

**SB**

**70**

<TARGET><BILL>SB 70</BILL><SUBJECT>SB  
70</SUBJECT><COMM>SFIN29</COMM></TARGET>

## SENATE FINANCE COMMITTEE REPORT

DATE: 3/31/15

FURTHER Rules  
 DATE TURNED  
 IN TO OFFICE: 4/13/15

**Finance Committee** considered SENATE BILL NO. 70

SB 70-GAS PIPELINE RIGHT-OF-WAY;PARKS;REFUGES

"An Act relating to exceptions from designation as a special purpose site under art. VIII, sec. 7 of the Constitution of the State of Alaska for portions of Denali State Park, Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow Creek State Recreation Area to allow leasing a right-of-way for a natural gas pipeline."

and recommends:

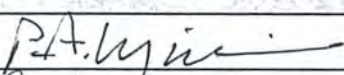
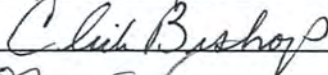
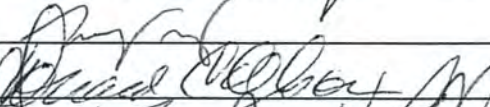
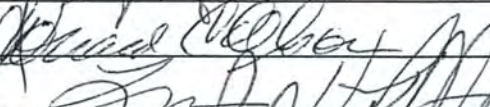

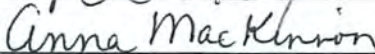
- be replaced with CS SB 70 ( FIN )  Same Title [ ] New Title
- adopt previous CS - SCS/CS- Forthcoming ( \_\_\_\_\_ ) [ ] Same Title [ ] New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DNR			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	MICICHE	✓			
	BISHOP	✓			
	DUALLEY OLSON			✓	
	HOFFMAN				
CO-CHAIR: 	Kelly				
CO-CHAIR: 	MacKinnon				

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Governor Bill Walker  
STATE OF ALASKA

March 5, 2015

The Honorable Kevin Meyer  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the development of a natural gas pipeline corridor through Denali State Park, Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow Creek State Recreation Area.

The bill would open a corridor in Denali State Park, Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow Creek State Recreation Area to right-of-way leasing for the construction and operation of a natural gas pipeline from the North Slope, while retaining management of the land as park land pending issuance of a right-of-way lease and imposing conditions on any right-of-way lease to protect the scenic and recreational value of the land for citizens of the state. In addition, the bill would provide for the return to special purpose status of all affected land as it is released from the pipeline right-of-way corridor.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Bill Walker".

Bill Walker  
Governor

Enclosure



## Sectional Analysis

### SB70

**"An Act relating to exceptions from designation as a special purpose site under art. VIII, sec. 7 of the Constitution of the State of Alaska for portions of Denali State Park, Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow Creek State Recreation Area to allow leasing a right-of-way for a natural gas pipeline."**

#### **Section 1. Denali State Park Corridor.**

Part (a) of this Section authorizes issuance of a right-of-way lease under AS 38.35, the Pipeline Right of Way Leasing Act, for a gas pipeline in an identified corridor through Denali State Park. The corridor identified in the bill has been identified by both the Alaska Stand Alone Pipeline Project and the AK LNG Project as sufficient to contain the final alignment through Denali State Park.

Part (b) of this Section requires that the land be managed as parkland until a right-of-way lease is issued and for the return of land to the park as it is released from a right-of-way lease either through contraction of the right of way or termination of the lease.

Part (c) of this Section contains supplemental requirements and guidance for any right-of-way lease passing through the park to minimize the impact of a pipeline on the park.

Part (d) of the section clarifies that in allowing limited right of way leasing within the exterior boundaries of the park, the commissioner's power to delegate condemnation authority to the lessee does not apply within the bounds of the park.

Finally, Part (e) of the section requires a lease to be issued, if at all, before January 1, 2020 to ensure that the identified corridor does not sit in limbo if no pipeline project goes forward.

#### **Section 2. Captain Cook State Recreation Area Corridor.**

Part (a) of this Section authorizes issuance of a right-of-way lease under AS 38.35, the Pipeline Right of Way Leasing Act, for a gas pipeline in an identified corridor through the Captain Cook State Recreation Area. The corridor identified in the bill has been identified by the AK LNG Project as sufficient to contain the final alignment through the Captain Cook State Recreation Area.

