In 12/05 grant increased by \$336,795 with funds from two pending grants appropriated in FY 02 - \$288,000 from 01-NPRA-07 (Nuiqsut Cultural Center O & M); and \$48,795 from 01-NPRA-10 (Nuiqsut Emergency Hunting Shelters). These two grants, previously identified in the FY 02 list as pending, are now closed with no expenditures and the funds added to the FY 00 grant.	Active
Nuiqsut 00-NPRA-4-17	Basic Government Operation/Maintenance	200,000	Funds used to supplement staff salaries for a full-time mayor/administrator, grants administrator, clerk & bookkeeper.	Closed 8/01
Nuiqsut 00-NPRA-4-18, 19, 20, 23*	See * Below	61,078	In 10/03, the City passed a resolution to transfer the unexpended funds from four grants (\$2,479,121.42) to the NSB to administer two priority projects on their behalf (see * below). Project expenditures on the four grants prior to closure totaled \$61,078.	Closed *
Nuiqsut 00-NPRA-4-24	Install Graveyard Fencing	111,369	Provides mitigation for foreseeable NPR-A impacts through the protection of cultural resources.	Closed 3/04
<b>Sub-Total (page 1)</b>		<b>\$ 8,803,800</b>		
<b>Sub-Total (page 2)</b>		<b>\$ 9,196,200</b>	This subtotal does not include the \$336,795 moved from FY 02.	
<b>Total</b>		<b>\$ 28,000,000</b>	This total does not include the \$336,795 moved from FY 02.	

\*Grants previously awarded to the City of Nuiqsut for City Hall/Kisik Center Renovation (00-NPRA-4-18 @ \$340,000); Construct Cultural Center (00-NPRA-4-19 @ \$939,800); Day Care Construct/O&M (00-NPRA-4-20 @ \$495,400), and Design/Construct Retractable Boat Ramp (00-NPRA-4-23 @ \$765,000) were closed effective Oct/Nov 2001. Unexpended funds from these grants were transferred to the NSB to administer two priority projects in Nuiqsut: 00-NPRA-27 and 00-NPRA-28. The total FY00 funding for these two grants (\$2,523,752.62) also includes the unexpended balance (\$44,631.20) remaining on 00-NPRA-4-24 (original award \$156,000).

**NPR-A Impact Mitigation Grants Awarded - Based on January 2001 Recommendations**

**FY 02 Appropriation**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Barrow 01- NPRA-05	Public Facilities - Maintenance and Operation	334,540	Project will maintain safe and improved recreational facilities. This alleviates adverse social and cultural impacts from oil and gas development.	Closed 2/04
North Slope Borough 01- NPRA 01	Harvest Monitoring, Subsistence Documentation	100,000	This is Phase II of the FY00 study.	Closed 3/04
North Slope Borough 01- NPRA-02	Waterfowl Surveys	150,000	This is Phase II of the FY00 surveys.	Closed 3/04
North Slope Borough 01- NPRA-03	Tracking & Analysis of the Teshekpuk Lake Caribou Herd	150,000	This is Phase II of the FY00 study.	Closed 6/04
North Slope Borough 01- NPRA-04	Wainwright Basic Operations	250,000	Project provides operations assistance including partial salary costs, expenses and staff training necessary to successfully operate the local government.	Closed 5/03
North Slope Borough 01- NPRA 07	Nuiqsut Cultural Center Operations	-288,000	Project originally awarded to City of Nuiqsut but was pending re-negotiation with the Borough. In December 2005 the City of Nuiqsut and the NSB agreed to move the funding to 00-NPRA-28 (Kisik Center Renovation) in part due to need for additional funds to complete that project. Cultural Center is within Kisik Center facility.	Closed 12/05; \$288,000 in funds moved to 00- NPRA-28 in the FY 00 list
North Slope Borough 01- NPRA-08	Nuiqsut Teen Center Operation & Maintenance	121,310	Project originally awarded to City of Nuiqsut but was re-negotiated with the Borough. Funds staff salaries including adult supervisors and recreation aides, training, travel, utilities and supplies.	Active
North Slope Borough 01- NPRA 09	Nuiqsut Wooden Deck Ball Court Construction	-30,000	Project originally awarded to City of Nuiqsut but was pending re-negotiation with the Borough. In December 2005 the City of Nuiqsut and NSB agreed to put funds into 06-NPRA-13 (Nuiqsut Teen Center Operations and Maintenance in part due to not having enough money to properly construct the ball courts and need for funds to maintain and operate teen	Closed 12/05; \$30,000 in funds moved to 06- NPRA-13 in the FY 06 list
North Slope Borough 01- NPRA-10	Nuiqsut Emergency Hunting Shelters Construction	-60,000	Project originally awarded to City of Nuiqsut but was pending re-negotiation with the Borough. In December 2005 City of Nuiqsut and NSB agreed to put funds into 00-NPRA-28 (Kisik Center Renovations) and 06-NPRA-13 (Nuiqsut Teen Center Operations and Maintenance) and abandon Emergency Hunting Shelter project due in part to issues obtaining site control.	Closed 12/05; \$48,795 moved to 00 NPRA-28 and \$11,205 moved to 06-NPRA-13 in the FY 00 and FY 06 lists
Nuiqsut 01- NPRA-06	Basic Government Operations and Maintenance	200,000	Grant funds used for staff salaries and expenses.	Closed 8/04
<b>Total</b>		<b>\$1,683,850</b>	Note: This total does include the \$336,795 moved to the FY 00 grants and \$41,205 moved to FY 06 grants.	

**NPR-A Impact Mitigation Grants Awarded - Based on December 2001 Recommendations  
FY 03 Appropriation**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk 02- NPRA-01	City Operations	249,057	Project supplements operations with partial salaries for the mayor, janitor, recreational aides and city clerk.	Closed 6/04
Atkasuk 02- NPRA-02	Renovate Recreation Center	49,000	This phase includes installation of an efficient waste heating system.	Closed 9/04
Barrow 02- NPRA-03	Public Facilities Operations	350,000	Project will maintain safe and improved recreational facilities and supplement funding for the Summer Youth Program.	Closed 11/04
Barrow 02- NPRA-04	Summer Youth Program	50,000	Project includes the annual Summer Clean-up Program which employs up to 60 youth as a service to the community.	Closed 6/04
North Slope Borough 02- NPRA-05	Capacity Building	100,000	This involves each community within the Borough, encouraging consolidation of resources between city & tribal governments to result in the formation of partnerships to generate revenue necessary for a common goal: economic viability of the NPR-A communities. As of 9/30/05 less than \$25,000 remains in grant. Expect it to be closed by 6/30/06.	Active
North Slope Borough 02- NPRA-06	Mayor's Workforce Job Training Program	188,048	Project mitigates impacts by supplying entry-level employment in village positions that have been vacated due to oil and gas development.	Closed 11/03
North Slope Borough 02- NPRA 07	Nuiqsut Natural Gas Project	450,000	Project provides an alternative to high energy costs and increased demand created by the oil and gas activity. As of 9/30/05 approximately \$53,000 remains in grant. Expect it to be closed by 6/30/06.	Active
North Slope Borough 02- NPRA 08	Wainwright Basic Operations	250,000	Project provides operational assistance such as salaries, equipment and training to city staff with the goal of increased efficiency and an improved level of service to residents. As of 11/05 \$119 remains in grant. Will be closed by 6/30/06.	Active
<b>Total</b>		<b>\$1,686,105</b>		

**NPR-A Impact Mitigation Grants Awarded - Based on March 2003 Recommendations**  
**FY 04 Appropriation (page 1 of 3)**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk 04- NPRA-21	Local Government & Community Center Operations & Maintenance	368,621	Project supplements operations with partial salaries for the mayor, janitor, recreational aides and city clerk as well as costs to operate and maintain community center.	Closed 10/05
Barrow 04- NPRA-01	Recreation Building Addition Feasibility	40,000	Project will complete a feasibility study for the renovation and construction of the recreation building.	Active
Barrow 04- NPRA-02	Renovate Multi-Purpose Facility	53,719	Project will upgrade and expand existing public services currently provided at the Roller Rink and purchase necessary equipment and supplies.	Active
Barrow 04- NPRA-22	Basic Local Government Operations and Maintenance	1,309,806	Project will fund in part the operation and maintenance of the city council, administration and recreation departments.	Closed 12/04
Barrow 04 NPRA-23	Public Facilities Operations and Maintenance	420,705	Project will maintain safe and improved recreational facilities and supplement funding for the Summer Youth Program.	Closed 9/05
Barrow 04- NPRA-24	Quest Mentorship Program with KBRW	265,000	Project will fund the Quest Mentorship Program through KBRW AM/FM radio station. Grant funds will be used to purchase necessary equipment for training interns and contractual services for implementation of the program. As of 12/05 balance remaining is less than \$23,000. Expect project to be closed 06/30/06.	Active
Barrow 04- NPRA-25	Addition to Cemetery Road	44,230	Project will construct a one-quarter mile road, drainage culverts, and shoulder work to gain access to cemetery. Funds for design, purchase of road materials, freight, supplies, labor. As of 12/05 approximately \$11,000 remains in grant.	Active
North Slope Borough 04- NPRA-03	Nuiqsut Natural Gas Upstream Conditioner	2,000,000	Project provides an alternative to high energy costs and increased demand created by the oil and gas activity.	Active
North Slope Borough 04- NPRA-04	Waterfowl in NPRA Continuation	443,619	This is Phase III of the FY00 surveys. The need for tracking and analysis is clearly related to the foreseeable impacts of oil and gas development.	Active
North Slope Borough 04- NPRA-05	Arctic Fox Satellite Project	316,582	Project will outfit 20 arctic fox with radio transmitters and collection and analysis of data gathered. Establishment of baseline data will permit more accurate monitoring of impact on wildlife.	Active
North Slope Borough 04- NPRA-06	Carbon Movements & Distribution	359,245	This is Phase III of the FY00 surveys. The need for tracking and analysis is clearly related to the foreseeable impacts of oil and gas development.	Active
<b>Sub-Total (page 1)</b>		<b>\$5,621,527</b>		

**NPR-A Impact Mitigation Grants Awarded - Based on March 2003 Recommendations**  
**FY 04 Appropriation (page 2 of 3)**

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough 04- NPRA-07	Survey and Inventory of Fish Resources	362,931	Project will include tagging and radio tracking of subsistence fish. The need for the inventory is clearly related to the foreseeable impacts of oil and gas development. Establishment of baseline data will permit more accurate monitoring of oil and gas impacts on wildlife.	Active
North Slope Borough 04- NPRA-08	Fish Petroleum Hydrocarbon Study	405,659	Project will establish baseline data on the current status of petroleum hydrocarbons in four species of subsistence fish in the NPR-A.	Active
North Slope Borough 04- NPRA-09	Subsistence Harvest Monitoring	188,030	This is Phase III of the FY00 survey. Project will continue documentation of yearly wildlife harvest; identify specific areas important to subsistence hunting and any adverse impacts caused by oil/gas development.	Active
North Slope Borough 04- NPRA-10	Electric Thermal Oxidation/Waste Heat	1,500,000	Project will remodel the thermal oxidation system, expand the thermal oxidation system facility, and prepare a feasibility study on development of an electrical co-generation system at the facility.	Active
North Slope Borough 04 NPRA-11	Grant Oversight and Supervision	213,418	Project will allow NSB staff to work with borough communities to provide capacity building as well as send staff to professional development training.	Active
North Slope Borough 04- NPRA-12	Volunteer Search and Rescue Equipment	565,425	Project will provide search and rescue equipment, parts and supplies, and training for borough communities.	Active
North Slope Borough 04- NPRA-13	Fire Department Equipment Upgrades	250,276	Project will provide emergency medical equipment for five borough communities.	Closed 12/04
North Slope Borough 04- NPRA-14	Barrow Sewage Treatment Facility	10,000,000	Project will provide funds for construction of a new sewage treatment facility which will safely store and treat raw sewage and runoff for the next 20 years.	Active
North Slope Borough 04- NPRA-15	Emergency Radio Communications	1,550,570	Project will provide funds for purchase and maintenance of equipment/materials/supplies needed for the 800 MHz radio system for NSB emergency response teams.	Active
North Slope Borough 04- NPRA-16	Police Department Facilities and Training	728,999	Project will upgrade police department facilities in NSB communities including purchase of updated equipment and vehicles and professional development training.	Active
North Slope Borough 04- NPRA-17	Telecommunications System Update	156,145	Project will purchase equipment necessary for upgrading the current information technology system and to provide training for NSB staff in installation, operation and maintenance. As of 9/30/05 \$7500 remains in grant. Expect to close by 6/30/06.	Active
<b>Sub-Total (page 2)</b>		<b>\$15,921,453</b>		

NPR-A Impact Mitigation Grants Awarded - Based on March 2003 Recommendations  
 FY 04 Appropriation (page 3 of 3)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough 04-NPRA-18	Research Equipment for NPR-A Activities	250,000	Project will purchase equipment for collecting and analyzing data on subsistence activities and fish and wildlife resources.	Active
North Slope Borough 04-NPRA-19	Barrow School Resource Officers	237,240	Project will fund School Resource Officers in three Barrow schools, provide training and purchase educational materials and supplies.	Active
North Slope Borough 04-NPRA-20	NPR-A Village School Counselors	435,736	Project will fund salary/benefits for a School Counselor in four NPR-A communities and provide training for each position.	Active
North Slope Borough 04-NPRA-26	Project Compliance and Fiscal Coordinator	198,250	Project will fund salary/benefits for a new Project Compliance and Fiscal Coordinator for all research related projects within the NSB's Dept of Wildlife Management for two years.	Active
North Slope Borough 04-NPRA-27	Childcare/Learning Center/Training	56,123	Funds will be used to purchase surveillance equipment and for purchase and installation of fencing around the Barrow Child Care Learning Center playground. Two Center employees will attend professional development training.	Active
North Slope Borough 04-NPRA-28	Village Summer Recreation Program	121,374	Project will fund salary/benefits for a Recreation Coordinator and a Recreation Aide for a summer recreation program in the five NPR-A communities. Professional development training also to be provided.	Active
North Slope Borough 04-NPRA-29	Mayor's Job Program	653,929	This is a continuation of the FY03 NPR-A grant project, which mitigates impacts by supplying entry-level employment in village positions that have been vacated due to oil and gas development.	Closed 9/05
North Slope Borough 04-NPRA-30	Workforce Development Program	1,515,825	Project will develop a One-Stop Job Center where NPR-A village members can obtain skills, certifications, and the expertise necessary to become employed by the infrastructure created by NPR-A development.	Active
Sub-Total (page 1)		\$5,621,527		
Sub-Total (page 2)		\$15,921,453		
Sub-Total (page 3)		\$3,468,477		
Total		\$25,011,457		

NPR-A Impact Mitigation Grants Awarded - Based on December 2003 Recommendations  
 FY 05 Appropriation

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Barrow 05- NPR-01	Tuzzy Library	180,000	Project will fund salary/benefits for a full-time Library Technician to provide general library services with a focus on children.	Active
North Slope Borough 05- NPR-02	Wainwright Local Government Operations	250,000	Project will fund salary/benefits for City positions and increase of hours on some current positions.	Active
North Slope Borough 05- NPR-03	Barrow Allied Health Care Training Program	320,000	The need for the survey is clearly related to the foreseeable impacts of oil and gas development. The North Slope Allied Health Training Program will provide a continuum of training and education in paraprofessional fields essential to developing local health care providers on the North Slope.	Active
North Slope Borough 05- NPR-04	Social and Cultural Impacts Study	300,586	Purpose of project is to document observations and perceptions of North Slope residents regarding historical, current and potential effects of oil industry activities on hunting and to determine how oil/gas development has affected hunters.	Active
North Slope Borough 05- NPR-05	Oil/Gas Development Comprehensive Plan	400,000	This project will develop a comprehensive borough-wide oil and gas land-use plan to guide industrial development.	Active
North Slope Borough 05- NPR-06	School Counselors Extended Program	205,000	This is a continuation of the program initially funded in FY 04 and will hire two additional school counselors in Barrow. As of 9/30/05 balance in grant is \$61. Expect it to close effective 12/05.	Active
North Slope Borough 05- NPR-07	School Resource Officers	125,000	This is a continuation of the program initially funded in FY 04 and will be used to retain and train a School Resource Officer in Barrow.	Active
North Slope Borough 05- NPR-08	School Based Programs	500,000	The NSB will partner with the NSB School District to provide open gyms and structured activities in Atqasak, Anaktuvuk Pass, Barrow, Nuiqsut and Wainwright.	Active
Nuiqsut 05- NPR-10	Local Government Operations	250,000	Project will fund salary/benefits for City positions and increase of hours on some current positions.	Closed 7/05
<b>Total</b>		<b>\$2,530,586</b>		

NPR-A Impact Mitigation Grants Awarded - Based on January 2005 Recommendations  
 FY 06 Appropriation (page 1 of 6)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Status</u>
Atkasuk 06- NPRA-01	Local Government Operations	336,468	The purpose of this project is to supplement the maintenance and operations costs necessary to successfully operate the local government of Atkasuk and provide continued services to residents including an expanded youth program. The project will provide funding for one year for the following city staff: mayor, city clerk, assistant clerk, janitor, two recreation aides. Grant funds are also requested for insurance, audit/accountant, utilities, equipment, communications, materials/supplies, freight and travel.	Active
Atkasuk 06- NPRA-02	Youth Center Addition to Community Center	680,000	The purpose of this project is to construct a 1600 square foot (SF) one-story addition to the Community Center to create a Youth Center. This will provide Atkasuk youth (ages 10-18) with a safe, drug-free, warm, supervised environment to socialize, play games, study and take part in other youth activities. There are currently 43 children in Atkasuk who are between the ages of 10 and 18. Grant funds are requested for the design and construction contract.	Active
Barrow 06- NPRA-03	Basic Local Government Operations	1,385,843	The purpose of this project is to provide operations for the City of Barrow for a one-year period. Grant funds are requested for labor/benefits for the following full time positions (37.5 hr/wk): mayor, city clerk, assistant clerk, property manager, finance director, bookkeeper, permitting clerk, special projects/polar bear watchman, administrative assistant, webmaster, recreation director, recreation supervisor and two recreation aides. Grant funds are requested for labor/benefits for the following part-time positions: grants administrator (30 hr/wk), DMV representative (19 hr/wk), and 13 recreation aides (15-24 hr/wk). Grant funds are also requested for contractual (legal, audit, computer support), equipment, materials, freight and training. Administration will be provided as an in kind contribution (2 hr/wk for the Grant Administrator).	Active
Barrow 06- NPRA-04	City Hall Building Addition Feasibility Study	69,413	The purpose of this project is to complete a feasibility study to identify the costs and materials needed to construct an addition for City Hall so it will continue to function efficiently and adequately. Grant funds are requested for contractual consultant costs.	Active
Barrow 06- NPRA-05	City Impound and Disposal Site	174,389	The purpose of this project is to construct a 120' x 200' gravel pad to provide a safe area for junk vehicles. The pad will be lined to keep vehicle fluids from seeping into the earth. Grant funds are requested for labor/benefits (four laborers), contractual (tractor operator/ rental costs), materials and freight.	Active
Barrow 06- NPRA-06	Roller Rink Renovation Feasibility Study	63,556	The purpose of this project is to complete a feasibility study to identify the costs and materials needed to renovate the Barrow Roller Rink, which is utilized as a multi purpose facility. Grant funds are requested for contractual consultant costs.	Active
Sub-Total (page 1)		<u>\$2,709,669</u>		