Part (b) of this Section requires that the land be managed as parkland until a right-of-way lease is issued and for the return of land to the recreation area as it is released from a right-of-way lease either through contraction of the right of way or termination of the lease.

Part (c) of this Section contains supplemental requirements and guidance for any right-of-way lease passing through the recreation area to minimize the impact of a pipeline on the recreation area.

Part (d) of the section clarifies that in allowing limited right of way leasing within the exterior boundaries of the park, the commissioner's power to delegate condemnation authority to the lessee does not apply within the bounds of the recreation area.

Finally, Part (e) of the section requires a lease to be issued, if at all, before January 1, 2020 to ensure that the identified corridor does not sit in limbo if no pipeline project goes forward.

### **Section 3. Nancy Lake State Recreation Area Corridor.**

Part (a) of this Section authorizes issuance of a right-of-way lease under AS 38.35, the Pipeline Right of Way Leasing Act, for a gas pipeline in an identified corridor through Nancy Lake State Recreation Area. The corridor identified in the bill has been identified by the Alaska Stand Alone Pipeline Project as sufficient to contain the final alignment through Nancy Lake State Recreation Area.

Part (b) of this Section requires that the land be managed as parkland until a right-of-way lease is issued and for the return of land to the recreation area as it is released from a right-of-way lease either through contraction of the right of way or termination of the lease.

Part (c) of this Section contains supplemental requirements and guidance for any right-of-way lease passing through the recreation area to minimize the impact of a pipeline on the recreation area.

Part (d) of the section clarifies that in allowing limited right of way leasing within the exterior boundaries of the park, the commissioner's power to delegate condemnation authority to the lessee does not apply within the bounds of the recreation area.

Finally, Part (e) of the section requires a lease to be issued, if at all, before January 1, 2020 to ensure that the identified corridor does not sit in limbo if no pipeline project goes forward.

### **Section 4. Willow Creek State Recreation Area Corridor.**

Part (a) of this Section authorizes issuance of a right-of-way lease under AS 38.35, the Pipeline Right of Way Leasing Act, for a gas pipeline in an identified corridor through Willow Creek State Recreation Area. The corridor identified in the bill has been identified by the Alaska Stand Alone Pipeline Project as sufficient to contain the final alignment through Willow Creek State Recreation Area.

Part (b) of this Section requires that the land be managed as parkland until a right-of-way lease is issued and for the return of land to the recreation area as it is released from a right-of-way lease either through contraction of the right of way or termination of the lease.

Part (c) of this Section contains supplemental requirements and guidance for any right-of-way lease passing through the recreation area to minimize the impact of a pipeline on the recreation area.

Part (d) of the section clarifies that in allowing limited right of way leasing within the exterior boundaries of the park, the commissioner's power to delegate condemnation authority to the lessee does not apply within the bounds of the recreation area.

Finally, Part (e) of the section requires a lease to be issued, if at all, before January 1, 2020 to ensure that the identified corridor does not sit in limbo if no pipeline project goes forward.

# SB 70 AMENDMENT: GAS PIPELINE RIGHT-OF-WAY; PARKS; RECREATION AREAS UPDATED BRIEFING PAPER

FOR THE SENATE FINANCE COMMITTEE • APRIL 2, 2015

SB 70 is necessary to open a corridor through four state legislatively designated areas (Denali State Park and Willow Creek, Nancy Lake, and Captain Cook State Recreation Areas) to the right of way leasing act for the purpose of construction a natural gas pipeline from the North Slope of Alaska.

## **The bill would accomplish the following primary objectives:**

- 1) Authorize the issuance of a right of way lease under AS38.35, the Pipeline Right of Way Leasing Act, for a natural gas pipeline in an identified corridor through Denali State Park and Willow Creek, Nancy Lake, and Captain Cook State Recreation Areas.
- 2) Requires the corridor to be managed as parkland and recreation areas until a ROW lease is issued under 38.35 and returned to original park and recreation area management upon termination of the lease.
- 3) Provides supplemental requirements to reserve traditional means of public access and minimize the impact of a pipeline on the specific values of park and recreation areas.
- 4) Clarifies the DNR Commissioner's power to delegate condemnation authority to the lessee does not apply within the bounds of the park and recreation areas.
- 5) Requires the gas pipeline lease be issued before January 1, 2020 and commercial operations to begin within five years of issuance.

## **Why the bill is needed:**

The parks at issue are special use sites, reserved from the public domain by the legislature pursuant to Article VIII, Sec. 7 of the Alaska Constitution. As a result, they are not, without legislative action, open for leasing under AS 38.35.

## **Why this bill does not include State game refuges and DNR Susitna Basin Rec Rivers:**

Although some restrictions on multiple use are imposed on the state game refuges and rivers, these areas are not closed to leasing under AS 38.35 where a lease would be compatible with the purposes of the reserves.

**Does the corridor specified in the bill suffice for both the ASAP and AKLNG Projects:**

AGDC and AKLNG have worked cooperatively to select a common alignment for both projects. AGDC has completed its route revision to the common alignment and are now calling it Rev. 6.1. Field efforts for both projects have changed to reflect the common alignment as evidenced in the geo-technical site locations currently being conducted within Denali State Park.

**What does the amendment do:**

The amended SB70 adds 1,160 acres to the corridor proposed for Denali State Park and adds 400 acres to the corridor proposed for Captain Cook State Recreation Area. The effect of these additions is to ensure the corridor for these areas is sufficiently wide to allow for final placement of a natural gas pipeline once permitting and environmental review are complete. No additional lands are proposed for Willow Creek and Nancy Lake State Recreation Areas as those corridors are determined to be sufficiently wide enough as originally described in SB70. In addition, the amendment clarifies that the leasing corridor is intended to include, in its MTRS descriptions, land that may also or otherwise be describable by U.S. Survey number.



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Natural Resources

COMMISSIONER'S OFFICE

550 W. 7<sup>th</sup> #1400  
Anchorage, Alaska 99501  
Main: 907.269.8431  
Fax: 907.269.8918

March 17, 2015

The Honorable John Coghill  
State Capitol Room 119  
Juneau, AK 99801

Dear Senator Coghill:

We are writing in response to the questions proposed from your office, concerning SB 70. For your consideration, please find the responses below:

How many acres of land are included in the ROW as described in SB 70?

SB70 does not identify a right-of-way. SB70 opens approximately <sup>25,372</sup>24,032 acres of state land to the right of way leasing act within which a right-of-way can be selected. When a right-of-way is issued within the area authorized by SB70, it will be approximately 120 feet wide for construction reduced to 53 feet wide for operation for the ASAP project, and approximately 180 feet for construction and 100 feet for operation for the AKLNG project (see acreage table below).

**ASAP Pipeline**

Park Name	Acres – 120' Construction Width	Acres – 53' operation width
DENALI STATE PARK	550.00	242.94
NANCY LAKE STATE RECREATION AREA	22.34	9.85
WILLOW CREEK STATE RECREATION AREA	30.75	13.59

**AKLNG Pipeline**

Park Name	Acres – 180' Construction Width	Acres – 100' Operation Width
DENALI STATE PARK	824.94	458.30
CAPTAIN COOK STATE RECREATION AREA	76.36	42.42

How wide is the widest point in the ROW in SB 70?

The corridor that would be opened to leasing by SB 70 is described by aliquot parts, and varies in width from ½ mile to 2 miles at the widest point. The construction right of way for the ASAP project will be approximately 120 feet wide, and the operating right-of-way will be approximately 53 feet wide. The AKLNG project currently anticipates up to a 180-foot wide right-of-way for construction, reduced to a 100-foot wide right-of-way for operation.

Is there a legal opinion as to not needing to include refuges in SB 70?

There is not a legal opinion. However, Dept. of Law has reviewed the issue and advised these areas are not closed to ROW leasing under AS 38.35 Right of Way Leasing Act

Are there any native allotment claims in the Legislative Designated Areas in SB 70?

There are no native allotments within the corridor proposed in SB 70 for Denali State Park, and Willow Creek, Nancy Lake, and Captain Cook State Recreation Areas.

Will the Legislative Designated areas in SB 70 still be available for hunting and fishing access both during construction and after construction?

SB 70 will not affect hunting and fishing access in any way. Until such time as a right of way corridor is leased, access will be the same as it is today. Once a right of way is leased and construction begins there may be some temporary restrictions on hunting and fishing for construction purposes.

Are there any plans to designate an off limits corridor similar to the five mile corridor for TAPS?