NPR-A Impact Mitigation Grants Awarded - Based on January 2005 Recommendations  
 FY 06 Appropriation (page 2 of 6)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Status</u>
Nuiqsut 06- NPR-A-07	Local Government Operations	468,000	The purpose of this project is to provide continued funding for local government operations for one year. Grant funds are requested for labor/benefits (full-time city clerk, maintenance, cultural coordinator, and bookkeeper; full-time night watch during summer months), contractual (City Administrator labor/benefits), equipment purchase (copier, fax/printer, computer), office supplies, freight (for equipment/supplies), travel (City Council/staff training), other (CPA professional services) and administration (utilities, insurance, council honorarium, vehicle maintenance and repairs). Also includes some equipment purchases for cultural coordinator.	Active
North Slope Borough 06- NPR-A-08	Barrow Allied Health Care Training Program	3,400,000	The North Slope Allied Health Training Program (NSAHTP) was established to provide a continuum of training and education in paraprofessional fields essential to developing local health care providers on the North Slope. Providers and participants include the Borough, NSB Health Department, Arctic Slope Native Association, Samuel Summonds Memorial Hospital, and Iisagyik College. The purpose of this project is to provide funding for the North Slope Allied Health Training Center which will coordinate training that has been identified to address and assuage the impacts of NPR-A oil and gas development. Grant funds are requested for labor/benefits, contractual, equipment, supplies, travel, other and administration.	Active
North Slope Borough 06- NPR-A-09	Continue Studies to Investigate Wildlife	2,461,368	The purpose of this project is to supplement existing research within the NSB Department of Wildlife Management, which is critical to responding to Inupiat hunter's concerns about oil and gas exploration and development. This project would cover a three-year period to continue the following research: (1) Subsistence Harvest Documentation; (2) Waterfowl Surveys; (3) Key Subsistence Fish Species; (4) Hydrocarbons in Fish; and (5) Satellite Tracking of the Teshekpuk Caribou Herd. Grant funds are requested for labor/benefits, contractual, equipment, materials/supplies, travel and administration.	Active
North Slope Borough 06- NPR-A-10	Health, Survival & Sustainability of Key Subsistence Resources	654,426	The purpose of this project is to conduct new studies over a 3-year period that address and document independent aspects of wildlife population biology. Each study has been designed to complement each other so the NSB Department of Wildlife Management may better understand the influences of weather and habitat on natural winter survival of caribou, project future population estimates of TCH caribou under different conditions, and assess and document the health of subsistence animal and fish populations. Grant funds are requested for labor/benefits, contractual, equipment, supplies, travel and indirect.	Active
Sub-Total (page 2)		<u>\$6,983,794</u>		

NPR-A Impact Mitigation Grants Awarded - Based on January 2005 Recommendations  
 FY 06 Appropriation (page 3 of 6)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Status</u>
North Slope Borough 06- NPR-A-11	Mayor's Job Program	2,527,961	The purpose of this project is to continue the existing Mayor's Job Program, which provides short-term employment for NSB residents at the Borough offices and other employers such as the Arctic Slope Native Association, Native Village of Barrow and the City of Barrow. The program provides training for individuals to assist them with acquiring necessary job skills to advance to full-time employment. Grant funds are requested to fund these positions, as well as a part-time coordinator to oversee the participants throughout the affected areas. Funding is also requested for supplies and administration.	Active
North Slope Borough 06- NPR-A-12	Nuiqsut Design Retractable Boat Ramp	200,000	The purpose of this project is to design and install a retractable boat ramp. Grant funds are requested for contractual and administration.	Active
North Slope Borough 06- NPR-A-13	Nuiqsut Youth Center Operation and Maintenance	191,205	The purpose of this project is to provide funding for the operation and maintenance of the Nuiqsut Youth Center. Grant funds are requested for labor/benefits (three full-time Coordinator positions), equipment purchase (TV & DVD), material/supplies (cleaning/janitorial, computer software, games, craft supplies), freight, training (academic/computer), utilities (fuel, electricity, water/sewer, phone/internet) and administration. In December 2005 the City of Nuiqsut and NSB agreed to move funds (total \$41,205) to this grant from two grants appropriated in FY02: 01-NPR-A-09 (Nuiqsut Wooden Deck Ball Court @ \$11,205) and 01-NPR-A-10 (Nuiqsut Emergency Hunting Shelters @ \$30,000).	Active
North Slope Borough 06- NPR-A-14	Village Capacity Building	968,182	The purpose of this project is to provide capacity-building assistance over a 3-year period to NSB villages so they may effectively serve the needs of their communities as they deal with the effects of oil and gas development. This project is planned for three years in order to assist those communities that are affected today by NPR-A oil and gas activity as well as to prepare those communities that will be impacted as NPR-A activity expands. Grant funds are requested for labor/benefits, contractual, travel, materials/supplies and administration.	Active
North Slope Borough 06- NPR-A-15	Wainwright City Office Reconstructions	38,114	The purpose of this project is to repair the City Office building to provide a safe, warm environment for city business. This includes replacement of damaged floor substrate, floor tiles, ceiling lighting, furnace, hot water heater, fire door and addition of o/s air intake. Grant funds are requested for contractual services and administration.	Active
Sub-Total (page 3)		53,884,257		

NPR-A Impact Mitigation Grants Awarded - Based on January 2005 Recommendations  
 FY 06 Appropriation (page 4 of 6)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Status</u>
North Slope Borough 06- NPR-A-16	Wainwright Lagoon Boat Launch	525,000	The purpose of this project is to replace or renovate the Wainwright Lagoon Boat Ramp to provide a safe launch site for subsistence and rescue activities. Grant funds are requested for contractual services and administration.	Active
North Slope Borough 06- NPR-A-17	Wainwright Local Government Operations	311,500	The purpose of this project is to provide continued funding for a City Administrator, Program Assistant and City Clerk to build the capacity of the City of Wainwright to successfully manage its financial affairs and grant programs, to implement new sources of revenue, and to continue staff training. Grant funds are requested for labor/benefits, contractual services, maintenance/repairs, insurance, utilities, materials/supplies, training/travel, audit/ accountant fees and administration.	Active
North Slope Borough 06- NPR-A-18	Wainwright Softball Field	35,000	The purpose of this project is to purchase and install a backstop, bleachers and other equipment required to provide a summer softball program for Wainwright youth which will be conducted on the Municipal Reserve recreational area owned by the city. Grant funds are requested for contractual services, materials/supplies and administration.	Active
North Slope Borough 06- NPR-A-19	Wainwright Youth Program	229,500	The purpose of this project is to provide funding for the Wainwright Youth Program at the Robert James Community Center which offers an adult-supervised, safe, drug-free environment for Wainwright youth ages 10-18. Grant funds are requested for labor/benefits, contractual, utilities, maintenance/ repairs, materials/supplies and administration.	Active
North Slope Borough 06- NPR-A-20	Workforce Development Program	3,729,451	The purpose of this project is to continue the existing Workforce Development Program, which is designed to provide entry-level training for unemployed residents, apprenticeship training for residents with more advanced job skills and training to enhance the job skills of current NSB employees. Grant funds are requested for labor/benefits for four full-time positions at the Savaat Center: Workforce Development Coordinator, NSB Employer Liaison; NSB Training Facilitator, Savaat Center Program Assistant. Grant funds are also requested for equipment, training, travel and administration.	Active
North Slope Borough 06- NPR-A-21	Atqasuk Energy Assessment	100,042	The purpose of this project is to identify the most cost-effective, cleanest and safest alternative to energy (power, light and heat) in the community of Atqasuk. Fuel costs in Atqasuk are currently the highest on the Slope and they have need to purchased 500,000 gallons for FY05. Grant funds are requested for contractual engineering/cost analysis and administration.	Active
Sub-Total (page 4)		<u>54,930,493</u>		

NPR-A Impact Mitigation Grants Awarded - Based on January 2005 Recommendations  
 FY 06 Appropriation (page 5 of 6)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Status</u>
North Slope Borough 06- NPR-A-22	Fire Equipment and Training	250,000	The purpose of this project is to allow the NSB Fire Department to acquire a quint fire fighting apparatus in Barrow, acquire other training and operational equipment, and provide fire and emergency medical training to fire department employees and volunteer fire fighters in Atkasuk, Anaktuvuk Pass, Barrow, Nuiqsut and Wainwright. Grant funds are requested for equipment, supplies, freight, training, travel and administration.	Active
North Slope Borough 06- NPR-A-23	Misdemeanor Probation Officer	346,071	The purpose of this project is to create one full-time Misdemeanor Probation Officer position for three years, which will be tasked with collecting information on misdemeanor offenders and their compliance with court-ordered conditions of probation/release. Grant funds are requested for labor/benefits, contractual, travel, materials/supplies and administration.	Active
North Slope Borough 06- NPR-A-24	North Slope Borough Science Initiatives	425,578	The purpose of this project is to support the Borough's involvement in the North Slope Science Initiative (NSSI). The NSSI was established to develop a science-based program that integrates inventory, monitoring and research activities to support resource management decisions on the North Slope of Alaska. Its mission is to enhance the quality and quantity of the scientific information available for aquatic, terrestrial and marine environments on the North Slope and to make this information available to decision makers, governmental agencies, industry and the public. Grant funds are requested for labor/benefits, contractual, supplies, travel and administration.	Active
North Slope Borough 06- NPR-A-25	NPR-A Technical Review Team	1,468,508	The purpose of this project is to provide additional staff to assist the NSB departments responsible for reviewing and commenting on resource development issues, including environmental analyses and permit applications. Grant funds are requested for services from a biologist, permit specialist and an attorney, including travel and support costs related to attending and holding public hearings and other meetings. Funds are also requested for contractual services, materials and administration.	Active
North Slope Borough 06- NPR-A-26	Oil Response Team	737,867	The purpose of this project is to develop a dedicated spill response team with squads located in Atkasuk, Barrow, Nuiqsut and Wainwright. Each team would have primary responsibility for handling spills in and near their respective communities, but would also be able to rapidly respond to neighboring communities to assist in large-scale spills. Grant funds are requested for labor/benefits (Fuel Spill Response Team Coordinator – full-time in Year One, part time in Year Two), materials/supplies, protective equipment/response gear, travel/training and administration.	Active
Sub-Total (page 5)		<u>\$3,228,024</u>		

NPR-A Impact Mitigation Grants Awarded - Based on January 2005 Recommendations  
 FY 06 Appropriation (page 6 of 6)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Status</u>
North Slope Borough 06- NPR-A-27	Police Importation Combat Program	1,101,512	The purpose of this project is to implement an investigative unit comprised of three new full-time Police Officer positions for a 3-year period, dedicated to combating the illegal importation, manufacture and distribution of drugs and alcohol occurring in each of the NPR-A impacted communities. Grant funds are requested for labor/benefits and administration.	Active
North Slope Borough 06- NPR-A-28	Police Officers for NPR-A Villages	1,486,689	The purpose of this project is to employ a full-time Police Officer for a three-year period in Atkasuk, Barrow, Nuiqsut and Wainwright. Grant funds are requested for labor/benefits and administration.	Active
North Slope Borough 06- NPR-A 29	Social and Culutral Impact Study Phase 2	275,880	The purpose of this project is to prepare a comprehensive scientific study to identify the key socio-economic impacts of oil and gas development in Atkasuk, Barrow, Nuiqsut and Wainwright. Phase I of the study started in July 2004 and consists of designing the survey instrument and data collection. Phase 2 will analyze data collected in phase 1, focusing on the observations and perceptions of NSB residents regarding historical, current and potential effects of oil industry activities on onshore and offshore hunting. Grant funds are requested for contractual and administration.	Active
North Slope Borough 06- NPR-A-30	Unlity Master Plan/Emergency Plan	106,221	The purpose of this project is to prepare a Borough-wide Unlity Master Plan and Emergency Unlity Plan to assess the future requirements of power, water, sewer, waste collection and landfill functions across the North Slope and develop a tool for the Borough to use to prepare communities for the changes ahead. Grant funds are requested for contractual engineering and administration.	Active
	Sub-Total (page 1)	\$2,709,669		
	Sub-Total (page 2)	\$6,983,794		
	Sub-Total (page 3)	\$3,884,257	Note: This subtotal does not include the \$41,205 moved from FY 02 grants.	
	Sub-Total (page 4)	\$4,930,493		
	Sub-Total (page 5)	\$3,228,024		
	Sub-Total (page 6)	\$2,970,302		
	<b>Total</b>	<b>\$24,706,539</b>	Note: This total does not include the \$41,205 moved from FY 02 grants.	

FY 07 NPR-A Applications Received by 11/15/05 Deadline

APPLICANT	PROJECT TITLE	COMMUNITY(IES) TO BENEFIT	AMOUNT REQUESTED
City of Atkasuk	Local Government Operations & Youth Program	Atkasuk	345,867.00
	<b>Total Requested (1)</b>		<b>\$345,867.00</b>
City of Barrow	Public Facilities Operations & Maintenance	Barrow	744,073.05
	<b>Total Requested (1)</b>		<b>\$744,073.05</b>
North Slope Borough	Wainwright Local Government Operations	Wainwright	325,000.00
	Wainwright Youth Center Program	Wainwright	243,000.00
	Training & Mentoring Program for NPRA Residents Entering Oil Industry	All NPRA	315,707.00
	Nuiqsut & Hopson Middle School Counselors	Nuiqsut & Barrow	253,115.00
	Bowhead Workshop	Barrow, Nuiqsut & Wainwright	60,095.00
	Vegetation Monitoring in NPRA	All NPRA	147,688.00
	Understanding Predators (Gulls)	All NPRA	341,812.00
	Health Assesent/Contaminants	All NPRA	24,200.00
	Cabin & Campsite Locations Mapping	All NPRA	61,710.00
	NSB Assembly Chambers Expansion/Renovation	Borough-wide	525,000.00
	Barrow E911 System	Borough-wide	511,878.00
	Barrow Digital Repeater Upgrades	Borough-wide	507,064.00
	School Resource Officer	Barrow	125,000.00
	<b>Total Requested (13)</b>		<b>\$3,441,269.00</b>
City of Nuiqsut	Local Government Operations & Maintenance	Nuiqsut	500,000.00
	Paisangich Cultural Plan	Nuiqsut	100,000.00
	Youth Center Operations & Maintenance	Nuiqsut	150,000.00
	<b>Total Requested (3)</b>		<b>\$750,000.00</b>
	<b>GRAND TOTAL - 18 Applications</b>		<b>\$5,281,209.05</b>

# ATTACHMENTS

**Federal Statutes (42 USC Chapter 78)**

**Alaska Statutes (AS 37.05.530)**

**Alaska Regulations (03 AAC 150)**

**UNITED STATES CODE**  
**Title 42 - The Public Health And Welfare**  
**Chapter 78 - National Petroleum Reserve In Alaska**

**Sec. 6501. - "Petroleum" defined**

As used in this chapter, the term "petroleum" includes crude oil, gases (including natural gas), natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources

**Sec. 6502. - Designation of National Petroleum Reserve in Alaska; reservation of lands; disposition and conveyance of mineral materials, lands, etc., preexisting property rights**

The area known as Naval Petroleum Reserve Numbered 4, Alaska, established by Executive order of the President, dated February 27, 1923, except for tract Numbered 1 as described in Public Land Order 2344, dated April 24, 1961, shall be transferred to and administered by the Secretary of the Interior in accordance with the provisions of this Act. Effective on the date of transfer all lands within such area shall be redesignated as the "National Petroleum Reserve in Alaska" (hereinafter in this chapter referred to as the "reserve"). Subject to valid existing rights, all lands within the exterior boundaries of such reserve are hereby reserved and withdrawn from all forms of entry and disposition under the public land laws, including the mining and mineral leasing laws, and all other Acts; but the Secretary is authorized to

(1) make dispositions of mineral materials pursuant to the Act of July 31, 1947 (61 Stat. 681), as amended (30 U.S.C. 601 et seq.), for appropriate use by Alaska Natives and the North Slope Borough,

(2) make such dispositions of mineral materials and grant such rights-of-way, licenses, and permits as may be necessary to carry out his responsibilities under this Act,

(3) convey the surface of lands properly selected on or before December 18, 1975, by Native village corporations pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), and

(4) grant such rights-of-way to the North Slope Borough, under the provisions of title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761 et seq.) or section 28 of the Mineral Leasing Act, as amended (30 U.S.C. 185), as may be necessary to permit the North Slope Borough to provide energy supplies to villages on the North Slope. All other provisions of law heretofore enacted and actions heretofore taken reserving such lands as a Naval Petroleum Reserve shall remain in full force and effect to the extent not inconsistent with this Act

**Sec. 6503. - Transfer of jurisdiction, duties, property, etc., to Secretary of the Interior from Secretary of Navy**

(a) Transfer of jurisdiction over reserve; date of transfer

Jurisdiction over the reserve shall be transferred by the Secretary of the Navy to the Secretary of the Interior on June 1, 1977.

(b) Protection of environmental, fish and wildlife, and historical or scenic values; promulgation of rules and regulations

With respect to any activities related to the protection of environmental, fish and wildlife, and historical or scenic values, the Secretary of the Interior shall assume all responsibilities as of April 5, 1976. As soon as possible, but not later than the effective date of transfer, the Secretary of the Interior may promulgate such rules and regulations as he deems necessary and appropriate for the protection of such values within the reserve.

(c) Contract responsibilities and functions

The Secretary of the Interior shall, upon the effective date of the transfer of the reserve, assume the responsibilities and functions of the Secretary of the Navy under any contracts which may be in effect with respect to activities within the reserve.

(d) Equipment, facilities, and other properties used in connection with operation of reserve; transfer without reimbursement

On the date of transfer of jurisdiction of the reserve, all equipment, facilities, and other property of the Department of the Navy used in connection with the operation of the reserve, including all records, maps, exhibits, and other informational data held by the Secretary of the Navy in connection with the reserve, shall be transferred without reimbursement from the Secretary of the Navy to the Secretary of the Interior who shall thereafter be authorized to use them to carry out the provisions of this chapter.

(e) Unexpended funds previously appropriated for use in connection with reserve and civilian personnel ceilings assigned to management and operation of reserve

On the date of transfer of jurisdiction of the reserve, the Secretary of the Navy shall transfer to the Secretary of the Interior all unexpended funds previously appropriated for use in connection with the reserve and all civilian personnel ceilings assigned by the Secretary of the Navy to the management and operation of the reserve as of January 1, 1976

**Sec. 6504. - Administration of reserve**

(a) Congressional authorization as precondition for production and development of petroleum

Except as provided in subsection (e) of this section, production of petroleum from the reserve is prohibited and no development leading to production of petroleum from the reserve shall be undertaken until authorized by an Act of Congress.

(b) Conduct of exploration within designated areas to protect surface values

Any exploration within the Utukok River, the Teshekpuk Lake areas, and other areas designated by the Secretary of the Interior containing any significant subsistence, recreational, fish and wildlife, or historical or scenic value, shall be conducted in a manner which will assure the maximum protection of such surface values to the extent consistent with the requirements of this Act for the exploration of the reserve.

(c) Continuation of ongoing petroleum exploration program by Secretary of Navy prior to date of transfer of jurisdiction; duties of Secretary of Navy prior to transfer date

The Secretary of the Navy shall continue the ongoing petroleum exploration program within the reserve until the date of the transfer of jurisdiction specified in section 6503(a) of this title. Prior to the date of such transfer of jurisdiction the Secretary of the Navy shall -

(1) cooperate fully with the Secretary of the Interior providing him access to such facilities and such information as he may request to facilitate the transfer of jurisdiction;

(2) provide to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives copies of any reports, plans, or contracts pertaining to the reserve that are required to be submitted to the Committees on Armed Services of the Senate and the House of Representatives; and

(3) cooperate and consult with the Secretary of the Interior before executing any new contract or amendment to any existing contract pertaining to the reserve and allow him a reasonable opportunity to comment on such contract or amendment, as the case may be.