No, there are no plans to do so for a gas pipeline. The referenced five-mile TAPS corridor is managed (in terms of hunting) by ADF&G and only exists along the Dalton from the Arctic Ocean to the Yukon River.

The bill mentions "access by foot, snow machine, dog sled, and other traditional means of access along and across the lease corridor;" What about ATV's?

Other than temporary closures during construction, traditional means of access, including ATV use, won't be changed by this bill.

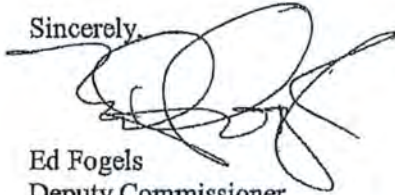
Page 4, line 7 mentions termination of the lease. Why would the lease be terminated if the pipe is in the ground?

The bill provides for full return of land to the park when it is no longer needed for pipeline purposes. We anticipate two releases of land. First, once construction is complete, the construction right-of-way (120 feet for ASAP and 180 feet for AKLNG) will contract to the

operating right of way (53 feet for ASAP and 100 feet for AKLNG). This will result in the release of land, which would become fully part of the park again without further action by the legislature. Second, at the end of the pipeline life, the lessee will be required to return the land to a condition acceptable to the Commissioner of Natural Resources and upon completion of this the land will be released and returned to the park.

If you or your staff would like additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Fogels', written over a horizontal line.

Ed Fogels  
Deputy Commissioner  
Alaska Department of Natural Resources

cc: Darwin Peterson, Legislative Director, Office of the Governor  
Ben Ellis, Director of Parks and Recreation, Department of Natural Resources

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	SB 70
Fiscal Note Number:	1
(S) Publish Date:	3/6/2015

Identifier: DNR-PKS-3-5-15  
 Title: GAS PIPELINE  
 RIGHT-OF-WAY;PARKS;REFUGES  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Natural Resources  
 Appropriation: Parks & Outdoor Recreation  
 Allocation: Parks Management & Access  
 OMB Component Number: 3001

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
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>0.0</b>

**Fund Source (Operating Only)**

None							
<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>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Initial
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Prepared By:	Ben Ellis, Director	Phone:	(907)269-8701
Division:	Parks & Outdoor Recreation	Date:	03/05/2015 12:00 AM
Approved By:	Ed Fogels	Date:	03/05/15
Agency:	DNR		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

This bill will allow for the disposal of land within four legislatively designated areas: Denali State Park, Captain Cook State Recreation Area, Nancy Lake State Recreation Area and Willow Creek State Recreation Area. The disposal of land within the four areas would occur according to AS 38.35 and only for the purpose of leasing land to build and operate a natural gas pipeline from the North Slope. The state would retain the right to provide public access on that portion of park lands that are subject to a lease. Recreational, scenic, cultural, historical and habitat values of lands leased would be preserved to the maximum extent practicable. A lease authorized under this legislation would have to be in place by January 1, 2020. In addition commercial operation of a natural gas pipeline would be required to occur within five years of the effective date of the lease.

**CS FOR SENATE BILL NO. 70(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-NINTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to exceptions from designation as a special purpose site under art.**  
2 **VIII, sec. 7 of the Constitution of the State of Alaska for portions of Denali State Park,**  
3 **Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow**  
4 **Creek State Recreation Area to allow leasing a right-of-way for a natural gas pipeline."**

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

6 **\* Section 1. AS 41.21.150 is amended to read:**

7 **Sec. 41.21.150. Purpose of AS 41.21.150 - 41.21.153 [AS 41.21.150 -**  
8 **41.21.152]. The purpose of AS 41.21.150 - 41.21.153 [AS 41.21.150 - 41.21.152] is to**  
9 **restrict state-owned land and water described in AS 41.21.151, except as provided in**  
10 **AS 41.21.153, to use as a state park. Under AS 38.05.300, state land, water, or land**  
11 **and water containing more than 640 acres may be closed to multiple use only by act of**  
12 **the legislature. Because the area described in AS 41.21.151 exceeds 640 acres,**  
13 **AS 41.21.150 - 41.21.153 [AS 41.21.150 - 41.21.152] are intended to provide for the**  
14 **closing of the land and water described in AS 41.21.151, as that description is**

1 **modified by AS 41.21.153**, [LAND AND WATER] to multiple use in conformity  
 2 with AS 38.05.300 and its designation as a special purpose area in accord with art.  
 3 VIII, Sec. 7 of the Constitution of the State of Alaska.

4 \* **Sec. 2.** AS 41.21 is amended by adding a new section to read:

5 **Sec. 41.21.153. Certain land excepted.** (a) Notwithstanding  
 6 AS 41.21.020(a)(6), 41.21.150, or 41.21.151, state-owned land in the following  
 7 described parcels may be leased in accordance with AS 38.35 (Right-of-Way Leasing  
 8 Act) for the purpose of construction and operation of a natural gas pipeline from the  
 9 North Slope:

10 (1) Township 29 North, Range 5 West, Seward Meridian

11 Section 4: N1/2, SW1/4

12 Section 7: E1/2, SW1/4

13 Section 8

14 Section 9: NW1/4

15 Section 18: E1/2

16 Section 19: E1/2

17 Section 30: E1/2

18 Section 31: E1/2

19 Section 32: W1/2;

20 (2) Township 30 North, Range 5 West, Seward Meridian

21 Section 2: NW1/4

22 Section 3

23 Section 8: E1/2

24 Section 9

25 Section 10: W1/2

26 Section 16: W1/2

27 Section 17: E1/2

28 Section 20: E1/2

29 Section 21: W1/2

30 Section 28

31 Section 33;

1 (3) Township 31 North, Range 4 West, Seward Meridian

2 Section 1: NW1/4, N1/2NE1/4

3 Section 2

4 Section 3: SE1/4

5 Section 9: SE1/4

6 Section 10

7 Section 11: W1/2

8 Section 14: NW1/4

9 Section 15: N1/2

10 Section 16

11 Section 17: S1/2

12 Section 19: NE1/4, S1/2

13 Section 20: N1/2, SW1/4

14 Section 30: N1/2;

15 (4) Township 31 North, Range 5 West, Seward Meridian

16 Section 24: SE1/4

17 Section 25

18 Section 26: E1/2

19 Section 34: SE1/4

20 Section 35

21 Section 36: NW1/4;

22 (5) Township 32 North, Range 2 West, Seward Meridian

23 Section 6: NW1/4;

24 (6) Township 32 North, Range 3 West, Seward Meridian

25 Section 1: N1/2, SW1/4

26 Section 2

27 Section 3: SE1/4

28 Section 8: SE1/4

29 Section 9: NE1/4, S1/2

30 Section 10: N1/2, SW1/4, N1/2SE1/4

31 Section 11: NW1/4

1 Section 16: N1/2

2 Section 17

3 Section 19: SE1/4

4 Section 20: N1/2, SW1/4, N1/2SE1/4

5 Section 29: NW1/4

6 Section 30

7 Section 31: N1/2, SW1/4;

8 (7) Township 32 North, Range 4 West, Seward Meridian

9 Section 35: SE1/4

10 Section 36;

11 (8) Township 33 North, Range 2 West, Seward Meridian

12 Section 16

13 Section 17: SE1/4

14 Section 20: NE1/4, S1/2, S1/2NW1/4

15 Section 21: W1/2

16 Section 29: N1/2, SW1/4

17 Section 30: S1/2, NE1/4

18 Section 31;

19 (9) Township 33 North, Range 3 West, Seward Meridian

20 Section 36: S1/2.

21 (b) A state or federal survey does not remove land from the parcels described  
22 in (a) of this section.

23 (c) The department shall manage any state-owned land described in this section  
24 and within the exterior boundaries of Denali State Park as part of Denali State Park  
25 until the land is leased under AS 38.35. State-owned land described in this section will  
26 revert to Denali State Park upon release of the land from a right-of-way through  
27 termination of the lease or otherwise and upon satisfaction of the lessee's obligations  
28 to restore and revegetate the land.

29 (d) Any right-of-way lease issued under AS 38.35 across land described in this  
30 section and within the exterior boundaries of Denali State Park must

31 (1) reserve to the state the interests necessary to provide for public

1 access by foot, snow machine, dog sled, and other traditional means of access along  
2 and across the leased corridor;

3 (2) preserve, to the maximum extent practicable, the recreational,  
4 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
5 within the exterior boundaries of Denali State Park; and

6 (3) provide for termination of the lease if construction of the pipeline  
7 has not begun 10 years after the effective date of the lease.