(d) Commencement of petroleum exploration by Secretary of the Interior as of date of transfer of jurisdiction; powers and duties of Secretary of the Interior in conduct of exploration

The Secretary of the Interior shall commence further petroleum exploration of the reserve as of the date of transfer of jurisdiction specified in section 6503(a) of this title. In conducting this exploration effort, the Secretary of the Interior -

(1) is authorized to enter into contracts for the exploration of the reserve, except that no such contract may be entered into until at least thirty days after the Secretary of the Interior has provided the Attorney General with a copy of the proposed contract and such other information as may be appropriate to determine legal sufficiency and possible violations under, or inconsistencies with, the antitrust laws. If, within such thirty day period, the Attorney General advises the Secretary of the Interior that any such contract would unduly restrict competition or be inconsistent with the antitrust laws, then the Secretary of the Interior may not execute that contract;

(2) shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives any new plans or substantial amendments to ongoing plans for the exploration of the reserve. All such plans or amendments submitted to such committees pursuant to this section shall contain a report by the Attorney General of the United States with respect to the anticipated effects of such plans or amendments on competition. Such plans or amendments shall not be implemented until sixty days after they have been submitted to such committees; and

(3) shall report annually to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives on the progress of, and future plans for, exploration of the reserve

**Sec. 6505. - Executive department responsibility for studies to determine procedures used in development, production, transportation, and distribution of petroleum resources in reserve; reports to Congress by President; establishment of task force by Secretary of the Interior; purposes; membership; report and recommendations to Congress by Secretary; contents**

(a) Omitted

(b)

(1) The President shall direct such Executive departments and/or agencies as he may deem appropriate to conduct a study, in consultation with representatives of the State of Alaska, to determine the best overall procedures to be used in the development, production, transportation, and distribution of petroleum resources in the reserve. Such study shall include, but shall not be limited to, a consideration of -

(A) the alternative procedures for accomplishing the development, production, transportation, and distribution of the petroleum resources from the reserve, and

(B) the economic and environmental consequences of such alternative procedures.

(2) The President shall make semiannual progress reports on the implementation of this subsection to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives beginning not later than six months after April 5, 1976, and shall, not later than one year after the transfer of jurisdiction of the reserve, and annually thereafter, report any findings or conclusions developed as a result of such study together with appropriate supporting data and such recommendations as he deems desirable. The study shall be completed and submitted to such committees, together with recommended procedures and any proposed legislation necessary to implement such procedures not later than January 1, 1980.

(c)

(1) The Secretary of the Interior shall establish a task force to conduct a study to determine the values of, and best uses for, the lands contained in the reserve, taking into consideration

- (A) the natives who live or depend upon such lands,
- (B) the scenic, historical, recreational, fish and wildlife, and wilderness values,
- (C) mineral potential, and
- (D) other values of such lands.

(2) Such task force shall be composed of representatives from the government of Alaska, the Arctic slope native community, and such offices and bureaus of the Department of the Interior as the Secretary of the Interior deems appropriate, including, but not limited to, the Bureau of Land Management, the United States Fish and Wildlife Service, the United States Geological Survey, and the United States Bureau of Mines.

(3) The Secretary of the Interior shall submit a report, together with the concurring or dissenting views, if any, of any non-Federal representatives of the task force, of the results of such study to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives within three years after April 5, 1976, and shall include in such report his recommendations with respect to the value, best use, and appropriate designation of the lands referred to in paragraph (1)

**Sec. 6506. - Applicability of antitrust provisions; plans and proposals submitted to Congress to contain report by Attorney General on impact of plans and proposals on competition**

Unless otherwise provided by Act of Congress, whenever development leading to production of petroleum is authorized, the provisions of subsections (g), (h), and (i) of section 7430 of title 10 shall be deemed applicable to the Secretary of the

Interior with respect to rules and regulations, plans of development and amendments thereto, and contracts and operating agreements. All plans and proposals submitted to the Congress under this chapter or pursuant to legislation authorizing development leading to production shall contain a report by the Attorney General of the United States on the anticipated effects upon competition of such plans and proposals

**Sec. 6507. - Authorization of appropriations; Federal financial assistance for increased municipal services and facilities in communities located on or near reserve resulting from authorized exploration and study activities**

(a) There are authorized to be appropriated to the Department of the Interior such sums as may be necessary to carry out the provisions of this chapter.

(b) If the Secretary of the Interior determines that there is an immediate and substantial increase in the need for municipal services and facilities in communities located on or near the reserve as a direct result of the exploration and study activities authorized by this chapter and that an unfair and excessive financial burden will be incurred by such communities as a result of the increased need for such services and facilities, then he is authorized to assist such communities in meeting the costs of providing increased municipal services and facilities. The Secretary of the Interior shall carry out the provisions of this section through existing Federal programs and he shall consult with the heads of the departments or agencies of the Federal Government concerned with the type of services and facilities for which financial assistance is being made available

**Sec. 6508. - Competitive leasing of oil and gas**

There shall be conducted, notwithstanding any other provision of law and pursuant to such rules and regulations as the Secretary may prescribe, an expeditious program of competitive leasing of oil and gas in the National Petroleum Reserve in Alaska: Provided, That

(1) activities undertaken pursuant to this section shall include or provide for such conditions, restrictions, and prohibitions as the Secretary deems necessary or appropriate to mitigate reasonably foreseeable and significantly adverse effects on the surface resources of the National Petroleum Reserve in Alaska (the Reserve);

(2) the provisions of section 202 and section 603 of the Federal Lands Policy and Management Act of 1976 (90 Stat. 2743) (43 U.S.C. 1712, 1782) shall not be applicable to the Reserve;

(3) the first lease sale shall be conducted within twenty months of December 12, 1980: Provided, That the first lease sale shall be conducted only after publication of a final environmental impact statement if such is deemed necessary under the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4332);

(4) the withdrawals established by section 102 of Public Law 94-258 (42 U.S.C. 6502) are rescinded for the purposes of the oil and gas leasing program authorized herein;

(5) bidding systems used in lease sales shall be based on bidding systems included in section 205(a)(1)(A) through (H) [1] of the Outer Continental Shelf Lands Act Amendments of 1978 (92 Stat. 629) (43 U.S.C. 1337(a)(1)(A)-(H));

(6) lease tracts may encompass identified geological structures;

(7) the size of lease tracts may be up to sixty thousand acres, as determined by the Secretary;

(8) each lease shall be issued for an initial period of ten years, and shall be extended for so long thereafter as oil or gas is produced from the lease in paying quantities, or as drilling or reworking operations, as approved by the Secretary, are conducted thereon;

(9) for purposes of conservation of the natural resources of any oil or gas pool, field, or like area, or any part thereof, lessees thereof and their representatives are authorized to unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit agreement for such pool, field, or like area, or any part thereof (whether or not any other part of said oil or gas pool, field, or like area is already subject to any cooperative or unit plan of development or operation), whenever determined by the Secretary to be necessary or advisable in the public interest. Drilling, production, and well reworking operations performed in accordance with a unit agreement shall be deemed to be performed for the benefit of all leases that are subject in whole or in part to such unit agreement. When separate tracts cannot be independently developed and operated in conformity with an established well spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto;

(10) to encourage the greatest ultimate recovery of oil or gas or in the interest of conservation the Secretary is authorized to waive, suspend, or reduce the rental, or minimum royalty, or reduce the royalty on an entire leasehold, including on any lease operated pursuant to a unit agreement, whenever in his judgment the leases cannot be successfully operated under the terms provided therein. The Secretary is authorized to direct or assent to the suspension of operations and production on any lease or unit. In the event the Secretary, in the interest of conservation, shall direct or assent to the suspension of operations and production on any lease or unit, any payment of acreage rental or minimum royalty

prescribed by such lease or unit likewise shall be suspended during the period of suspension of operations and production, and the term of such lease shall be extended by adding any such suspension period thereto; and

(11) all receipts from sales, rentals, bonuses, and royalties on leases issued pursuant to this section shall be paid into the Treasury of the United States: Provided, That 50 percent thereof shall be paid by the Secretary of the Treasury semiannually, as soon thereafter as practicable after March 30 and September 30 each year, to the State of Alaska for:

(A) planning;

(B) construction, maintenance, and operation of essential public facilities;  
and

(C) other necessary provisions of public service: Provided further, That in the allocation of such funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by development of oil and gas leased under this section.

Any agency of the United States and any person authorized by the Secretary may conduct geological and geophysical explorations in the National Petroleum Reserve in Alaska which do not interfere with operations under any contract maintained or granted previously. Any information acquired in such explorations shall be subject to the conditions of 43 U.S.C. 1352(a)(1)(A).

Any action seeking judicial review of the adequacy of any program or site-specific environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) concerning oil and gas leasing in the National Petroleum Reserve-Alaska shall be barred unless brought in the appropriate District Court within 60 days after notice of the availability of such statement is published in the Federal Register.

The detailed environmental studies and assessments that have been conducted on the exploration program and the comprehensive land-use studies carried out in response to sections 105(b) and (c) of Public Law 94-258 (42 U.S.C. 6505(b), (c)) shall be deemed to have fulfilled the requirements of section 102(2)(c) of the National Environmental Policy Act (Public Law 91-190) (42 U.S.C. 4332(2)(C)), with regard to the first two oil and gas lease sales in the National Petroleum Reserve-Alaska: Provided, That not more than a total of 2,000,000 acres may be leased in these two sales: Provided further, That any exploration or production undertaken pursuant to this section shall be in accordance with section 104(b) of the Naval Petroleum Reserves Production Act of 1976 (90 Stat. 304; 42 U.S.C. 6504)

**ALASKA STATUTES**  
**Title 37. Public Finance**  
**Chapter 5. Fiscal Procedures Act**

**Section 530. National Petroleum Reserve - Alaska Special Revenue Fund**

(a) The National Petroleum Reserve - Alaska special revenue fund is established. The fund consists of all money disbursed to the state by the federal government under 42 U.S.C. 6508 (P.L. 96-514) since December 12, 1980, less the amount deposited in the general fund and expended by the state by general fund appropriations before June 9, 1984.

(b) The commissioner of revenue shall manage the National Petroleum Reserve - Alaska special revenue fund.

(c) The Department of Community and Economic Development shall adopt regulations under which municipalities impacted by National Petroleum Reserve - Alaska oil and gas development under 42 U.S.C. 6508 may apply for and be eligible to receive grants to alleviate the impact. The department shall give priority in the allocation of grants to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development under 42 U.S.C. 6508 within the National Petroleum Reserve - Alaska. The department shall fund all meritorious grant applications out of the money appropriated to it each year. Within 10 days after the convening of each regular session of the legislature, the department shall submit to the legislature a list of all municipalities that have received grants, a list of all municipalities determined by the department to be eligible for further grants, a recommendation of the amount of money to be granted for those additional applications, and written justification of each past and potential grant.

(d) It is the intent of the legislature that each year all of the money in the National Petroleum Reserve - Alaska special revenue fund be made available for appropriation by the legislature to municipalities that demonstrate under (c) of this section present impact, or the need to determine or plan for future impact, from oil and gas development under 42 U.S.C. 6508. It is the intent of the legislature that an initial appropriation be made to the Department of Community and Economic Development to cover anticipated impact grants, and that additional funds be made available through supplemental appropriations if the impact is greater than anticipated and the legislature considers the additional grants proposed by the department to be meritorious.

(e) A municipality may use the funds received under (d) of this section only for the following activities and services to alleviate the impact of the oil and gas development under 42 U.S.C. 6508 within the National Petroleum Reserve - Alaska:

- (1) planning;

(2) construction, maintenance, and operation of essential public facilities by the municipality, and

(3) other necessary public services provided by the municipality.

(f) Funds appropriated under (d) of this section may not be used for the retirement of municipal debt.

(g) Amounts received by the state under 42 U.S.C. 6508 and not appropriated for grants to municipalities under (d) of this section shall be deposited at the end of each fiscal year as follows: (1) 25 percent to the principal of the Alaska permanent fund; and (2) .5 percent to the public school trust fund (AS 37.14.110). The amounts remaining after the deposits to the Alaska permanent fund and the public school trust fund may be appropriated to the power cost equalization and rural electric capitalization fund (AS 42.45.100). The amounts remaining after any appropriation to the power cost equalization and rural electric capitalization fund shall lapse into the general fund for use by the state for the following facilities and services: planning; construction, maintenance, and operation of essential public facilities; and other necessary public services.

(h) Notwithstanding other provisions of law and unless expressly provided by the legislature in the appropriation item making the appropriation, an appropriation from the National Petroleum Reserve - Alaska special revenue fund shall, for the purposes of determining the funding sources for the appropriation be treated as though the appropriation takes effect in the fiscal year in which the appropriation passes the legislature. The authorization to expend funds appropriated from the fund shall take effect as otherwise provided by law.

**ALASKA ADMINISTRATIVE CODE**  
**Title 3. Community and Economic Development**  
**Chapter 150. National Petroleum Reserve - Alaska Impact Program**

**3 AAC 150.010. General Objectives**

The primary objective of the National Petroleum Reserve-Alaska (NPR-A) Impact Program is to provide municipalities with financial assistance to help mitigate significantly adverse impacts related to oil or gas leasing within the NPR-A, including exploration, production, and oil or gas transportation activities, conducted under the authority of 42 U.S.C. 6508. Financial assistance may be available for

- (1) planning;
- (2) construction, maintenance, and operation of essential public facilities; and
- (3) other necessary public services.

**3 AAC 150.020. Administration of NPR-A Impact Program**

Under sec. 2, ch. 53, SLA 1986, the legislature will appropriate each year the balance remaining in the National Petroleum Reserve-Alaska special revenue fund to the Department of Community and Economic Development. The department will, in accordance with this chapter, receive, review, and evaluate applications from eligible municipalities each year, and will fund qualified grant requests up to the amount of the appropriation. Money not allocated to eligible municipalities each year lapses in accordance with sec. 3, ch. 53, SLA 1986. If the total amount of money requested by eligible municipalities in a year exceeds the appropriation for that year, the department will allocate the available grant money in accordance with the criteria for priority set out in 3 AAC 150.060 - 3 AAC 150.080. Additional money might be made available through supplemental appropriations if the impact is greater than anticipated and the legislature considers the additional grants proposed by the department to be meritorious.

**3 AAC 150.030. Eligibility in General**

Eligibility for NPR-A impact assistance has two main components: applicant eligibility and project eligibility.

**3 AAC 150.040. Applicant Eligibility**

To be eligible to receive assistance under the NPR-A Impact program, the applicant

- (1) must be a municipality under state law; and
- (2) must demonstrate present impact, regardless of date of initial occurrence, or foreseeable future impact, on the applicant or the applicant's residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6508.

**3 AAC 150.050. Project Eligibility**

(a) To be eligible for funding under the NPR-A impact program, a project must be related to present, continuing, or reasonably foreseeable impact on the applicant or the applicant's residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6508.

(b) To be eligible for funding, a project also must be for the purpose of

- (1) planning;
- (2) construction, maintenance, and operation of essential public facilities; or
- (3) other necessary public services.

(c) In this section, "impact" means an effect reasonably attributable to NPR-A oil and gas activities under 42 U.S.C. 6508 on

- (1) population;
- (2) employment;
- (3) finances;
- (4) social and cultural values;
- (5) air and water quality;
- (6) fish and wildlife habitats;
- (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and
- (8) other things of demonstrable importance to the applicant or the applicant's residents.

(d) Examples of needs that eligible projects may address include the following:

- (1) resource protection to ensure the continued viability of fish, wildlife, and other natural resources on which the applicant's residents rely for subsistence needs;
- (2) alleviation or mitigation of adverse social or cultural impacts;
- (3) health needs, including hospitals, clinics, emergency medical facilities, alcohol and drug abuse facilities, mental health facilities, waste disposal systems, and water quality improvement systems;
- (4) public safety needs, including police protection, search and rescue, and fire protection;
- (5) utility needs, including electric generating plants and distribution systems, water supply systems, telephone systems, and other fuel distribution systems;
- (6) housing needs;
- (7) recreational needs.

### **3 AAC 150.060. Project Criteria**

(a) If the total amount of money requested by eligible applicants for eligible projects in meritorious applications exceeds the amount appropriated for grants that year, the department will rank applications for the purpose of establishing priority for funding.

(b) In determining the merit of an application, the department will consider

- (1) the degree to which the project proposed in the grant application alleviates the impact caused by development in the NPR-A under 42 U.S.C. 6508;
- (2) the ability of the applicant to accommodate or absorb the impacts through existing facilities or programs; and
- (3) other criteria the department identifies as critical to determination of the merit of the application.

(c) In ranking the applications, the department will consider

- (1) the severity of the impact caused by the development in the NPR-A under 42 U.S.C. 6508 on the municipality; and
- (2) the degree to which the impact on the municipality is directly caused by development in the NPR-A under 42 U.S.C. 6508.

### **3 AAC 150.070. Submission of Applications**

(a) Application must be made on forms provided by the department. The forms will be such that they may be easily filled out by small communities without technical staff. The department will, upon request, provide assistance to applicants to the extent possible based upon the availability of financial and human resources.

(b) A municipality that believes it is eligible to receive NPR-A impact assistance under 3 AAC 150.010 – 3 AAC 150.060 may file an application with the department as provided for in (a) of this section. An application must be postmarked no later than November 15 of each year in which NPR-A assistance money is available for appropriation by the legislature under AS 37.05.530. If November 15 is a Saturday, Sunday, or legal holiday, the deadline for postmark is the department's next regular business day.

### **3 AAC 150.080. Review of Applications and Award of Grants**

(a) The department will review applications for eligibility for NPR-A impact assistance and place applications in order of priority in accordance with 3 AAC 150.060.

(b) The department will review each application determined to be eligible for NPR-A impact assistance to determine whether the amount requested for a project is reasonably necessary for the project to alleviate impacts from oil and gas development in the NPR-A under 42 U.S.C. 6508, the department will deduct from the amount requested any amounts that are not reasonably necessary for that purpose.

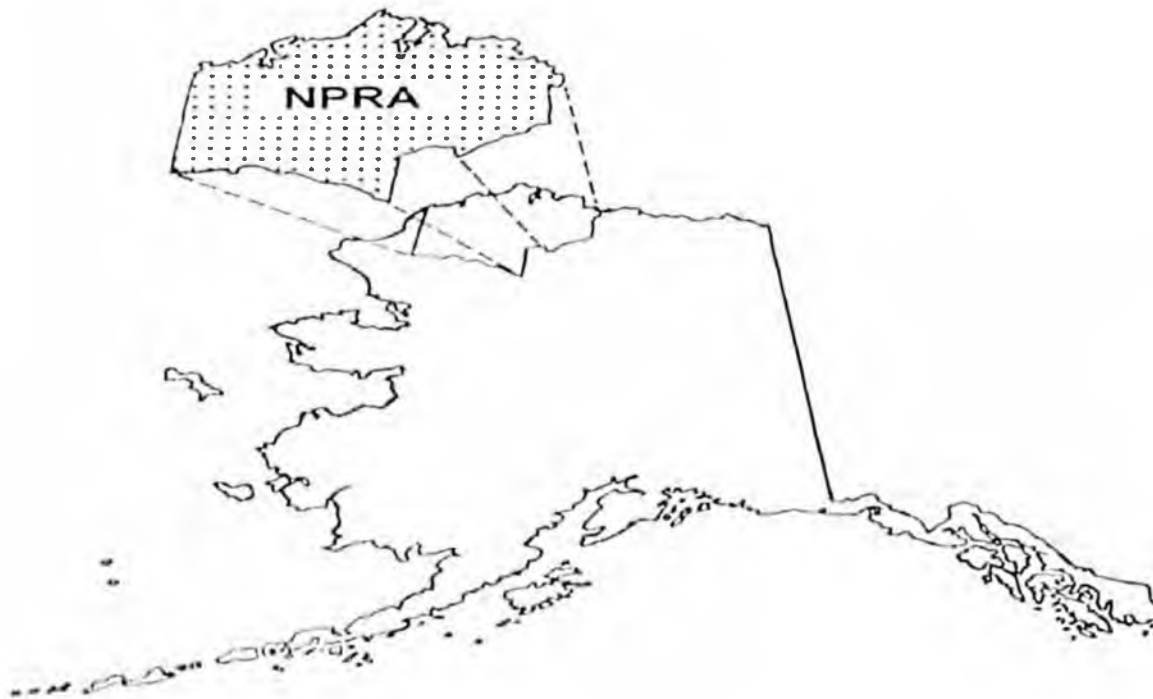
(c) If, after making necessary adjustments to grant requests under (b) of this section, the department determines that the total amount for eligible projects requested by all eligible applicants that year is equal to or less than the amount appropriated for that year, the department will fund all meritorious requests. If the total amounts requested are greater than the amount appropriated, the department will fund requests in accordance with the priorities established in 3 AAC 150.060 until the appropriation is spent. The department will, in its discretion, recommend to the legislature that additional money be made available through supplemental appropriations.