8 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
9 Denali State Park.

10 (f) A natural gas pipeline right-of-way lease may not be issued across land  
11 described in this section unless the lease becomes effective before January 1, 2025.

12 \* **Sec. 3.** AS 41.21.410 is amended to read:

13 **Sec. 41.21.410. Purpose of AS 41.21.410 - 41.21.426 [AS 41.21.410 -**  
14 **41.21.425].** The purpose of AS 41.21.410 - 41.21.426 [AS 41.21.410 - 41.21.425] is to  
15 empower the governor to restrict state owned land and water described in  
16 AS 41.21.415, except as provided in AS 41.21.426, to use as a public recreation area.  
17 Under AS 38.05.300, state land, water or land and water containing more than 640  
18 acres may be closed to multiple purpose use only by act of the legislature. Because the  
19 area described in AS 41.21.415 exceeds 640 acres, AS 41.21.410 - 41.21.426  
20 [AS 41.21.410 - 41.21.425] are intended to provide for the closing of the land and  
21 water described in AS 41.21.415, as that description is modified by AS 41.21.426,  
22 [LAND AND WATER] to multiple purpose use in conformity with AS 38.05.300 and  
23 its subsequent designation as a special purpose site in accordance with article VIII,  
24 Sec. 7, of the Constitution of the State of Alaska.

25 \* **Sec. 4.** AS 41.21 is amended by adding a new section to read:

26 **Sec. 41.21.426. Certain land excepted.** (a) Notwithstanding  
27 AS 41.21.020(a)(6), 41.21.410 - 41.21.425, or a regulation issued implementing  
28 AS 41.21.420, state-owned land in the following described parcels may be leased in  
29 accordance with AS 38.35 (Right-of-Way Leasing Act) for the purpose of construction  
30 and operation of a natural gas pipeline from the North Slope:

31 Township 8 North, Range 10 West, Seward Meridian

1 Section 3: SE1/4

2 Section 9: SE1/4

3 Section 10: N1/2, SW1/4, W1/2 SE1/4

4 Section 15: W1/2W1/2

5 Section 16

6 Section 17: S1/2, S1/2NE1/4.

7 (b) A state or federal survey does not remove land from the parcels described  
8 in (a) of this section.

9 (c) The department shall manage any state-owned land described in this section  
10 and within the exterior boundaries of Captain Cook State Recreation Area as part of  
11 Captain Cook State Recreation Area until the land is leased under AS 38.35. State-  
12 owned land described in this section will revert to Captain Cook State Recreation Area  
13 upon release of the land from a right-of-way through termination of the lease or  
14 otherwise and upon satisfaction of the lessee's obligations to restore and revegetate the  
15 land.

16 (d) Any right-of-way lease issued under AS 38.35 across land described in this  
17 section and within the exterior boundaries of Captain Cook State Recreation Area  
18 must

19 (1) reserve to the state the interests necessary to provide for public  
20 access by foot, snow machine, dog sled, and other traditional means of access along  
21 and across the leased corridor;

22 (2) preserve, to the maximum extent practicable, the recreational,  
23 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
24 within the exterior boundaries of Captain Cook State Recreation Area; and

25 (3) provide for termination of the lease if construction of the pipeline  
26 has not begun 10 years after the effective date of the lease.

27 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
28 Captain Cook State Recreation Area.

29 (f) A natural gas pipeline right-of-way lease may not be issued across land  
30 described in this section unless the lease becomes effective before January 1, 2025.

31 \* **Sec. 5.** AS 41.21.450 is amended to read:

1           **Sec. 41.21.450. Purpose of AS 41.21.450 - 41.21.466 [AS 41.21.450 -**  
 2 **41.21.465].** The purpose of AS 41.21.450 - 41.21.466 [AS 41.21.450 - 41.21.465] is to  
 3 restrict state-owned land and water within the boundaries described in AS 41.21.455,  
 4 **except as provided in AS 41.21.466,** to use as a public recreation area. Under the  
 5 provisions of AS 38.05.300, state land, water, or land and water containing more than  
 6 640 acres may be closed to multiple purpose use only by act of the legislature.  
 7 Inasmuch as the area described in AS 41.21.455 exceeds 640 acres, AS 41.21.450 -  
 8 **41.21.466** [AS 41.21.450 - 41.21.465] are intended to except the area described in  
 9 **AS 41.21.465, as that description is modified by AS 41.21.153,** from the provisions  
 10 of AS 38.05.300.