### **3 AAC 150.090. Reconsideration and Judicial Review**

A municipality aggrieved by a decision made under this chapter may request reconsideration by the commissioner of community and regional affairs, and must seek such reconsideration before seeking judicial review. A final decision of the department is subject to judicial review in accordance with Rule 602 of the Alaska Rules of Appellate Procedure.

**National Petroleum Reserve - Alaska**  
Impact Mitigation Program

Report to the First Session  
of the Twenty Fourth Legislature  
State Fiscal Year 2005



State of Alaska  
Frank Murkowski, Governor  
Dept Commerce Community & Economic Development  
Edgar Blatchford, Commissioner

Issued January 2005



DIVISION OF COMMUNITY ADVOCACY

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*Frank H. Murkowski, Governor*

January 14, 2005

The Honorable Ben Stevens  
Senate President  
Twenty-Fourth Alaska State Legislature  
State Capitol, Room 111  
Juneau, Alaska 99801-1182

The Honorable John Harris  
Speaker of the House  
Twenty-Fourth Alaska State Legislature  
State Capitol, Room 208  
Juneau, Alaska 99801-1182

Dear President Stevens and Speaker Harris:

This document is the Division of Community Advocacy's report on the status of the National Petroleum Reserve-Alaska (NPR-A) Impact Mitigation Program.

The State of Alaska receives 50% of the federal revenues from oil and gas lease sales located in the NPR-A. Those revenues are deposited into the NPR-A Special Revenue Fund to provide grants to communities impacted by oil and gas development. This report provides information on the program and the status of the grants previously approved.

Please contact me if you have any questions about the NPR-A Program or this report.

Cordially,

A handwritten signature in dark ink, appearing to read "Michael Black".

Michael Black, Director  
Division of Community Advocacy

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### Attachments

Federal Statutes (42 USC Chapter 78)

Alaska Statutes (AS 37.05.530)

Alaska Regulations (03 AAC 150)

## **NPR-A Impact Mitigation Program History and Overview**

As authorized December 12, 1980 by 42 U.S.C. Chapter 78, Sections 6501-6508, the Federal Government, through the Department of Interior, Bureau of Land Management, allows for the exploration and development of oil and gas within the National Petroleum Reserve-Alaska (NPR-A).

Although the federal government manages the NPR-A, Section 6508 of the federal statute requires that fifty-percent of the money received by the federal government from the "sales, rentals, bonuses, and royalties on leases issued..." be paid to the State of Alaska. Leases awarded by the federal government are usually for ten years and require that each company holding a lease pay a decreasing annual amount.

In accordance with Section 6508, the monies are to be used by "the State of Alaska for (a) planning, (b) construction, maintenance, and operation of essential public facilities, and (c) other necessary provisions of public service: *Provided further*, That in the allocation of such funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by development of oil and gas leased under this section."

The State of Alaska began receiving payments in State fiscal year (FY) 1983. To segregate these monies, in SLA 1984, Chapter 94 the Alaska Legislature enacted AS 37.05.530 (a) and (b). This statute established the National Petroleum Reserve Alaska Special Revenue Fund. Henceforth, NPR-A payments were to be deposited within the NPR-A Fund and used to support:

1. NPR-A Impact Mitigation grants to communities in accordance with AS 37.05.530 (c) through (e) which established the NPR-A Impact Mitigation Program. Under this program, communities may apply for assistance, i.e. grants, to fund projects that fall within federal and state guidelines. As required, priority is given to those communities most directly or severely impacted by oil and gas development.
2. Of the remaining lease payments, not needed to fund NPR-A Impact Mitigation grants, twenty-five percent is transferred to the Alaska Permanent Fund per AS 37.05.530(g).
3. Of the remaining payments, not needed to fund NPR-A Impact Mitigation grants, one-half percent is transferred to the Public School Trust Fund per AS 37.05.530(g).
4. Up to the entire amount of the remaining payments may be appropriated by the Legislature to the Power Cost Equalization and Rural Electric Capitalization Fund per AS 37.05.530(g).
5. Any remaining payments are then transferred to the State's General Fund per AS 37.05.530(g).

Prior to 1984, half of the total NPR-A funds received by the State were deposited in the Alaska Permanent Fund, one-half percent in the Public School Trust Fund and the remainder was deposited in the General Fund and used to fund various Legislative appropriations. In 1985 the North Slope Borough, Wainwright and Barrow filed suit alleging that the State's method of allocating the NPR-A payments was in conflict with federal law. The decision in *Barrow v. State*, No. 1JU-85-2634, established that: (1) the State's distribution of NPR-A revenue had been incorrect and it did conflict with federal requirements; (2) the State needed to "reconstitute" the NPR-A Fund in part; and (3) henceforth, the State would allow first priority to the municipalities and/or communities most directly impacted by the NPR-A development.

As a result of the litigation, the NPR-A Fund was reconciled and reconstituted as of October 1987. It was also reconciled and reconstituted again as of September 1990 and again as of June 1992.

Multiple reconciliations between actual NPR-A payments received and cash available in the NPR-A Fund were necessary because:

The NPR-A payments (deposited in the NPR-A Fund) were being used to fund two programs. In addition to funding the NPR-A Impact Mitigation Program the payments were also funding grants awarded by the Department of Administration under the Municipal Grants Program; and

- (1) In FY 92 AS 37.05.530 was amended and required a recalculation of available cash in the NPR-A Fund annually back to FY 87.

SLA 1985, Chapter 96; SLA 1986, Chapter 128; SLA 1988, Chapter 173; and SLA 1990, Chapter 208 appropriated, repealed, and reappropriated the grants funded from NPR-A payments but administered under the Municipal Grants Program by the Department of Administration. These projects and their grants are not reflected in this report. This report addresses only the grants that were/are funded from NPR-A payments and awarded under the NPR-A Impact Mitigation Program.

FY 87 was the first year of the actual NPR-A Impact Mitigation Program. The general procedure remains the same today as in 1987. Periodically, the Department is notified by the U.S. Department of Interior, Bureau of Land Management (BLM) that the federal government will be offering tracts of land for lease in the National Petroleum Reserve-Alaska. The Department then provides public notice that funding may become available for NPR-A Impact Mitigation grants and requests that communities submit project proposals (grant applications). The Department establishes a review committee, makes award recommendations, and if both NPR-A lease revenue and a Legislative appropriation is received, the Department awards NPR-A Impact Mitigation grants to specific communities for specific projects.

The Bureau of Land Management (BLM) receives payments from the NPR-A leases in two installments each year. The first installment includes payments received between April 1 and September 30; the second installment includes payments received between October 1 and March 31. BLM forwards fifty-percent of the amount received to the State of Alaska in two installments, usually received by December 31<sup>st</sup> and May 31<sup>st</sup>.

Each year, the Department requests a Legislative capital appropriation for that year's anticipated fifty-percent. The appropriation and subsequent revenue are then used to fund NPR-A grants according to AS 37.05.530.

Aggregate information for the initial years of the NPR-A Impact Mitigation Program is reflected below. Project specific information is provided beginning on page 7 of this report.

<u>State Fiscal Year</u>	<u># of Projects and Communities</u>	<u>\$ Awarded</u>
FY 87	11 Projects 5 Communities	6,558,162
FY 88	0	0
FY 89	1 Project 1 Community	937,000
FY 90	8 Projects 4 Communities	836,745
FY 91	7 Projects 5 Communities	590,000
FY 92	7 Projects 4 Communities	367,378
FY 93	4 Projects 4 Communities	447,126
FY 94	4 Projects 4 Communities	18,941
FY 95	4 Projects 4 Communities	25,538
FY 96 through FY 99	0	0
<b>Total</b>		<b>\$9,780,890</b>

By FY 96 all existing NPR-A leases had been terminated, relinquished, or had expired. The Bureau of Land Management (BLM) notified the Department that additional NPR-A payments would not be forthcoming. Therefore, the NPR-A Impact Mitigation Program was inactive from FY 96 through FY 99.

The NPR-A Impact Mitigation Program remained inactive until the early part of calendar year 1999. At that time the Department was notified that BLM would be entering into new ten-year (approximate) leases in May 1999 on tracts of land in the NE planning area of the National Petroleum Reserve-Alaska.

BLM estimated that upon issuance of the leases, the federal government would receive approximately \$80,000,000 in fees. Alaska would receive fifty-percent, approximately \$40,000,000, about six months after the leases were awarded.

In anticipation of the forthcoming \$40,000,000 in payments, the Alaska State Legislature appropriated funding for NPR-A Impact Mitigation grants in FSSLA99 Chapter 2, Section 63. Additionally, the Department provided public notice and requested impacted communities to submit grant applications for potential projects. The Department established a review committee, evaluated the grant applications and in April 2000 recommended award of 24 grants totaling \$28,000,000 to four communities.

In January 2000 the State received \$40,298,622 in payments. The State retained \$28,000,000 of the cash within the NPR-A Fund for the NPR-A Impact Mitigation grants. As required by AS 37.05.530(g) the remaining cash was distributed to the Alaska Permanent Fund, Public School Trust Fund, and the Power Cost Equalization and Rural Electric Capitalization Fund.

In the two years following the May 1999 leases, BLM received slightly over \$3.3 Million annually. Alaska continued to receive fifty-percent, or approximately \$1,683,850 in FY 02 and \$1,686,105 in FY 03. Companies will continue to pay a declining annual lease amount to the federal government through 2009 or 2010. The State will continue to receive fifty-percent of the fees (approximately \$1,700,000).

In May 2002 the State was notified by BLM that new ten-year leases would be awarded June 3, 2002. BLM awarded leases on 60 tracts in the NPR-A NE planning area, totaling approximately 579,269 acres. BLM estimated the initial lease fees at \$63,811,496. The State's fifty-percent was estimated at approximately \$31,905,748. The total received in April 2003 was actually \$34,556,369.

In anticipation of the continuing payments from the May 1999 leases and the initial payments from the June 2002 leases, the Department requested a \$35,300,000 capital appropriation for FY 04, to be funded with the NPR-A payments. The Department requested and received grant applications from impacted communities and awarded 30 projects totaling \$25,011,457 to three communities in March 2003. The actual amount received in April 2003 was \$34,556,469. As required by AS 37.05.530(g) the remaining cash was distributed to the Alaska Permanent Fund, Public School Trust Fund, and the Power Cost Equalization and Rural Electric Capitalization Fund.

The State will continue to receive fifty-percent of the fees (approximately \$830,000) on the 2002 leases through 2012 or 2013.

Effective October 16, 2003 the NPR-A program regulations were amended to change the date by which grant applications must be postmarked (for receipt by the Department) from September 15<sup>th</sup> annually to November 15<sup>th</sup> annually. This was the only change made to the regulations.

For FY 05, the State originally anticipated receiving approximately \$3,190,170 for the NPR-A Impact Mitigation Grants. Applications were received in November 2003. The Department established a review committee, evaluated the grant applications and in December 2003 recommended award of 10 grants totaling \$3,030,000 to three communities. However, in May 2004 when it became apparent that the funds available had been reduced from initial estimates, the tentative awards were reduced to the actual amount received (\$2,530,586). Nine grants were awarded to three communities.

In June 2004, BLM awarded new leases on approximately 165 tracts of land in the NPF-A NW planning area. BLM has estimated the initial lease fees at \$53,904,491. The State anticipates receiving approximately \$2,500,000 as the first installment from BLM for rent and bonuses received between 4/1/04 and 9/30/04 on the leases awarded in May 1999 and June 2002. The second installment is estimated at \$26,900,000 for bonus bids received between 10/1/04 and 3/31/05. The State expects to receive this payment in May 2005.

The Department provided public notice and requested impacted communities to submit FY06 grant applications for potential projects in September 2004. Department staff also traveled to Barrow in September to provide NPR-A assistance and grant training to eligible communities. A total of 53 applications requesting approximately \$52,000,000 in grant funding were received by the deadline. As of mid-January 2005, no awards have been announced.

Aggregate information is reflected beginning on page 7 of this report. Project specific information is provided beginning on page 12.

<u>SLA and State Fiscal Year (FY)</u>	<u># of Projects and Communities</u>	<u>\$ Awarded</u>
FSSLA 1999 Chapter 2 Section 63 - FY 00	24 Projects 4 Communities	28,000,000
SLA 2000 - FY 01	0	0
SLA 2001 Chapter 61 Section 85 - FY 02	10 Projects 3 Communities	1,683,850
SSSLA 2002 Chapter 1 Section 29 - FY 03	8 Projects 3 Communities	1,686,105
SLA 2003, Chapter 82 Section 11 - FY 04	30 Projects 3 Communities	25,011,457
SLA 2004, Chapter 159 Section 6 - FY 05	9 Projects 3 Communities	2,530,586
<b>Total</b>		<b>\$58,911,998</b>

FY 87 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atqasuk	Community Center Operations & Maintenance	99,000	Fund 50% of operating costs; only partly related to NPR-A development.	Closed 3/90
Atqasuk	Community Center Expansion	500,000	Project provides space for additional cultural programs; related to mitigation of cultural impacts.	Closed 1/88
Atqasuk	Basic Local Government Operations	90,000	Fund administrator position and miscellaneous office equipment/supplies. Administrator to develop strategies and plan for dealing with future NPR-A impacts and other grants.	Closed 9/90
Barrow	Boat Ramps	825,000	Related to subsistence impacts.	Closed 9/92
North Slope Borough	Barrow - Residential Care	539,637	Partly related to NPR-A impacts; fund a portion of operating costs. Serves regional needs.	Closed 9/90
North Slope Borough	Barrow - Juvenile Detention	3,000,000	Related to incremental impacts of NPR-A development. Serves regional needs.	Closed 6/93
North Slope Borough	Comprehensive Subsistence Management Plan	232,500	Related to overall subsistence impacts of NPR-A development.	Closed 9/91
Nuiqsut	Dry Boat Storage	551,395	Related to subsistence impacts. Fund construction of storage facility but not entrepreneurial activity unrelated to NPR-A impacts. Maintenance and operation costs partly related; funded at 50%.	Closed 9/90
Nuiqsut	Basic Local Government Operations	109,250	Large expansion of municipal government. Fund full-time administrator 1-1/2 years and miscellaneous office equipment/supplies. Administrator to develop strategies and plan for future impacts and administer other grants. Fund 50% (\$19,250) of request for computer/recreation equipment, only partly related to impacts.	Closed 10/89
Wainwright	Boat Ramp Construction	550,000	Related to mitigation of subsistence impacts. One boat ramp on sea and one on river.	Closed 11/88
Wainwright	Boat Ramp Planning	61,380	Planning Boat Ramp project (see above).	Closed 5/88
<b>Total</b>		<b>\$6,558,162</b>		

FY 89 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough	Alcohol and Drug Abuse Facility	937,000	Residential and emergency respite care, alcohol and drug abuse treatment center located in Barrow. Serves regional needs.	Closed 10/91
	<b>Total</b>	<b>\$937,000</b>		

FY 90 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Operations	79,130	Continuation funding of FY 87 award. Related to mitigation of NPR-A impacts.	Closed 7/91
Atkasuk	Community Center Planning and Operations	96,982	Maintenance of facility related to expected long-term impacts of NPR-A.	Closed 4/91
Barrow	Cultural Center Planning	48,250	Related to mitigation of cultural impacts of NPR-A. Fund planning/design of facility.	Closed 8/91
Barrow	Basic Local Government Assistance	74,788	Fund each position by half; City to make up difference.	Closed 10/90
Barrow	City's Public Facilities Operations & Maintenance	238,843	Maintenance of public facilities related to expected long-term impacts of NPR-A.	Closed 11/90
Nuiqsut	Community Center/City Hall Operations & Maintenance	57,900	Previous NPR-A grant funded expansion of center. Operations & Maintenance of facilities related to counteracting long-term cultural impacts from NPR-A.	Closed 1/91
Wainwright	Basic Local Government Operations	82,961	Goal: properly process and disseminate information and have adequate management in order for City to properly function. Related to mitigation of NPR-A impacts.	Closed 5/91
Wainwright	Community Center Operations & Maintenance	157,891	Maintenance and operation of center related to expected long-term impacts of NPR-A.	Closed 7/91
	<b>Total</b>	<b>\$836,745</b>		

FY 91 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Community Center Operations & Maintenance	21,181	On-going maintenance and operation of facility related to impacts of NPR-A.	Closed 7/91
Barrow	Volunteer Fire Department Operations	133,980	Project pertains to life/health/safety.	Closed 11/91
Barrow	Search and Rescue Operations	104,000	Project pertains to life/health/safety.	Closed 11/91
Barrow	City Facilities Operations & Maintenance	49,319	On-going maintenance and operation of facility related to impacts of NPR-A.	Closed 4/91
North Slope Borough	Arctic Women in Crisis	200,000	Facility and program serves regional needs; pertains to life/health/safety.	Closed 9/91
Nuiqsut	Boat Storage Operations & Maintenance	30,500	On-going maintenance related to NPR-A impacts.	Closed 8/91
Wainwright	Community Center Operations & Maintenance	51,020	On-going maintenance and operation of facility related to impacts of NPR-A.	Closed 7/91
<b>Total</b>		<b>\$590,000</b>		

FY 92 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	69,802	Equipment/Office Supplies; Freight; Salaries/Benefits; Administrative/Audit Costs; Phone; Office Utilities.	Closed 8/92
Atkasuk	Community Center Operations & Maintenance	14,328	Maintenance and operation of center related to expected long-term impacts of NPR-A.	Closed 1/92
Barrow	Public Facilities Operations & Maintenance	146,951	Operation of public facilities related to long-term impacts of NPR-A.	Closed 10/92
Nuiqsut	Basic Local Government Assistance	49,963	Salary/Benefits; Equipment/Office Supplies.	Closed 4/92
Nuiqsut	Utilities Operations & Maintenance	5,878	City facility utility costs.	Closed 4/92
Wainwright	Basic Local Government Assistance	66,128	Equipment/Freight; Administrative Costs; Office Utilities; Salaries/Benefits; Maintenance of city vehicle.	Closed 9/92
Wainwright	Community Center Operations & Maintenance	14,328	On-going maintenance and operation of facility related to long-term impacts of NPR-A.	Closed 9/92
<b>Total</b>		<b>\$367,378</b>		

FY 93 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Initial</u>	<u>Increase</u>	<u>Total</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	21,280	28,720	50,000	Equipment/Office Supplies; Freight; Salaries/Benefits; Administrative/Audit Costs; Phone; Office Utilities.	Closed 4/93
Barrow	Public Facilities Maintenance and Operations	61,286	138,714	200,000	Operation of public facilities related to long-term impacts of NPR-A.	Closed 6/93
Nuiqsut	Basic Local Government Assistance	21,280	68,720	90,000	Office Benefits; Equipment/Office Supplies.	Closed 6/93
Wainwright	Basic Local Government Assistance	21,280	85,846	107,126	Equipment/Freight; Administrative Costs; Office Utilities; Salaries/Benefits; Maintenance of city vehicle.	Closed 6/93
<b>Total</b>		<u>\$125,126</u>	<u>\$322,000</u>	<u>\$447,126</u>		

FY 94 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	4,167.02	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 3/94
Barrow	Public Facilities Operations & Maintenance	6,439.94	Funds for utilities in association with public facilities.	Closed 3/94
Nuiqsut	Basic Local Government Assistance	4,167.02	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 12/93
Wainwright	Basic Local Government Assistance	4,167.02	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 4/94
Total		\$18,941		

FY 95 NPR-A Impact Mitigation Grants Awarded

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk	Basic Local Government Assistance	8,172.27	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 7/95
Barrow	Public Facilities Operations & Maintenance	7,661.50	Funds for utilities in association with public facilities.	Closed 6/95
Nuiqsut	Basic Local Government Assistance	3,319.98	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 6/95
Wainwright	Basic Local Government Assistance	6,384.58	Funds for existing city employees' salary and fringe benefits and for NPR-A fund audit related costs.	Closed 7/95
Total		\$25,538		