11 \* **Sec. 6.** AS 41.21 is amended by adding a new section to read:

12           **Sec. 41.21.466. Certain land excepted.** (a) Notwithstanding  
 13 AS 41.21.020(a)(6) or 41.21.450 - 41.21.465, state-owned land in the following  
 14 described parcels may be leased in accordance with AS 38.35 (Right-of-Way Leasing  
 15 Act) for the purpose of construction and operation of a natural gas pipeline from the  
 16 North Slope:

17                           (1) Township 18 North, Range 5 West, Seward Meridian

18                                       Section 10: E1/2

19                                       Section 11: NW1/4

20                                       Section 15: NW1/4

21                                       Section 16: SE1/4

22                                       Section 21: W1/2;

23                           (2) Township 19 North, Range 5 West, Seward Meridian

24                                       Section 35: SW1/4.

25           (b) A state or federal survey does not remove land from the parcels described  
 26 in (a) of this section.

27           (c) The department shall manage any state-owned land described in this section  
 28 and within the exterior boundaries of Nancy Lake State Recreation Area as part of  
 29 Nancy Lake State Recreation Area until the land is leased under AS 38.35. State-  
 30 owned land described in this section will revert to Nancy Lake State Recreation Area  
 31 upon release of the land from a right-of-way through termination of the lease or

1 otherwise and upon satisfaction of the lessee's obligations to restore and revegetate the  
2 land.

3 (d) Any right-of-way lease issued under AS 38.35 across land described in this  
4 section and within the exterior boundaries of Nancy Lake State Recreation Area must

5 (1) reserve to the state the interests necessary to provide for public  
6 access by foot, snow machine, dog sled, and other traditional means of access along  
7 and across the leased corridor;

8 (2) preserve, to the maximum extent practicable, the recreational,  
9 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
10 within the exterior boundaries of Nancy Lake State Recreation Area; and

11 (3) provide for termination of the lease if construction of the pipeline  
12 has not begun 10 years after the effective date of the lease.

13 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
14 Nancy Lake State Recreation Area.

15 (f) A natural gas pipeline right-of-way lease may not be issued across land  
16 described in this section unless the lease becomes effective before January 1, 2025.

17 \* **Sec. 7.** AS 41.21 is amended by adding a new section to article 4 to read:

18 **Sec. 41.21.496. Certain lands excepted.** (a) Notwithstanding  
19 AS 41.21.020(a)(6) or 41.21.491 - 41.21.495, state-owned land in the following  
20 described parcels may be leased in accordance with AS 38.35 (Right-of-Way Leasing  
21 Act) for the purpose of construction and operation of a natural gas pipeline from the  
22 North Slope: the East 1/2 of Section 2, Township 19 North, Range 5 West, Seward  
23 Meridian and the East 1/2 of Section 35, Township 20 North, Range 5 West, Seward  
24 Meridian.

25 (b) A state or federal survey does not remove land from the parcels described  
26 in (a) of this section.

27 (c) The department shall manage any state-owned land described in this section  
28 and within the exterior boundaries of Willow Creek State Recreation Area as part of  
29 Willow Creek State Recreation Area until the land is leased under AS 38.35. State-  
30 owned land described in this section will revert to Willow Creek State Recreation  
31 Area upon release of the land from a right-of-way through termination of the lease or

1 otherwise and upon satisfaction of the lessee's obligations to restore and revegetate the  
2 land.

3 (d) Any right-of-way lease issued under AS 38.35 across land described in this  
4 section and within the exterior boundaries of Willow Creek State Recreation Area  
5 must

6 (1) reserve to the state the interests necessary to provide for public  
7 access by foot, snow machine, dog sled, and other traditional means of access along  
8 and across the leased corridor;

9 (2) preserve, to the maximum extent practicable, the recreational,  
10 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
11 within the exterior boundaries of Willow Creek State Recreation Area; and

12 (3) provide for termination of the lease if construction of the pipeline  
13 has not begun 10 years after the effective date of the lease.

14 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
15 Willow Creek State Recreation Area.