NPR-A Impact Mitigation Grants Awarded - Based on April 2000 Recommendations  
 FY 00 Appropriation (page 1 of 2)

Grantee	Project	Amount	Comments	Grant Status
Atkasuk 00- NPRA-4-16	Community Center Maintenance and Operations	90,000	Maintenance and operation of center related to expected long-term impacts of NPR-A.	Closed 10/01
Atkasuk 00- NPRA-4-15	Basic Local Government Operations	109,000	Fund salaries for new positions and increase of hours on current positions from part-time to full-time.	Closed 4/02
Barrow 00- NPRA-4-11	Public Facilities - Maintenance and Operations	650,000	Fund staff and other expenses to operate city recreation facilities.	Closed 8/02
Barrow 00- NPRA-4-12	Renovation/Upgrade of Barrow Teen Center and Community Center	1,000,000	These facilities are needed due to increase in NPR-A activities. The City's ability to absorb this impact through existing facilities and services is limited.	Active
Barrow 00- NPRA-4-13	Design, Construction & Purchase Retractable Boat Ramp	1,000,000	NPR-A uplands development will displace subsistence users from some areas. A boat ramp will provide subsistence hunters better access to the ocean.	Active
Barrow 00- NPRA-4-14	Maintenance Building Construction	630,000	Need for warm storage can be linked to mitigation of foreseeable NPR-A impacts.	Active
North Slope Borough 00- NPRA-4-01	Village Power Plant/Electrical Distribution & Waste Heat Conversion Upgrade	10,069,367	NPR-A development will impact power generation and distribution. Upgraded power production and distribution will mitigate population growth impacts and increasing 'westernization' of local lifestyles.	Active
North Slope Borough 00- NPRA-4-02	All Infrastructures Services Study	1,500,000	Studies will identify additional and continuing effects of NPR-A development on public facilities and the provision of public services. Impacts known or anticipated now can be supplemented with new data and forecasts.	Active
North Slope Borough 00- NPRA-4-03	Nuiqsut Above Ground Service Connections	2,100,000	A total of 124 residential, commercial, and public facilities were connected to water and sewer service.	Closed 3/03
North Slope Borough 00- NPRA-4-04	Nuiqsut Police Officer for 3 years	100,000	The community is presently impacted by NPR-A development. An additional officer will help the city address NPR-A related impacts.	Closed 9/01
North Slope Borough 00- NPRA-4-05	Wainwright Community Center Renovations	191,283	Will provide improved facilities for locals who have family members working away from home in NPR-A related employment. Improved opportunity for social and community support.	Closed 6/03
North Slope Borough 00- NPRA-4-06	Fire Department Equipment & Training	1,114,150	Current firefighting equipment is old and outdated. Existing fire trucks are not equipped to handle the new city water system. Provides an essential public service. Need is linked to anticipated growth in service demand caused by NPR-A development.	Closed 6/03
North Slope Borough 00- NPRA-4-07	Harvest Monitoring, Subsistence Documentation Project	100,000	The need for harvest monitoring is clearly related to the foreseeable impacts of oil and gas development. Subsistence hunting is a culturally important activity. Establishment of baseline data will permit more accurate monitoring of oil and gas impacts on wildlife.	Closed 4/02
North Slope Borough 00- NPRA-4-08	Survey & Inventory of Fish Resources in the Lakes & Streams of Eastern NPRA	150,000	The need for the inventory is clearly related to the foreseeable impacts of oil and gas development. Establishment of baseline data will permit more accurate monitoring of oil and gas impacts on wildlife.	Closed 1/04
North Slope Borough 00- NPRA-4-09	Tracking & Analysis of Teshekpuk Lake Caribou Herd Movement and Distribution	150,000	The need for the tracking and analysis is clearly related to the foreseeable impacts of oil and gas development. Establishment of baseline data will permit more accurate monitoring of oil and gas impacts on wildlife.	Closed 12/02
Sub-Total		18,953,800		

NPR-A Impact Mitigation Grants Awarded - Based on April 2000 Recommendations  
 FY 00 Appropriation (page 2 of 2)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough 00-NPRA-4-10	Waterfowl Surveys	150,000	The need for the survey is clearly related to the foreseeable impacts of oil and gas development. Establishment of baseline data will permit more accurate monitoring of impact on wildlife.	Closed 11/01
North Slope Borough 00-NPRA-4-25	Nuiqsut Natural Gas Piping Distribution	3,800,000	Project originally awarded to City of Nuiqsut but was re-negotiated with the NSB. NPRA development will create a higher demand for fuel use. Impacts include larger volumes and more frequent shipping, handling, increased air pollution, fuel spills and leaks, expanded fuel storage needs. This grant and 00-NPRA-4-26 were originally awarded to Nuiqsut who chose in 10/01 to have the NSB administer both projects on their behalf.	Active
North Slope Borough 00-NPRA-4-26	Nuiqsut Natural Gas Home/Building Conversion	2,200,000	Same as above.	Active
North Slope Borough 00-NPRA-27	Nuiqsut Natural Gas Pipeline	1,580,000	Provides funding for the final installation and start up of the natural gas system from the natural gas processing module at the Alpine oil production facility pad to the in-village gas distribution system in Nuiqsut.	Active
North Slope Borough 00-NPRA-28	Nuiqsut City Hall/Kisik Center Renovation	943,753	Project originally awarded to City of Nuiqsut but was re-negotiated with the NSB. Renovations include mechanical and electrical upgrades to correct code deficiencies and construction of an addition. The addition will include a multi-purpose room of approximately 1,500 SF, restrooms, mechanical room and a combined custodial closet and storage area.	Active
Nuiqsut 00-NPRA-4-17	Basic Government Operation/Maintenance	200,000	Funds used to supplement staff salaries for a full-time mayor/administrator, grants administrator, clerk & bookkeeper.	Closed 8/01
Nuiqsut 00-NPRA-4-18, 19, 20, 23*	See * Below	61,078	In 10/03, the City passed a resolution to transfer the unexpended funds from four grants (\$2,479,121.42) to the NSB to administer two priority projects on their behalf (see * below). Project expenditures on the four grants prior to closure totaled \$61,078.	Closed *
Nuiqsut 00-NPRA-4-24	Install Graveyard Fencing	111,369	Provides mitigation for foreseeable NPR-A impacts through the protection of cultural resources.	Closed 3/04
	Sub-Total (page 1)	\$ 18,953,800		
	Sub-Total (page 2)	\$ 9,046,200		
	Total	\$ 28,000,000		

\*Note: Grants previously awarded to the City of Nuiqsut for City Hall/Kisik Center Renovation (00-NPRA-4-18 @ \$340,000); Cultural Center Construction (00-NPRA-4-19 @ \$939,800); Day Care Construction Operation and Maintenance (00-NPRA-4-20 @ \$495,400); and Design and Construction of Retractable Boat Ramp (00-NPRA-4-23 @ \$765,000) were officially Closed effective Oct/Nov 2001. Unexpended funds from these four grants were transferred to the North Slope Borough to administer two priority projects in Nuiqsut: 00-NPRA-27 and 00-NPRA-28 (see details on each grant above). The total funding for these two grants (\$2,523,752.62) also includes the unexpended balance remaining on 00-NPRA-4-24 (original award \$156,000; unexpended balance \$44,631.20).

NPR-A Impact Mitigation Grants Awarded - Based on January 2001 Recommendations  
 FY 02 Appropriation

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Barrow 01- NPRA-05	Public Facilities - Maintenance and Operation	334,540	Project will maintain safe and improved recreational facilities. This alleviates adverse social and cultural impacts from oil and gas development.	Closed 2/04
North Slope Borough 01- NPRA 01	Harvest Monitoring, Subsistence Documentation	100,000	This is Phase II of the FY00 study.	Closed 3/04
North Slope Borough 01- NPRA-02	Waterfowl Surveys	150,000	This is Phase II of the FY00 surveys.	Closed 3/04
North Slope Borough 01- NPRA-03	Tracking & Analysis of the Teshekpuk Lake Caribou Herd	150,000	This is Phase II of the FY00 study.	Closed 6/04
North Slope Borough 01- NPRA-04	Wainwright Basic Operations	250,000	Project provides operations assistance including partial salary costs, expenses and staff training necessary to successfully operate the local government.	Closed 5/03
North Slope Borough 01- NPRA-07	Nuiqsut Cultural Center Operations	288,000	Project originally awarded to City of Nuiqsut but is pending re-negotiation with the Borough. Project will help alleviate cultural impacts from oil and gas development.	Pending
North Slope Borough 01- NPRA-08	Nuiqsut Teen Center Operation & Maintenance	121,310	Project originally awarded to City of Nuiqsut but was re negotiated with the Borough. Funds staff salaries including adult supervisors and recreation aides, training, travel, utilities and supplies.	Active
North Slope Borough 01- NPRA-09	Nuiqsut Wooden Deck Ball Court Construction	30,000	Project originally awarded to City of Nuiqsut but is pending re-negotiation with the Borough. The court is essential for recreational use by the youth.	Pending
North Slope Borough 01- NPRA-10	Nuiqsut Emergency Hunting Shelters Construction	60,000	Project originally awarded to City of Nuiqsut but is pending re-negotiation with the Borough. Project provides a health/safety benefit to hunters.	Pending
Nuiqsut 01- NPRA-06	Basic Government Operations and Maintenance	200,000	Grant funds used for staff salaries and expenses.	Closed 8/04
<b>Total</b>		<b>\$1,683,850</b>		

NPR-A Impact Mitigation Grants Awarded - Based on December 2001 Recommendations  
 FY 03 Appropriation

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atqasuk 02- NPRA-02	Renovate Recreation Center	49,000	This phase includes installation of an efficient waste heating system.	Active
Atqasuk 02- NPRA-01	City Operations	249,057	Project supplements operations with partial salaries for the mayor, janitor, recreational aides and city clerk.	Closed 6/04
Barrow 02- NPRA-04	Summer Youth Program	50,000	Project includes the annual Summer Clean-up Program which employs up to 60 youth as a service to the community.	Closed 6/04
Barrow 02- NPRA-03	Public Facilities Operations	350,000	Project will maintain safe and improved recreational facilities and supplement funding for the Summer Youth Program.	Active
North Slope Borough 02- NPRA-08	Wainwright Basic Operations	250,000	Project provides operational assistance such as salaries, equipment and training to city staff with the goal of increased efficiency and an improved level of service to residents.	Active
North Slope Borough 02- NPRA-07	Nuiqsut Natural Gas Project	450,000	Project provides an alternative to high energy costs and increased demand created by the oil and gas activity.	Active
North Slope Borough 02- NPRA-05	Capacity Building	100,000	This involves each community within the Borough, encouraging consolidation of resources between city & tribal governments to result in the formation of partnerships to generate revenue necessary for a common goal: economic viability of the NPR-A communities.	Active
North Slope Borough 02- NPRA-06	Mayor's Workforce Job Training Program	188,048	Project mitigates impacts by supplying entry-level employment in village positions that have been vacated due to oil and gas development.	Closed 11/03
<b>Total</b>		<b>\$1,686,105</b>		

NPR-A Impact Mitigation Grants Awarded - Based on March 2003 Recommendations  
 FY 04 Appropriation (page 1 of 3)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Atkasuk 04- NPRA-21	Local Government & Community Center Operations & Maintenance	368,621	Project supplements operations with partial salaries for the mayor, janitor, recreational aides and city clerk as well as costs to operate and maintain community center.	Active
Barrow 04- NPRA-02	Renovate Multi-Purpose Facility	53,719	Project will upgrade and expand existing public services currently provided at the Roller Rink and purchase necessary equipment and supplies.	Active
Barrow 04 NPRA-23	Public Facilities Operations and Maintenance	420,705	Project will maintain safe and improved recreational facilities and supplement funding for the Summer Youth Program.	Active
Barrow 04- NPRA-01	Recreation Building Addition Feasibility	40,000	Project will complete a feasibility study for the renovation and construction of the recreation building.	Active
Barrow 04- NPRA-22	Basic Local Government Operations and Maintenance	1,309,806	Project will fund in part the operation and maintenance of the city council, administration and recreation departments.	Active
Barrow 04- NPRA-24	Quest Mentorship Program with KBRW	265,000	Project will fund the Quest Mentorship Program through KBRW AM/FM radio station. Grant funds will be used to purchase necessary equipment for training interns and contractual services for implementation of the program.	Active
Barrow 04- NPRA-25	Addition to Cemetery Road	44,230	Project will construct a one-quarter mile road, drainage culverts, and shoulder work to gain access to cemetery. Funds for design, purchase of road materials, freight, supplies, labor.	Active
North Slope Borough 04- NPRA-03	Nuiqsut Natural Gas Upstream Conditioner	2,000,000	Project provides an alternative to high energy costs and increased demand created by the oil and gas activity.	Active
North Slope Borough 04- NPRA-04	Waterfowl in NPRA Continuation	443,619	This is Phase III of the FY00 surveys. The need for tracking and analysis is clearly related to the foreseeable impacts of oil and gas development.	Active
North Slope Borough 04- NPRA-05	Arctic Fox Satellite Project	316,582	Project will outfit 20 arctic fox with radio transmitters and collection and analysis of data gathered. Establishment of baseline data will permit more accurate monitoring of impact on wildlife.	Active
North Slope Borough 04- NPRA-06	Carbon Movements & Distribution	359,245	This is Phase III of the FY00 surveys. The need for tracking and analysis is clearly related to the foreseeable impacts of oil and gas development.	Active
Sub-Total		<u>\$5,621,527</u>		

NPR-A Impact Mitigation Grants Awarded - Based on March 2003 Recommendations  
 FY 04 Appropriation (page 2 of 3)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough 04-NPRA-07	Survey and Inventory of Fish Resources	362,931	Project will include tagging and radio tracking of subsistence fish. The need for the inventory is clearly related to the foreseeable impacts of oil and gas development. Establishment of baseline data will permit more accurate monitoring of oil and gas impacts on wildlife.	Active
North Slope Borough 04-NPRA-08	Fish Petroleum Hydrocarbon Study	405,659	Project will establish baseline data on the current status of petroleum hydrocarbons in four species of subsistence fish in the NPR-A.	Active
North Slope Borough 04-NPRA-09	Subsistence Harvest Monitoring	188,030	This is Phase III of the FY00 survey. Project will continue documentation of yearly wildlife harvest; identify specific areas important to subsistence hunting and any adverse impacts caused by oil/gas development.	Active
North Slope Borough 04-NPRA-10	Electric Thermal Oxidation/Waste Heat	1,500,000	Project will remodel the thermal oxidation system, expand the thermal oxidation system facility, and prepare a feasibility study on development of an electrical co-generation system at the facility.	Active
North Slope Borough 04-NPRA-11	Grant Oversight and Supervision	213,418	Project will allow NSB staff to work with borough communities to provide capacity building as well as send staff to professional development training.	Active
North Slope Borough 04-NPRA-12	Volunteer Search and Rescue Equipment	565,425	Project will provide search and rescue equipment, parts and supplies, and training for borough communities.	Active
North Slope Borough 04-NPRA-13	Fire Department Equipment Upgrades	250,276	Project will provide emergency medical equipment for five borough communities.	Active
North Slope Borough 04-NPRA-14	Barrow Sewage Treatment Facility	10,000,000	Project will provide funds for construction of a new sewage treatment facility which will safely store and treat raw sewage and runoff for the next 20 years.	Active
North Slope Borough 04-NPRA-15	Emergency Radio Communications	1,550,570	Project will provide funds for purchase and maintenance of equipment/materials/supplies needed for the 800 MHz radio system for NSB emergency response teams.	Active
North Slope Borough 04-NPRA-16	Police Department Facilities and Training	728,999	Project will upgrade police department facilities in NSB communities including purchase of updated equipment and vehicles and professional development training.	Active
North Slope Borough 04-NPRA-17	Telecommunications System Update	156,145	Project will purchase equipment necessary for upgrading the current information technology system and to provide training for NSB staff in installation, operation and maintenance.	Active
Sub-Total (page 2)		<u>\$15,921,453</u>		

NPR-A Impact Mitigation Grants Awarded - Based on March 2003 Recommendations  
 FY 04 Appropriation (page 3 of 3)

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
North Slope Borough 04- NPRA-18	Research Equipment for NPR-A Activities	250,000	Project will purchase equipment for collecting and analyzing data on subsistence activities and fish and wildlife resources.	Active
North Slope Borough 04- NPRA-19	Barrow School Resource Officers	237,240	Project will fund School Resource Officers in three Barrow schools, provide training and purchase educational materials and supplies.	Active
North Slope Borough 04- NPRA-20	NPR-A Village School Counselors	435,736	Project will fund salary/benefits for a School Counselor in four NPR-A communities and provide training for each position.	Active
North Slope Borough 04- NPRA-26	Project Compliance and Fiscal Coordinator	198,250	Project will fund salary/benefits for a new Project Compliance and Fiscal Coordinator for all research related projects within the NSB's Dept of Wildlife Management for two years.	Active
North Slope Borough 04- NPRA-27	Childcare/Learning Center/Training	56,123	Funds will be used to purchase surveillance equipment and for purchase and installation of fencing around the Barrow Child Care Learning Center playground. Two Center employees will attend professional development training.	Active
North Slope Borough 04- NPRA-28	Village Summer Recreation Program	121,374	Project will fund salary/benefits for a Recreation Coordinator and a Recreation Aide for a summer recreation program in the five NPR-A communities. Professional development training also to be provided.	Active
North Slope Borough 04- NPRA-29	Mayor's Job Program	653,929	This is a continuation of the FY03 NPR-A grant project, which mitigates impacts by supplying entry-level employment in village positions that have been vacated due to oil and gas development.	Active
North Slope Borough 04- NPRA-30	Workforce Development Program	1,515,825	Project will develop a One-Stop Job Center where NPR-A village members can obtain skills, certifications, and the expertise necessary to become employed by the infrastructure created by NPR-A development.	Active
Sub-Total (page 1)		\$5,621,527		
Sub-Total (page 2)		\$16,171,453		
Sub-Total (page 3)		\$3,218,477		
Total		\$25,011,457		

NPR-A Impact Mitigation Grants Awarded - Based on December 2003 Recommendations  
 FY 05 Appropriation

<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>Comments</u>	<u>Grant Status</u>
Barrow 05- NPRA-01	Tuzzy Library	180,000	Project will fund salary/benefits for a full-time Library Technician to provide general library services with a focus on children.	Active
Nuiqsut 05- NPRA-10	Local Government Operations	250,000	Project will fund salary/benefits for City positions and increase of hours on some current positions.	Active
North Slope Borough 05- NPRA-02	Wainwright Local Government Operations	250,000	Project will fund salary/benefits for City positions and increase of hours on some current positions.	Active
North Slope Borough 05- NPRA-03	Barrow Allied Health Care Training Program	320,000	The need for the survey is clearly related to the foreseeable impacts of oil and gas development. The North Slope Allied Health Training Program will provide a continuum of training and education in paraprofessional fields essential to developing local health care providers on the North Slope.	Active
North Slope Borough 05- NPRA-04	Social and Cultural Impacts Study	300,586	Purpose of project is to document observations and perceptions of North Slope residents regarding historical, current and potential effects of oil industry activities on hunting and to determine how oil/gas development has affected hunters.	Active
North Slope Borough 05- NPRA-05	Oil/Gas Development Comprehensive Plan	400,000	This project will develop a comprehensive borough-wide oil and gas land-use plan to guide industrial development.	Active
North Slope Borough 05- NPRA-06	School Counselors Extended Program	205,000	This is a continuation of the program initially funded in FY 04 and will hire two additional school counselors in Barrow.	Active
North Slope Borough 05- NPRA-07	School Resource Officers	125,000	This is a continuation of the program initially funded in FY 04 and will be used to retain and train a School Resource Officer in Barrow.	Active
North Slope Borough 05- NPRA-08	School Based Programs	500,000	The NSB will partner with the NSB School District to provide open gyms and structured activities in Atqasak, Anaktuvuk Pass, Barrow, Nuiqsut and Wainwright.	Active
Total		\$2,530,586		

APPLICANT	PROJECT TITLE	COMMUNITIES TO BENEFIT	AMOUNT REQUESTED
City of Atkasuk	Youth Center Addition to Community Center	Atkasuk	680,000
City of Atkasuk	Local Government Operations	Atkasuk	336,468
City of Barrow	City Impound & Disposal Site Project	Barrow	174,389
City of Barrow	City Hall Building Addition Feasibility Study	Barrow	69,413
City of Barrow	Roller Rink Renovation Feasibility Study	Barrow	63,556
City of Barrow	Basic Local Government Operations	Barrow	1,608,853
City of Barrow	Paint Piuraagvik & City Hall	Barrow	347,965
City of Barrow	Clean Up Crew Program (2-years)	Barrow	119,893
City of Barrow	KBRW Quest Internship Program	Barrow	72,400
City of Barrow	Archive City Documents	Barrow	716,656
City of Barrow	Public Facilities Operations & Maintenance	Barrow	650,921
City of Barrow	Native Village of Barrow Wellness Court Program	Barrow	298,500
City of Nuiqsut	Local Government Operations	Nuiqsut	375,000
City of Nuiqsut	Cultural Coordinator	Nuiqsut	93,000
City of Nuiqsut	Youth Center Operations & Maintenance	Nuiqsut	150,000
City of Nuiqsut	Design/Install Retractable Boat Ramp	Nuiqsut	1,500,000
City of Nuiqsut	Design/Construct Multi-Use Center	Nuiqsut	1,200,000
City of Nuiqsut	School Recreation Activities	Nuiqsut	54,000
North Slope Borough	Continue Studies to Investigate Wildlife/Subsistence (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,461,368
North Slope Borough	Wainwright City Office Renovation	Wainwright	38,114
North Slope Borough	Social & Cultural Impact Study - Phase 2	ATQ, BAR, NUI & WAIN	275,880
North Slope Borough	Wainwright Youth Program	Wainwright	229,500
North Slope Borough	Oil Spill Response Team (3-years)	ATQ, BAR, NUI & WAIN	737,867
North Slope Borough	Police Officers for NPRA Villages (3-years)	ATQ, BAR, NUI & WAIN	1,486,689
North Slope Borough	Health, Survival & Sustainability of Key Subsistence Resources (3-years)	AKP, ATQ, BAR, NUI, WAIN	654,426
North Slope Borough	Wainwright Softball Field	Wainwright	35,000

North Slope Borough	Fire Equipment & Training	ATQ, BAR, NUI & WAIN	1,114,543
North Slope Borough	Workforce Development Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	3,729,451
North Slope Borough	Atqasuk Energy Assessment	Atqasuk	100,042
North Slope Borough	Mayor's Job Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,527,961
North Slope Borough	Wainwright Local Government Operations	Wainwright	311,500
North Slope Borough	Village Capacity Building (3-years)	Borough-wide (including non-NPRA)	968,182
North Slope Borough	Wainwright Lagoon Boat Launch	Wainwright	525,000
North Slope Borough	Police Facility HVAC Replacement	Barrow	750,000
North Slope Borough	Utility Master Plan/Emergency Plan	Borough-wide (including non-NPRA)	106,221
North Slope Borough	Misdemeanor Probation Officer (3-years)	Barrow	346,071
North Slope Borough	Remote Meter Reading Technology	Borough-wide (including non-NPRA)	455,250
North Slope Borough	NPRA Village Fire Stations Renovation	ATQ, BAR, NUI & WAIN	1,500,000
North Slope Borough	NPRA Technical Review Team (3-years)	AKP, ATQ, BAR, NUI, WAIN	1,468,508
North Slope Borough	Allied Health Training Center (4-years)	AKP, ATQ, BAR, NUI, WAIN	4,800,000
North Slope Borough	School Counselors Extended Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,410,185
North Slope Borough	NSBSD High School Voc/Tech (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,472,194
North Slope Borough	K3-K4 Early Childhood Education Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	3,615,147
North Slope Borough	Police Importation Combat Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	1,101,512
North Slope Borough	North Slope Science Initiative (3-years)	AKP, ATQ, BAR, NUI, WAIN	425,578
North Slope Borough	Enhancing Education Through Technology (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,272,809
North Slope Borough	District & Community Library & Media Centers (3-yr)	AKP, ATQ, BAR, NUI, WAIN	1,200,492
North Slope Borough	Administration & Finance Training Grant	ATQ, BAR, NUI & WAIN	207,092
North Slope Borough	Search & Rescue Training and Equipment (3-years)	AKP, ATQ, BAR, NUI, WAIN	832,027
North Slope Borough	911 Emergency Dispatch Upgrade	AKP, ATQ, BAR, NUI, WAIN	1,013,423
North Slope Borough	Inupiat Community Education (3-years)	AKP, ATQ, BAR, NUI, WAIN	3,209,813
North Slope Borough	Education in Context Program (3-years)	AKP, ATQ, BAR, NUI, WAIN	2,442,277
North Slope Borough	Fire/Search & Rescue Communications Upgrade	Borough-wide (including non-NPRA)	1,731,203

# ATTACHMENTS

**Federal Statutes (42 USC Chapter 78)**

**Alaska Statutes (AS 37.05.530)**

**Alaska Regulations (03 AAC 150)**

**UNITED STATES CODE**  
**Title 42 - The Public Health And Welfare**  
**Chapter 78 - National Petroleum Reserve In Alaska**

**Sec. 6501. - "Petroleum" defined**

As used in this chapter, the term "petroleum" includes crude oil, gases (including natural gas), natural gasoline, and other related hydrocarbons, oil shale, and the products of any of such resources

**Sec. 6502. - Designation of National Petroleum Reserve in Alaska; reservation of lands; disposition and conveyance of mineral materials, lands, etc., preexisting property rights**

The area known as Naval Petroleum Reserve Numbered 4, Alaska, established by Executive order of the President, dated February 27, 1923, except for tract Numbered 1 as described in Public Land Order 2344, dated April 24, 1961, shall be transferred to and administered by the Secretary of the Interior in accordance with the provisions of this Act. Effective on the date of transfer all lands within such area shall be redesignated as the "National Petroleum Reserve in Alaska" (hereinafter in this chapter referred to as the "reserve"). Subject to valid existing rights, all lands within the exterior boundaries of such reserve are hereby reserved and withdrawn from all forms of entry and disposition under the public land laws, including the mining and mineral leasing laws, and all other Acts; but the Secretary is authorized to

(1) make dispositions of mineral materials pursuant to the Act of July 31, 1947 (61 Stat. 681), as amended (30 U.S.C. 601 et seq.), for appropriate use by Alaska Natives and the North Slope Borough,

(2) make such dispositions of mineral materials and grant such rights-of-way, licenses, and permits as may be necessary to carry out his responsibilities under this Act,

(3) convey the surface of lands properly selected on or before December 18, 1975, by Native village corporations pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), and

(4) grant such rights-of-way to the North Slope Borough, under the provisions of title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761 et seq.) or section 28 of the Mineral Leasing Act, as amended (30 U.S.C. 185), as may be necessary to permit the North Slope Borough to provide energy supplies to villages on the North Slope. All other provisions of law heretofore enacted and actions heretofore taken reserving such lands as a Naval Petroleum Reserve shall remain in full force and effect to the extent not inconsistent with this Act

**Sec. 6503. - Transfer of jurisdiction, duties, property, etc., to Secretary of the Interior from Secretary of Navy**

(a) Transfer of jurisdiction over reserve; date of transfer

Jurisdiction over the reserve shall be transferred by the Secretary of the Navy to the Secretary of the Interior on June 1, 1977.

(b) Protection of environmental, fish and wildlife, and historical or scenic values; promulgation of rules and regulations

With respect to any activities related to the protection of environmental, fish and wildlife, and historical or scenic values, the Secretary of the Interior shall assume all responsibilities as of April 5, 1976. As soon as possible, but not later than the effective date of transfer, the Secretary of the Interior may promulgate such rules and regulations as he deems necessary and appropriate for the protection of such values within the reserve.

(c) Contract responsibilities and functions

The Secretary of the Interior shall, upon the effective date of the transfer of the reserve, assume the responsibilities and functions of the Secretary of the Navy under any contracts which may be in effect with respect to activities within the reserve.

(d) Equipment, facilities, and other properties used in connection with operation of reserve; transfer without reimbursement

On the date of transfer of jurisdiction of the reserve, all equipment, facilities, and other property of the Department of the Navy used in connection with the operation of the reserve, including all records, maps, exhibits, and other informational data held by the Secretary of the Navy in connection with the reserve, shall be transferred without reimbursement from the Secretary of the Navy to the Secretary of the Interior who shall thereafter be authorized to use them to carry out the provisions of this chapter.

(e) Unexpended funds previously appropriated for use in connection with reserve and civilian personnel ceilings assigned to management and operation of reserve

On the date of transfer of jurisdiction of the reserve, the Secretary of the Navy shall transfer to the Secretary of the Interior all unexpended funds previously appropriated for use in connection with the reserve and all civilian personnel ceilings assigned by the Secretary of the Navy to the management and operation of the reserve as of January 1, 1976

**Sec. 6504. - Administration of reserve**

(a) Congressional authorization as precondition for production and development of petroleum

Except as provided in subsection (e) of this section, production of petroleum from the reserve is prohibited and no development leading to production of petroleum from the reserve shall be undertaken until authorized by an Act of Congress.

(b) Conduct of exploration within designated areas to protect surface values

Any exploration within the Utukok River, the Teshekpuk Lake areas, and other areas designated by the Secretary of the Interior containing any significant subsistence, recreational, fish and wildlife, or historical or scenic value, shall be conducted in a manner which will assure the maximum protection of such surface values to the extent consistent with the requirements of this Act for the exploration of the reserve.

(c) Continuation of ongoing petroleum exploration program by Secretary of Navy prior to date of transfer of jurisdiction; duties of Secretary of Navy prior to transfer date

The Secretary of the Navy shall continue the ongoing petroleum exploration program within the reserve until the date of the transfer of jurisdiction specified in section 6503(a) of this title. Prior to the date of such transfer of jurisdiction the Secretary of the Navy shall -

(1) cooperate fully with the Secretary of the Interior providing him access to such facilities and such information as he may request to facilitate the transfer of jurisdiction;

(2) provide to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives copies of any reports, plans, or contracts pertaining to the reserve that are required to be submitted to the Committees on Armed Services of the Senate and the House of Representatives; and

(3) cooperate and consult with the Secretary of the Interior before executing any new contract or amendment to any existing contract pertaining to the reserve and allow him a reasonable opportunity to comment on such contract or amendment, as the case may be.

(d) Commencement of petroleum exploration by Secretary of the Interior as of date of transfer of jurisdiction; powers and duties of Secretary of the Interior in conduct of exploration

The Secretary of the Interior shall commence further petroleum exploration of the reserve as of the date of transfer of jurisdiction specified in section 6503(a) of this title. In conducting this exploration effort, the Secretary of the Interior -

(1) is authorized to enter into contracts for the exploration of the reserve, except that no such contract may be entered into until at least thirty days after the Secretary of the Interior has provided the Attorney General with a copy of the proposed contract and such other information as may be appropriate to determine legal sufficiency and possible violations under, or inconsistencies with, the antitrust laws. If, within such thirty day period, the Attorney General advises the Secretary of the Interior that any such contract would unduly restrict competition or be inconsistent with the antitrust laws, then the Secretary of the Interior may not execute that contract;

(2) shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives any new plans or substantial amendments to ongoing plans for the exploration of the reserve. All such plans or amendments submitted to such committees pursuant to this section shall contain a report by the Attorney General of the United States with respect to the anticipated effects of such plans or amendments on competition. Such plans or amendments shall not be implemented until sixty days after they have been submitted to such committees; and

(3) shall report annually to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives on the progress of, and future plans for, exploration of the reserve

**Sec. 6505. - Executive department responsibility for studies to determine procedures used in development, production, transportation, and distribution of petroleum resources in reserve; reports to Congress by President; establishment of task force by Secretary of the Interior; purposes; membership; report and recommendations to Congress by Secretary; contents**

(a) Omitted

(b)

(1) The President shall direct such Executive departments and/or agencies as he may deem appropriate to conduct a study, in consultation with representatives of the State of Alaska, to determine the best overall procedures to be used in the development, production, transportation, and distribution of petroleum resources in the reserve. Such study shall include, but shall not be limited to, a consideration of -

(A) the alternative procedures for accomplishing the development, production, transportation, and distribution of the petroleum resources from the reserve, and

(B) the economic and environmental consequences of such alternative procedures.

(2) The President shall make semiannual progress reports on the implementation of this subsection to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives beginning not later than six months after April 5, 1976, and shall, not later than one year after the transfer of jurisdiction of the reserve, and annually thereafter, report any findings or conclusions developed as a result of such study together with appropriate supporting data and such recommendations as he deems desirable. The study shall be completed and submitted to such committees, together with recommended procedures and any proposed legislation necessary to implement such procedures not later than January 1, 1980.

(c)

(1) The Secretary of the Interior shall establish a task force to conduct a study to determine the values of, and best uses for, the lands contained in the reserve, taking into consideration

- (A) the natives who live or depend upon such lands,
- (B) the scenic, historical, recreational, fish and wildlife, and wilderness values,
- (C) mineral potential, and
- (D) other values of such lands.

(2) Such task force shall be composed of representatives from the government of Alaska, the Arctic slope native community, and such offices and bureaus of the Department of the Interior as the Secretary of the Interior deems appropriate, including, but not limited to, the Bureau of Land Management, the United States Fish and Wildlife Service, the United States Geological Survey, and the United States Bureau of Mines.

(3) The Secretary of the Interior shall submit a report, together with the concurring or dissenting views, if any, of any non-Federal representatives of the task force, of the results of such study to the Committees on Interior and Insular Affairs of the Senate and the House of Representatives within three years after April 5, 1976, and shall include in such report his recommendations with respect to the value, best use, and appropriate designation of the lands referred to in paragraph (1)

**Sec. 6506. - Applicability of antitrust provisions; plans and proposals submitted to Congress to contain report by Attorney General on impact of plans and proposals on competition**

Unless otherwise provided by Act of Congress, whenever development leading to production of petroleum is authorized, the provisions of subsections (g), (h), and (i) of section 7430 of title 10 shall be deemed applicable to the Secretary of the

Interior with respect to rules and regulations, plans of development and amendments thereto, and contracts and operating agreements. All plans and proposals submitted to the Congress under this chapter or pursuant to legislation authorizing development leading to production shall contain a report by the Attorney General of the United States on the anticipated effects upon competition of such plans and proposals

**Sec. 6507. - Authorization of appropriations; Federal financial assistance for increased municipal services and facilities in communities located on or near reserve resulting from authorized exploration and study activities**

(a) There are authorized to be appropriated to the Department of the Interior such sums as may be necessary to carry out the provisions of this chapter.

(b) If the Secretary of the Interior determines that there is an immediate and substantial increase in the need for municipal services and facilities in communities located on or near the reserve as a direct result of the exploration and study activities authorized by this chapter and that an unfair and excessive financial burden will be incurred by such communities as a result of the increased need for such services and facilities, then he is authorized to assist such communities in meeting the costs of providing increased municipal services and facilities. The Secretary of the Interior shall carry out the provisions of this section through existing Federal programs and he shall consult with the heads of the departments or agencies of the Federal Government concerned with the type of services and facilities for which financial assistance is being made available

**Sec. 6508. - Competitive leasing of oil and gas**

There shall be conducted, notwithstanding any other provision of law and pursuant to such rules and regulations as the Secretary may prescribe, an expeditious program of competitive leasing of oil and gas in the National Petroleum Reserve in Alaska: Provided, That

(1) activities undertaken pursuant to this section shall include or provide for such conditions, restrictions, and prohibitions as the Secretary deems necessary or appropriate to mitigate reasonably foreseeable and significantly adverse effects on the surface resources of the National Petroleum Reserve in Alaska (the Reserve);

(2) the provisions of section 202 and section 603 of the Federal Lands Policy and Management Act of 1976 (90 Stat. 2743) (43 U.S.C. 1712, 1782) shall not be applicable to the Reserve;

(3) the first lease sale shall be conducted within twenty months of December 12, 1980: Provided, That the first lease sale shall be conducted only after publication of a final environmental impact statement if such is deemed necessary under the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4332);

(4) the withdrawals established by section 102 of Public Law 94-258 (42 U.S.C. 6502) are rescinded for the purposes of the oil and gas leasing program authorized herein;

(5) bidding systems used in lease sales shall be based on bidding systems included in section 205(a)(1)(A) through (H) [1] of the Outer Continental Shelf Lands Act Amendments of 1978 (92 Stat. 629) (43 U.S.C. 1337(a)(1)(A)-(H));

(6) lease tracts may encompass identified geological structures;

(7) the size of lease tracts may be up to sixty thousand acres, as determined by the Secretary;

(8) each lease shall be issued for an initial period of ten years, and shall be extended for so long thereafter as oil or gas is produced from the lease in paying quantities, or as drilling or reworking operations, as approved by the Secretary, are conducted thereon;

(9) for purposes of conservation of the natural resources of any oil or gas pool, field, or like area, or any part thereof, lessees thereof and their representatives are authorized to unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit agreement for such pool, field, or like area, or any part thereof (whether or not any other part of said oil or gas pool, field, or like area is already subject to any cooperative or unit plan of development or operation), whenever determined by the Secretary to be necessary or advisable in the public interest. Drilling, production, and well reworking operations performed in accordance with a unit agreement shall be deemed to be performed for the benefit of all leases that are subject in whole or in part to such unit agreement. When separate tracts cannot be independently developed and operated in conformity with an established well spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto;

(10) to encourage the greatest ultimate recovery of oil or gas or in the interest of conservation the Secretary is authorized to waive, suspend, or reduce the rental, or minimum royalty, or reduce the royalty on an entire leasehold, including on any lease operated pursuant to a unit agreement, whenever in his judgment the leases cannot be successfully operated under the terms provided therein. The Secretary is authorized to direct or assent to the suspension of operations and production on any lease or unit. In the event the Secretary, in the interest of conservation, shall direct or assent to the suspension of operations and production on any lease or unit, any payment of acreage rental or minimum royalty

prescribed by such lease or unit likewise shall be suspended during the period of suspension of operations and production, and the term of such lease shall be extended by adding any such suspension period thereto; and

(11) all receipts from sales, rentals, bonuses, and royalties on leases issued pursuant to this section shall be paid into the Treasury of the United States: Provided, That 50 percent thereof shall be paid by the Secretary of the Treasury semiannually, as soon thereafter as practicable after March 30 and September 30 each year, to the State of Alaska for:

- (A) planning;
- (B) construction, maintenance, and operation of essential public facilities; and
- (C) other necessary provisions of public service: Provided further, That in the allocation of such funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by development of oil and gas leased under this section.

Any agency of the United States and any person authorized by the Secretary may conduct geological and geophysical explorations in the National Petroleum Reserve in Alaska which do not interfere with operations under any contract maintained or granted previously. Any information acquired in such explorations shall be subject to the conditions of 43 U.S.C. 1352(a)(1)(A).

Any action seeking judicial review of the adequacy of any program or site-specific environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) concerning oil and gas leasing in the National Petroleum Reserve-Alaska shall be barred unless brought in the appropriate District Court within 60 days after notice of the availability of such statement is published in the Federal Register.

The detailed environmental studies and assessments that have been conducted on the exploration program and the comprehensive land-use studies carried out in response to sections 105(b) and (c) of Public Law 94-258 (42 U.S.C. 6505(b), (c)) shall be deemed to have fulfilled the requirements of section 102(2)(c) of the National Environmental Policy Act (Public Law 91-190) (42 U.S.C. 4332(2)(C)), with regard to the first two oil and gas lease sales in the National Petroleum Reserve-Alaska: Provided, That not more than a total of 2,000,000 acres may be leased in these two sales: Provided further, That any exploration or production undertaken pursuant to this section shall be in accordance with section 104(b) of the Naval Petroleum Reserves Production Act of 1976 (90 Stat. 304; 42 U.S.C. 6504)

**ALASKA STATUTES**

**Title 37. Public Finance**

**Chapter 5. Fiscal Procedures Act**

**Section 530. National Petroleum Reserve - Alaska Special Revenue Fund**

(a) The National Petroleum Reserve - Alaska special revenue fund is established. The fund consists of all money disbursed to the state by the federal government under 42 U.S.C. 6508 (P.L. 96-514) since December 12, 1980, less the amount deposited in the general fund and expended by the state by general fund appropriations before June 9, 1984.

(b) The commissioner of revenue shall manage the National Petroleum Reserve - Alaska special revenue fund.

(c) The Department of Community and Economic Development shall adopt regulations under which municipalities impacted by National Petroleum Reserve - Alaska oil and gas development under 42 U.S.C. 6508 may apply for and be eligible to receive grants to alleviate the impact. The department shall give priority in the allocation of grants to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development under 42 U.S.C. 6508 within the National Petroleum Reserve - Alaska. The department shall fund all meritorious grant applications out of the money appropriated to it each year. Within 10 days after the convening of each regular session of the legislature, the department shall submit to the legislature a list of all municipalities that have received grants, a list of all municipalities determined by the department to be eligible for further grants, a recommendation of the amount of money to be granted for those additional applications, and written justification of each past and potential grant.

(d) It is the intent of the legislature that each year all of the money in the National Petroleum Reserve - Alaska special revenue fund be made available for appropriation by the legislature to municipalities that demonstrate under (c) of this section present impact, or the need to determine or plan for future impact, from oil and gas development under 42 U.S.C. 6508. It is the intent of the legislature that an initial appropriation be made to the Department of Community and Economic Development to cover anticipated impact grants, and that additional funds be made available through supplemental appropriations if the impact is greater than anticipated and the legislature considers the additional grants proposed by the department to be meritorious.

(e) A municipality may use the funds received under (j) of this section only for the following activities and services to alleviate the impact of the oil and gas development under 42 U.S.C. 6508 within the National Petroleum Reserve - Alaska:

- (1) planning;

(2) construction, maintenance, and operation of essential public facilities by the municipality, and

(3) other necessary public services provided by the municipality.

(f) Funds appropriated under (d) of this section may not be used for the retirement of municipal debt.

(g) Amounts received by the state under 42 U.S.C. 6508 and not appropriated for grants to municipalities under (d) of this section shall be deposited at the end of each fiscal year as follows: (1) 25 percent to the principal of the Alaska permanent fund; and (2) .5 percent to the public school trust fund (AS 37.14.110). The amounts remaining after the deposits to the Alaska permanent fund and the public school trust fund may be appropriated to the power cost equalization and rural electric capitalization fund (AS 42.45.100). The amounts remaining after any appropriation to the power cost equalization and rural electric capitalization fund shall lapse into the general fund for use by the state for the following facilities and services: planning; construction, maintenance, and operation of essential public facilities; and other necessary public services.

(h) Notwithstanding other provisions of law and unless expressly provided by the legislature in the appropriation item making the appropriation, an appropriation from the National Petroleum Reserve - Alaska special revenue fund shall, for the purposes of determining the funding sources for the appropriation be treated as though the appropriation takes effect in the fiscal year in which the appropriation passes the legislature. The authorization to expend funds appropriated from the fund shall take effect as otherwise provided by law.

**ALASKA ADMINISTRATIVE CODE**  
**Title 3. Community and Economic Development**  
**Chapter 150. National Petroleum Reserve - Alaska Impact Program**

**3 AAC 150.010. General Objectives**

The primary objective of the National Petroleum Reserve-Alaska (NPR-A) Impact Program is to provide municipalities with financial assistance to help mitigate significantly adverse impacts related to oil or gas leasing within the NPR-A, including exploration, production, and oil or gas transportation activities, conducted under the authority of 42 U.S.C. 6508. Financial assistance may be available for

- (1) planning;
- (2) construction, maintenance, and operation of essential public facilities; and
- (3) other necessary public services.

**3 AAC 150.020. Administration of NPR-A Impact Program**

Under sec. 2, ch. 53, SLA 1986, the legislature will appropriate each year the balance remaining in the National Petroleum Reserve-Alaska special revenue fund to the Department of Community and Economic Development. The department will, in accordance with this chapter, receive, review, and evaluate applications from eligible municipalities each year, and will fund qualified grant requests up to the amount of the appropriation. Money not allocated to eligible municipalities each year lapses in accordance with sec. 3, ch. 53, SLA 1986. If the total amount of money requested by eligible municipalities in a year exceeds the appropriation for that year, the department will allocate the available grant money in accordance with the criteria for priority set out in 3 AAC 150.060 - 3 AAC 150.080. Additional money might be made available through supplemental appropriations if the impact is greater than anticipated and the legislature considers the additional grants proposed by the department to be meritorious.

**3 AAC 150.030. Eligibility in General**

Eligibility for NPR-A impact assistance has two main components: applicant eligibility and project eligibility.

**3 AAC 150.040. Applicant Eligibility**

To be eligible to receive assistance under the NPR-A Impact program, the applicant

- (1) must be a municipality under state law; and
- (2) must demonstrate present impact, regardless of date of initial occurrence, or foreseeable future impact, on the applicant or the applicant's residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6508.

**3 AAC 150.050. Project Eligibility**

(a) To be eligible for funding under the NPR-A impact program, a project must be related to present, continuing, or reasonably foreseeable impact on the applicant or the applicant's residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6508.

(b) To be eligible for funding, a project also must be for the purpose of

- (1) planning;
- (2) construction, maintenance, and operation of essential public facilities; or
- (3) other necessary public services.

(c) In this section, "impact" means an effect reasonably attributable to NPR-A oil and gas activities under 42 U.S.C. 6508 on

- (1) population;
- (2) employment;
- (3) finances;
- (4) social and cultural values;
- (5) air and water quality;
- (6) fish and wildlife habitats;
- (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and
- (8) other things of demonstrable importance to the applicant or the applicant's residents.

(d) Examples of needs that eligible projects may address include the following:

- (1) resource protection to ensure the continued viability of fish, wildlife, and other natural resources on which the applicant's residents rely for subsistence needs;
- (2) alleviation or mitigation of adverse social or cultural impacts;
- (3) health needs, including hospitals, clinics, emergency medical facilities, alcohol and drug abuse facilities, mental health facilities, waste disposal systems, and water quality improvement systems;
- (4) public safety needs, including police protection, search and rescue, and fire protection;
- (5) utility needs, including electric generating plants and distribution systems, water supply systems, telephone systems, and other fuel distribution systems;
- (6) housing needs;
- (7) recreational needs.

### **3 AAC 150.060. Project Criteria**

(a) If the total amount of money requested by eligible applicants for eligible projects in meritorious applications exceeds the amount appropriated for grants that year, the department will rank applications for the purpose of establishing priority for funding.

(b) In determining the merit of an application, the department will consider

- (1) the degree to which the project proposed in the grant application alleviates the impact caused by development in the NPR-A under 42 U.S.C. 6508;
- (2) the ability of the applicant to accommodate or absorb the impacts through existing facilities or programs; and
- (3) other criteria the department identifies as critical to determination of the merit of the application.

(c) In ranking the applications, the department will consider

- (1) the severity of the impact caused by the development in the NPR-A under 42 U.S.C. 6508 on the municipality; and
- (2) the degree to which the impact on the municipality is directly caused by development in the NPR-A under 42 U.S.C. 6508.

### **3 AAC 150.070. Submission of Applications**

(a) Application must be made on forms provided by the department. The forms will be such that they may be easily filled out by small communities without technical staff. The department will, upon request, provide assistance to applicants to the extent possible based upon the availability of financial and human resources.

(b) A municipality that believes it is eligible to receive NPR-A impact assistance under 3 AAC 150.010 – 3 AAC 150.060 may file an application with the department as provided for in (a) of this section. An application must be postmarked no later than November 15 of each year in which NPR-A assistance money is available for appropriation by the legislature under AS 37.05.530. If November 15 is a Saturday, Sunday, or legal holiday, the deadline for postmark is the department's next regular business day.

**3 AAC 150.080. Review of Applications and Award of Grants**

(a) The department will review applications for eligibility for NPR-A impact assistance and place applications in order of priority in accordance with 3 AAC 150.060.

(b) The department will review each application determined to be eligible for NPR-A impact assistance to determine whether the amount requested for a project is reasonably necessary for the project to alleviate impacts from oil and gas development in the NPR-A under 42 U.S.C. 6508, the department will deduct from the amount requested any amounts that are not reasonably necessary for that purpose.

(c) If, after making necessary adjustments to grant requests under (b) of this section, the department determines that the total amount for eligible projects requested by all eligible applicants that year is equal to or less than the amount appropriated for that year, the department will fund all meritorious requests. If the total amounts requested are greater than the amount appropriated, the department will fund requests in accordance with the priorities established in 3 AAC 150.060 until the appropriation is spent. The department will, in its discretion, recommend to the legislature that additional money be made available through supplemental appropriations.

**3 AAC 150.090. Reconsideration and Judicial Review**

A municipality aggrieved by a decision made under this chapter may request reconsideration by the commissioner of community and regional affairs, and must seek such reconsideration before seeking judicial review. A final decision of the department is subject to judicial review in accordance with Rule 602 of the Alaska Rules of Appellate Procedure.

Department Of Interior

National Petroleum Reserve-Alaska

**Fact Sheet: Northwest National Petroleum Reserve-Alaska Integrated Activity Plan, Environmental Impact Statement and Record of Decision**

**What is the National Petroleum Reserve-Alaska?**

The National Petroleum Reserve-Alaska is a 23-million-acre area (about the size of Indiana) located on the North Slope of Alaska. This area has been managed by the Bureau of Land Management since 1976.

**What energy exploration has taken place in the reserve?**

Between 1945 and 1952 the U.S. Navy contracted for 45 core tests and 36 test wells and between 1974 and 1977, it contracted six deep well tests.

Between 1977 and 1981, the U.S. Geological Survey contracted for a number of seismic lines and exploration wells. In all, 40 test wells and 15,600 miles of seismic data were obtained.

Since the 1999 lease sale, 14 exploration wells have been drilled and commercial discoveries have been announced. As many as three more wells will be drilled during the winter of 2003-2004.

Seismic lines have been run somewhere in the reserve every year since 1976, except for 2004.

**Has Congress given the agency any direction on how the reserve is to be managed?**

Yes. The Naval Petroleum Reserves Production Act of 1976 and the 1980 Interior Department Appropriations Act gave direction to BLM to carry out "an expeditious program of competitive leasing of oil and gas..."

**Why does BLM have so many land use plans underway for this area?**

Land use plans require significant time, staff, and money. Since industry was most interested in leasing those areas closest to existing infrastructure, BLM elected to undertake its land use planning by phases so as to analyze the areas most likely to be developed first. That was accomplished in the first Northeast National Petroleum Reserve-Alaska plan completed in 1998.

BLM has now completed a similar plan for the Northwest National Petroleum Reserve-Alaska and will begin planning for the Southern National Petroleum Reserve-Alaska in about a year. Meanwhile, commercial oil discoveries, the findings from ongoing research, and the Energy Policy Conservation Act have led to an initiative to amend the 1998 Northeast National Petroleum Reserve-Alaska plan. Commercial discoveries have also prompted the development of detailed plan for the Alpine satellite fields, portions of which overlap the National Petroleum Reserve-Alaska.

**How were public comments for the Northwest National Petroleum Reserve-Alaska Integrated Activity Plan/ Environmental Impact Statement addressed?**

BLM's core planning team (5) assigned substantive comments to individual subject matter

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specialists on the larger planning team (20) to prepare responses. The core team and the Solicitor's Office in Anchorage reviewed those responses.

The vast majority of the comments (96,000) were a form-letter style submitted as part of an internet campaign. These, too, were reviewed by members of the comment analysis team. Each and every comment was opened and read to see if there was any additional information provided, then analyzed and categorized.

Substantial comments were received from the State of Alaska, North Slope Borough, Audubon Society and others.

### **Why didn't the Environmental Impact Statement separately analyze the alternatives received from these three groups?**

After completion of the public meetings on the Draft Plan, members of the core planning team, resource staff, and management met specifically to develop the Preferred Alternative. Our starting point was a look at the proposals submitted by Audubon and others related to a "Wildlife Habitat Alternative." Resource information submitted by Audubon was considered consistent with BLM's own information and that submitted by others, including the U.S. Fish and Wildlife Service, the State of Alaska, and the North Slope Borough. Recommendations by Audubon for new special areas and corresponding restrictions were evaluated in light of our oil and gas resource information. While it was felt some proposals were too restrictive, especially in the high prospective area in northeast portion of the Planning Area, it was also felt that the Preferred Alternative must look carefully at protections for the Pacific black brandt, spectacled and Steller's eiders, yellow-billed loons, peregrine falcons, caribou, and the coastal bays and lagoons. Also protections must in some cases be fairly prescriptive and quantitatively defined (e.g., 1/2-mile setbacks on rivers). As discussions proceeded and additional information and input were received, the Preferred Alternative evolved. BLM believes the end result is a balanced and environmentally responsible alternative.

### **What protections will be provided by the Record of Decision?**

- Defer leasing on about 1.5 million acres (17 percent of the planning area) near Wainwright for the next 10 years.
- Designate 102,000 acres as the Kasegaluk Lagoon Special Area
- Provide no surface occupancy stipulations along coastal areas, in deep-water lakes, along key rivers (16 percent of the planning area), and in the Kasegaluk Lagoon Special Area
- Designate special study areas for Pacific black brandt and caribou
- Conduct area wide studies on habitat for Spectacled and Steller's eiders (both listed as threatened under the Endangered Species Act) and yellow-billed loons
- Implement stipulations to minimize loss of raptor foraging habitat within the existing Colville River Special Area

### **What is different between the Record of Decision and the Final Environmental Impact Statement?**

- In response to a resolution passed by BLM's Resource Advisory Council, leasing will be

deferred in the Colville River Special Area until the combined Southern National Petroleum Reserve-Alaska Integrated Activity Plan/ Environmental Impact Statement and Colville River Management plans are complete.

- Minor changes to some of the stipulations were made to help clarify the intent more clearly or to add phrases that were accidentally deleted during the planning process.
- A required operating procedure to address cultural/paleontological resources was added.
- At the request of the North Slope Borough, a set-back stipulation of ½ mile was added for Naklavik Creek.

#### **How does leasing in the petroleum reserve tie in with the President's National Energy Plan?**

The production of oil and gas resources within the National Petroleum Reserve-Alaska could make a valuable contribution to the domestic production portion of the stream by offsetting declines in production from Prudhoe Bay, using the existing TAPS pipeline and tanker transportation and distribution system. The National Energy Plan specifically recommends that "the Secretary of the Interior consider additional environmentally responsible oil and gas development, based on sound science and the best available technology, through further lease sales in the National Petroleum Reserve-Alaska."

#### **What happens next?**

BLM will develop a Record of Decision documenting any changes in the preferred alternative. Current plans call for it to be signed by the Secretary on January 21 so that BLM can hold a lease sale in early June.

#### **Can people protest the Record of Decision?**

No. Since the National Petroleum Reserve-Alaska is a designated petroleum reserve, it is exempt from the BLM's regulations covering resource management plans. There is no protest period and since the Record of Decision is being signed by the Secretary, it is final until such time as the plan is amended.

#### **What about another lease sale?**

BLM asked industry for expressions of interest at the start of the planning effort and will give industry a second opportunity to add or amend any previous information submitted to the agency following the signing of the Record of Decision. BLM will evaluate responses and develop bid packets in time to hold a lease sale June 2, 2004.

#### **How much oil is there?**

The US Geological Survey issued a new report in 2002 that significantly revised hydrocarbon estimates upwards. The agency now estimates that the National Petroleum Reserve-Alaska has between 5.9 to 13.2 billion barrels of technically-recoverable oil on the federal lands in the National Petroleum Reserve-Alaska with a mean estimate of 9.3 billion barrels. Assuming price levels of \$22 to \$30 per barrel, there are an estimated 1.3 to 5.6 billion barrels of economically recoverable oil, an amount equal to what we import from Saudi Arabia in 3 to 6 years.

#### **What about natural gas?**

Although there are significant reserves of natural gas in the petroleum reserve, currently there is no way to get this gas to market. However, there is potential to make this resource available to local communities as a lower cost energy alternative. For example, the village of Nuiqsut worked out an agreement with ConocoPhillips to obtain natural gas from the nearby Alpine production facility. Depending on the location of future development, villages such as Barrow, Atkasuk and Wainwright may also benefit from small-scale developments.

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Selected News Releases

# APPLICATION PACKET

## NATIONAL PETROLEUM RESERVE – ALASKA (NPRA) IMPACT MITIGATION PROGRAM

Issued By:

State of Alaska

Department of Commerce, Community and Economic Development

Division of Community Advocacy

September 2005

provided by  
Susan Burke  
N. Slope Borough

1/26/06

# NPRA Impact Mitigation Program Application Packet

September 2005  
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## I. GENERAL INFORMATION

### A. Issuing Agency and Contact Person

This Application Packet is issued by:

State of Alaska  
Department of Commerce, Community and Economic Development (DCCED)  
Division of Community Advocacy - Grants Section  
Attention: Melanie Greer  
P.O. Box 110809  
Juneau, Alaska 99811-0809 (Mailing Address)

333 Willoughby Avenue, 9th Floor  
Juneau, Alaska (Delivery Address)

Phone Number: (907) 465-5541  
Fax Number: (907) 465-5867  
E-mail: melanie\_greer@commerce.state.ak.us

### B. Additional Information and Assistance Available

Applicants should carefully review this Application Packet for errors, questionable or objectionable materials, and items requiring clarification. Applicants should put comments and/or questions in writing and mail them to the above address or phone the above individual for clarifications. DCCED may issue written clarifications to all those who initially received a copy of the Application Packet.

DCCED will be hosting a workshop in conjunction with the North Slope Borough Grants Division to assist applicants in identifying eligible projects and understanding the NPRA Impact Program. The workshop will be held in September 2005 in Barrow, Alaska. DCCED will provide further information under separate cover.

### C. Introduction of the NPRA Impact Grant Program

As authorized December 12, 1980, by 42 U.S.C. Chapter 78, Sections 6501-6508, the Federal Government, through the U.S. Department of the Interior, Bureau of Land Management (BLM) manages and allows for the exploration and development of oil and gas within the National Petroleum Reserve-Alaska (NPRA). In accordance with 42 U.S.C. § 6508, 50 percent of the money received by the federal government from the "sales, rentals, bonuses, and royalties on leases issued . . ." within the NPRA is paid to the State of Alaska.

As required by Alaska statute (AS) 37.05.530, DCCED adopted regulations addressing the NPRA Impact Program under Alaska Administrative Code (AAC) 3 AAC 150.010 – 3 AAC 150.090 which allows municipalities impacted by oil and gas development in the NPRA to apply for assistance (grants) to alleviate the impact.

In accordance with:

- AS 37.05.530(c), participation is limited to municipalities.
- AS 37.05.530(c), (d), and (e), municipalities must demonstrate present impact or the need to determine or plan for future impact of oil and gas development within the NPRA.
- AS 37.05.530(c), priority is given to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development within the NPRA.
- AS 37.05.530(e), municipalities may use the funds to alleviate the impact of the oil and gas development within the NPRA only for the following activities and services: (1) planning; (2) construction, maintenance, and operation of essential public facilities by the municipality; and (3) other necessary public services provided by the municipality.
- AS 37.05.530(f), funds may not be used for the retirement of municipal debt.
- 3 AAC 150.050(c), *impact* is defined as an effect reasonably attributable to NPRA oil and gas activities under 42 U.S.C. § 6508 on:  
(1) population; (2) employment; (3) finances; (4) social and cultural values; (5) air and water quality; (6) fish and wildlife habitats; (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and (8) other things of demonstrable importance to the applicant or the applicant's residents.

#### D. Who May Apply

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In accordance with AS 37.05.530(c), only municipalities are eligible to apply for and receive NPRA impact funds.

Alaska has two types of municipalities: (1) cities and (2) organized boroughs. For ease of reference, the word *municipality* will be used throughout this document when referring to cities and boroughs unless the context requires use of the specific type of municipality.

Although only municipalities may apply, unincorporated communities may benefit if located within the boundaries of an organized borough within the NPRA. The organized borough may submit an application for NPRA impact assistance for an unincorporated community.

#### E. Current and Potential Impacts

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In accordance with AS 37.05.530(c), (d), and (e) and 3 AAC 150.050(c), the Applicant must demonstrate that the municipality and/or its residents have been and/or may be impacted by oil and gas development in the NPRA. The more direct or severe the impact, the higher funding priority the Applicant will receive.

The applicant must clearly identify NPRA oil and gas development activities or anticipated activities; identify the impact(s) and tie those impacts to the development or anticipated development; and demonstrate how the proposed project will alleviate the impact(s).

## F. Types of Projects

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In accordance with AS 37.05.530(e), projects must be for activities and services that will *alleviate the impact* on a municipality and/or its residents resulting from oil and gas development activities in the NPRA and are limited to: (1) **planning**; (2) **construction, maintenance, and operation of essential public facilities by the municipality**; and (3) **other necessary public services provided by the municipality**.

Examples of potential projects include, but are not limited to the following:

- resource protection to ensure the continued viability of fish, wildlife, and other natural resources on which the applicants' residents rely for subsistence needs;
- alleviation or mitigation of adverse social or cultural impacts;
- health needs, including hospitals, clinics, emergency medical facilities, alcohol and drug abuse facilities, mental health facilities, waste disposal systems, and water quality improvement systems; public safety needs including police protection, search and rescue, and fire protection;
- utility needs including electric generating plants and distribution systems, water supply systems, telephone systems, and other fuel distribution systems;
- housing needs;
- recreation needs

## G. Project Requirements

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In addition to the parameters of the NPRA Impact Program identified in this Application Packet, an applicant must also take into consideration provisions routinely required when entering into a Grant Agreement with DCCED. DCCED will make available, upon request, a sample Grant Agreement for potential applicants.

## H. Project Budget

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A detailed and comprehensive budget that clearly identifies all proposed project costs must be provided as part of the application. It is important for the applicant to include professional cost estimates and/or explain how all proposed costs were computed in the budget narrative. DCCED may choose to fund a project at a lesser amount than that proposed. If the proposed project is a continuation of an existing NPRA grant activity(s), the applicant is advised to provide details on the status of the open grant(s) and the distinction between expected outcomes for the proposed grant versus existing grant(s).

This is a cost reimbursable grant program. The applicant will be required to expend funds and then seek reimbursement from DCCED on either a monthly or a quarterly basis.

## II. SUBMISSION DETAILS

### I. Due Date, Number of Copies, and Format

An applicant must submit an original and 4 copies of an NPRA Application to the address and individual listed on page 3 of this Application Packet. A separate Application must be submitted for each proposed project.

The application must be postmarked no later than November 15, 2005 in order to receive funding consideration. Facsimile copies will not be accepted. Application materials submitted after the November 15, 2005 postmark date may not be accepted or considered in the review process. All materials to be considered should be enclosed with the application. The applicant must submit an original application but may choose to submit one copy of each application on Compact Disk rather than four hard copies.

Each Application should consist of the following:

- Section J: NPRA Impact Mitigation Program Signature Sheet & Certifications (sample attached)
- Section K: Resolution of the Applicant's Local Governing Body (sample attached)
- NPRA Impact Mitigation Program Detailed Budget Summary Sheet (sample attached)
- A Narrative addressing at a minimum the information outlined in Sections L through P of this Application Packet as appropriate to the proposed project
- A copy of the applicant's most recent audit or certified financial statement (only one copy is required of the audit/certified financial statement and should be attached to the original application)

### J. Signature Sheet and Certifications

An Application must include the attached NPRA Signature Sheet and Certifications which attests to the truthfulness of the information provided and provides the *signature* of the official authorized to submit the application on behalf of the applicant and bind them to the terms of the application.

### K. Resolution of the Applicant's Local Governing Body

An Application must include a Resolution passed by the municipality's local governing body (borough assembly or city council, as applicable) authorizing submission of the application and participation in the program. The applicant may use the Resolution Form attached to this Application Packet or a similar version.

### L. Administrative Capability & Applicant Information

15 Points Possible

Provide the complete name, mailing address, and physical address of the applicant.

Provide the name, title, phone number, and email address, if available, of the applicant's contact person.

Discuss the applicant's previous experience in accomplishing and/or providing and/or managing similar projects.

Identify the applicant's key personnel, including at a minimum, the project manager and financial or administrative manager and provide the following information for each individual:

- Name and position title.
- Responsibilities in relationship to this project.
- Previous experience with similar projects and/or any projects funded by grants from other state or federal agencies. Individual résumés should also be included.

If the Applicant intends to hire a contractor(s) to perform portions of this project, the applicant should disclose that intent and, if possible, provide the following information for each contractor at time of Application. If this information is not included in the Application it will be required to be submitted either when the grant agreement is executed or prior to release of funds:

- Complete name, mailing address, and physical address of the contractor and a contact person.
- Verification of business license and other licensing credentials required under Alaska law.
- Identification of the contractor's key personnel; previous experience; and responsibilities of each in the completion of the project. Individual résumés should also be included.

#### M. Current & Potential Impacts & How Project Alleviates those Impacts Possible Points 45

The applicant must clearly identify current impacts and/or potential impacts resulting from oil and gas development within the NPRA and how the proposed project alleviates those impacts. The more direct or severe the impact(s) the higher priority the project will receive in funding consideration. For potential impact(s), the applicant should provide an anticipated timeframe.

In order to receive maximum points in this rating category, it is critical that the applicant identify NPRA oil and gas development activities or anticipated activities; tie those impacts to the development or anticipated development; and discuss how the proposed project will alleviate the impact(s). The more complete this discussion of impacts and the more documentation provided, the higher the score the applicant is likely to receive in this category.

In accordance with 3 AAC 150.050(c), the impact(s) should be discussed in the context of the elements listed below. A few examples of possible documentation are identified below:

- Population: A discussion of and documentation of changing demographics; population increases or decreases which are supported with census or similar survey data; how these changes are related to oil and gas development within the NPRA; and how the proposed project mitigates those impacts.
- Employment: A discussion and documentation reflecting increased or decreased employment opportunities based on Department of Labor or other valid statistical data; how these changes are attributable to oil and gas development within the NPRA; and how the proposed project mitigates those impacts.

- **Finances:** A discussion of the applicant or impacted municipality's changing financial status and how this is attributable to oil and gas development within the NPRA. Discussion might include a list of the types of services and/or staff the municipality is providing as a result of oil and gas development within the NPRA which was not provided before. Copies of recent audited financial statements might be provided as support for increased municipal costs. Also include a discussion of how the proposed project will mitigate the identified impacts.
- **Social Impacts:** A discussion of the social issues impacted by oil and gas development within the NPRA such as increases in the incidence of domestic violence; drug and alcohol abuse; incidence of suicide; health related issues; and incidences of crime which may be attributed to oil and gas development within the NPRA. Documentation which demonstrates these increases and a discussion of how the proposed project will mitigate those impacts should be included.
- **Cultural Impacts:** A discussion of how oil and gas development within the NPRA has resulted in cultural impacts and how the proposed project will address those. Records of changes in the subsistence lifestyle; availability of subsistence resources; and changes in the day to day lifestyle and habits of local residents for example, which can be attributable to oil and gas development and how the proposed project will mitigate those impacts.
- **Air and Water Quality and related Environmental Impacts:** A discussion of environmental impacts documenting, for example, a change in air or water quality, which is attributable to oil and gas development activities within the NPRA and how the proposed project will mitigate those impacts.
- **Fish and Wildlife Impacts:** A discussion of and documentation reflecting impacts to fish and wildlife habitats which are due to oil and gas development within the NPRA and how the proposed project will mitigate those.
- **Public Services.** A discussion of and records reflecting demand for police, fire, search and rescue operations; health care, hospital, and emergency services; educational services; demand on electrical generation and distribution systems; water supply and distribution systems; fuel distribution systems; refuse collection and disposal; telephone systems; transportation; and the need of municipal personnel or services to oversee various NPRA impact areas and a discussion of how attributable to oil and gas development activities.
- **Other areas of demonstrable importance to the applicant or applicant's residents which can be attributed to oil and gas development and for which documentation reflecting a change or potential change as a result of NPRA oil and gas activity is provided.**

**Note:** Not all of the above categories will be applicable for every impact or project. The list is intended to assist applicants in identifying and documenting current and potential impact of oil and gas development within the NPRA. Applicants must not only identify NPRA oil and gas development activities and resulting impacts, but also show how those are attributable to oil and gas development within the NPRA and how the proposed project will alleviate them.

#### N. Project Description

Possible Points 20

The applicant must provide a detailed narrative of every aspect of the proposed project. At a minimum, the narrative should include but not be limited to:

- Clear and concise discussion of what the project is and what community it will benefit, including whether it is for (1) planning, (2) construction, maintenance, or operation of essential public facilities; or (3) other necessary public services.

- Clear and concise discussion of the project's goal and/or what will be accomplished and how the end result relates to and/or mitigates the current or potential impacts identified by the applicant.
- Clearly identified time-lines, goals, and specific activities/objectives to be accomplished; completion date of each; and completion date of the entire project.
- If the project is for facility construction/renovation or involves the use of real property, detailed information on the facility location; construction designs and specifications; engineering designs; technical specifications; and evidence demonstrating that the applicant has a legal right to use and/or access the property (site control) must be provided.
- If the project is for facility construction/renovation or involves the use of real property, a discussion of how the project will be sited and constructed in a manner which addresses state and federal land-use standards; coastal zone management; erosion control; flood-plain management; and other applicable standards must be included.
- Discussion of environmental and industry permits; certifications; and other special requirements and necessary approvals should be included in the application.
- Discussion of the total project cost and other funding available beyond the NPRA request if needed for completion of project.

**Note:** If the proposed project is a continuation of an existing NPRA grant activity(s) the applicant is advised to provide details on the status of the on-going grant(s) and to clearly define the expected outcomes for the proposed grant versus the existing grant(s). It is recommended that current status reports of similar open grants be attached to the application for a continuation grant.

#### O. Project Budget

Possible Points 15

The application must provide a detailed and comprehensive budget that clearly identifies all costs associated with the project, including independent cost estimates and supporting documentation as available. At a minimum applicants should provide a narrative which explains how proposed costs were computed. All applicants must complete and submit the attached **NPRA Detailed Budget Summary Sheet**. The narrative discussion should include, but by no means be limited to the following:

- Identify all direct project costs. Examples include, but are not limited to materials and supplies needed for facility modifications; freight; equipment rental and/or purchases; land; contractual or professional services; payroll and benefits if force accounted; and similar costs.
- Identify all administrative costs and whether computed as a direct or indirect percentage of total project cost. Only those applicants with approved indirect administrative rates from a cognizant federal agency may request indirect rates. Direct administrative costs must be identified by line item.

#### P. Project Sustainability

Possible Points 5

The applicant must describe the long-term sustainability of the project. Information must be consistent with information presented elsewhere in the application. Discussion should include but is not limited to:

- How the project will continue to function and alleviate the impact of oil and gas development within the NPRA on a long-term basis -- beyond the initial project or grant.
- The continuing costs of the project; including operation and maintenance; equipment upgrades and replacement; facility upgrades and replacement; and other improvements.
- The source and amount of funds available to sustain the project for the long term.

### III. REVIEW AND EVALUATION OF APPLICATIONS BY ASC

#### Q. Threshold Review of Applications

DCCED will perform a threshold review of all applications postmarked by the November 15<sup>th</sup> deadline to identify those that meet the minimum requirements for further review and funding consideration. DCCED, at its sole discretion, may contact the applicant for additional information or clarification or declare an application non-responsive and reject it in its entirety during Threshold Review. Factors that will be considered in the threshold review include, but are not necessarily limited to the following:

- Was the application postmarked by November 15, 2005?
- Is the applicant eligible to apply, i.e., a municipality within the boundaries of the NPRA?
- Does the applicant exercise the power required under Alaska Statute 29 to legally perform the project?
- Is the project eligible, i.e., is it for 1) planning; 2) construction, maintenance, and operation of essential public facilities by the municipality; 3) other necessary public services provided by the municipality?
- Did the applicant identify oil and gas development activity or activities within the NPRA which resulted in an impact or impacts and demonstrate how the proposed project will alleviate those impact(s)?

**Note:** It is the responsibility of the Application Selection Committee (ASC) to determine the adequacy of the impacts and the degree to which the impacts and alleviation of those are demonstrated.

- Did the applicant include a **Resolution of the Applicant's Local Governing Body** authorizing the submission of the application and participation in the NPRA impact program?
- Did the applicant include the attached **NPRA Signature Sheet and Certifications** with appropriate signature?
- Did the applicant include the attached **Detailed Budget Summary Sheet** and provide a budget narrative which clearly identifies all costs of the project?
- Is the application complete enough and does it provide enough information for evaluation?

If an application fails to pass threshold review it will be eliminated from further funding consideration and the applicant will be so notified.

## R. Evaluation of Applications

Applications passing threshold review will be forwarded to an Application Selection Committee (ASC) for scoring based upon the rating criteria identified below. The more thorough and complete an Applicant's response to Sections L through P of this Application Packet, the higher numerical score the application will likely receive.

<u>Evaluation Factor</u>	<u>Maximum Possible Points</u>
Administrative Capability	15 (Section L)
Current and Potential Impacts	45 (Section M)
Project Description	20 (Section N)
Project's Budget	15 (Section O)
Project's Sustainability	5 (Section P)
<b>Maximum Possible Points</b>	<b>100</b>

The Application Selection Committee members will have the opportunity to meet as a group after they have read and reviewed the applications forwarded to them for funding consideration. The purpose of the meeting is to discuss the applications and finalize the individual scores. After all scoring is completed by ASC members the scores for each Application are averaged and the Applications are listed in rank order for review and final funding recommendations by the Commissioner's Office.

## S. Results of the Evaluation and Requests for Reconsideration

All applicants will be notified in writing of the results of the application review process and of the funding results. DCCED anticipates completing the evaluation review process and announcing awards in late December 2005 or January 2006.

Unsuccessful applicants may request reconsideration of the funding results by addressing such requests in writing to:

William Noll, Commissioner  
Department of Commerce, Community and Economic Development  
P.O. Box 110800  
Juneau, AK 99811-0800

A copy of each request for reconsideration should also be forwarded to Jo Grove, Grant Manager at 211 Cushman, Fairbanks, AK 99701.

Requests for reconsideration should identify the reasons and justification for the request and must be received in the Commissioner's Office no later than 30 days after funding decisions are announced.

Required of all applicants:

- ☆ Completed and signed NPRA Application Signature Sheet and Certifications
- ☆ Completed NPRA Application Detailed Budget Summary Sheet
- ☆ Completed Resolution of Local Governing Body authorizing submission of the Application and Participation in Program
- ☆ Application Narrative addressing areas identified in Sections L through P of the Application Packet which are:
  - Applicant Information & Administrative Capabilities
  - Current & Potential Impacts & How Project Alleviates those Impacts
  - Project Description
  - Project Budget (including narrative and Detailed Budget Summary Sheet)
  - Project Sustainability
- ☆ One copy of Applicant's most recent Audit or Certified Financial Statement

The following documentation should be attached in order to receive maximum points in Project Rating:

- ... Professional cost estimates and documentation for budget items
- ... Design, engineering or site plan if appropriate
- ... Permits, if appropriate
- ... Site control (deed, lease, etc.) if project involves the use of land or an existing facility
- ... Information showing that those who will carry out the project are qualified to do so (i.e., resumes)
- ... Source documentation to support claims of Impact and evidence supporting how the proposed project will alleviate those impacts
- ... Any other information showing that the project, if funded, will likely be completed and that there is enough money committed to complete it
- ... Any other documentation that will help your project secure more points in Project Rating



**NPRA IMPACT MITIGATION PROGRAM  
DETAILED BUDGET SUMMARY SHEET**

Cost Category	NPRA Request	Total Project Cost
Labor/Fringe Benefits	\$	\$
Contractual	\$	\$
Equipment Rental/Purchase	\$	\$
Materials/Supplies	\$	\$
Freight	\$	\$
Travel	\$	\$
Administration	\$	\$
Other (explain)	\$	\$
<b>TOTAL</b>	\$	\$

Please provide a narrative description of each budget amount in your application and explain how each amount was computed. Include cost estimates if available.

**RESOLUTION OF APPLICANT'S LOCAL GOVERNING BODY  
AUTHORIZING SUBMISSION OF THE APPLICATION AND PARTICIPATION IN  
THE NPRA IMPACT MITIGATION PROGRAM**

RESOLUTION NUMBER \_\_\_\_\_(1)

A RESOLUTION of the \_\_\_\_\_(2) authorizing participation in the National Petroleum Reserve - Alaska (NPRA) program.

WHEREAS, the \_\_\_\_\_(2) wishes to provide \_\_\_\_\_(3) for use in the community; and

WHEREAS, the municipality is an applicant for a grant in the amount of \$ \_\_\_\_\_(4) from the Alaska Department of Commerce, Community and Economic Development under the NPRA Impact Mitigation Program authorized by Chapter 53, SLA 1986 as amended;

NOW THEREFORE BE IT RESOLVED that the \_\_\_\_\_(5) of the \_\_\_\_\_(2) is hereby authorized to submit this application and negotiate and execute any and all documents required for granting and managing funds on behalf of this municipality.

The \_\_\_\_\_(5) is also authorized to execute any subsequent amendments to said grant agreement to provide for adjustments to the project within the scope of services or task and based upon the needs of the project.

PASSED AND APPROVED BY THE \_\_\_\_\_(6) on \_\_\_\_\_(7), 2005.

IN WITNESS THERETO:

By: \_\_\_\_\_(5)  
Signature and Title

Attest: \_\_\_\_\_(8)  
Signature and Title

- (1) Resolution Number
- (2) Name of Municipality
- (3) Project Title
- (4) Amount of NPRA grant funds
- (5) Chief Administrative Officer or Highest Elected Official
- (6) Municipal governing body
- (7) Date resolution was adopted
- (8) Clerk of Municipality

## SENATE COMMITTEE REPORT First Committee of Referral

DATE: 4/12/05

FURTHER: Finance

Date of 5-Day Notice: 4/14/05  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4/22/05

Community and Regional Affairs Committee considered

SENATE BILL NO. 171

### SB 171 NPR-A COMMUNITY GRANT PROGRAM

"An Act amending the National Petroleum Reserve - Alaska special revenue fund; and establishing the Special Legislative Oil and Gas NPR-A Development Impact Review Committee and defining its powers and duties."

and recommends:

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

**CS Senate Bill:**

- Same Title
- New Title

**SCS House Bill:**

- Same Title
- Technical Title Change
- New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#
LAA	4/18	✓			1
DCCED	4/19			✓	2

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
WAGONER	✓			
STEDMAN	✓			
CHAIR:  G. STEVENS	✓			

Rose Foley

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**From:** Sally Saddler [sally\_saddler@commerce.state.ak.us]  
**Sent:** Monday, April 25, 2005 6:03 PM  
**To:** Rose Foley  
**Cc:** Sheila Peterson  
**Subject:** Re: Tuesday's agenda

Rose--thanks for including me on the list! It really helps me keep everyone here at Commerce on our toes!

FYI...For tomorrow's hearing of SB171 NPR-A Grants, I will have Michael Black, our Director of the Division of Community Advocacy, at the Anchorage LIO (unless its possible for him to participate via an off-net hook-up (I know Mindy doesn't typically do this!)) and Jo Ellen Hanrahan, our director of Adminstrative Services at the hearing. Both are available for any questions people may have. Let me know if you have any questions. Thanks!

Rose Foley wrote:

Check it out.

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Sally Saddler  
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