16 (f) A natural gas pipeline right-of-way lease may not be issued across land  
17 described in this section unless the lease becomes effective before January 1, 2025.

AMENDMENT

OFFERED IN THE SENATE RESOURCES

COMMITTEE

BY \_\_\_\_\_

TO: SB 70

- 1 Page 1, line 9 following "parcels":  
2       Insert ", including land that would lie within the described parcels but for any U.S.  
3 Survey,"  
4  
5 Page 1, line 13:  
6       Delete "SW1/2"  
7       Insert "SW1/4"  
8  
9 Page 2, line 1:  
10       Delete ": N1/2, SW1/4"  
11  
12 Page 2, line 7:  
13       Delete "SW1/4;"  
14       Insert "W1/2;"  
15  
16 Page 2, following line 10:  
17       Insert "Section 8: E1/2"  
18  
19 Page 2, line 12:  
20       Delete "NW1/4"  
21       Insert "W1/2"  
22

1 Page 2, line 13:  
2 Delete "NW1/4"  
3 Insert "W1/2"  
4  
5 Page 2, line 17:  
6 Delete ": W1/2"  
7  
8 Page 2, line 20, following "NW1/4":  
9 Insert ", N1/2NE1/4"  
10  
11 Page 2, line 21:  
12 Delete ": N1/2, SW1/4"  
13  
14 Page 2, line 27:  
15 Delete "NE1/4"  
16 Insert "N1/2"  
17  
18 Page 2, line 28:  
19 Delete ": N1/2, SW1/4"  
20  
21 Page 2, line 29:  
22 Delete "SE1/4"  
23 Insert "S1/2"  
24  
25 Page 3, line 1:  
26 Delete "NW1/4;"  
27 Insert "N1/2;"  
28  
29 Page 3, line 4:  
30 Delete ": N1/2, SW1/4"  
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1 Page 3, line 5:  
2 Delete "SE1/4"  
3 Insert "E1/2"  
4  
5 Page 3, line 7, following section "Section 35":  
6 Delete the semicolon.  
7  
8 Page 3, following line 7:  
9 Insert "Section 36: NW1/4;"  
10 Insert "(5) Township 32 North, Range 2 West, Seward Meridian"  
11 Section 6: NW1/4"  
12  
13 Page 3, line 8:  
14 Delete "(5)"  
15 Insert "(6)"  
16  
17 Page 3, line 14, following "SW1/4":  
18 Insert ", N1/2SE1/4"  
19  
20 Page 3, line 16:  
21 Delete "NW1/4"  
22 Insert "N1/2"  
23  
24 Page 3, line 19, following "SW1/4":  
25 Insert ", N1/2SE1/4"  
26  
27 Page 3, following line 19:  
28 Insert "Section 29: NW1/4"  
29  
30  
31 Page 3, line 21"

1 Delete "N1/2;"  
2 Insert "N1/2, SW1/4;"  
3  
4 Page 3, line 22:  
5 Delete "(6)"  
6 Insert "(7)"  
7  
8 Page 3, line 25:  
9 Delete "(7)"  
10 Insert "(8)"  
11  
12 Page 3, following line 26:  
13 Insert "Section 17: SE1/4"  
14  
15 Page 3, line 27, following "S1/2":  
16 Insert ", S1/2NW1/4"  
17  
18 Page 3, line 30, following "S1/2":  
19 Insert ", NE1/4"  
20  
21 Page 4, line 1:  
22 Delete "(8)"  
23 Insert "(9)"  
24  
25 Page 4, line 26, following "parcels":  
26 Insert ", including land that would lie within the described parcels but for any U.S.  
27 Survey,"  
28  
29 Page 5, following line 1:  
30 Insert "Section 15: W1/2W1/2"  
31

- 1 Page 5, line 2:
- 2 Delete ": N1/2, SW1/4"
- 3
- 4 Page 5, line 3, following "S1/2":
- 5 Insert ", S1/2NE1/4."
- 6
- 7 Page 5, line 29, following "parcels":
- 8 Insert ", including land that would lie within the described parcels but for any U.S.
- 9 Survey,"
- 10
- 11 Page 7, line 3, following "parcels":
- 12 Insert ", including land that would lie within the described parcels but for any U.S.
- 13 Survey,"

*adopted 4/13/15*

29-GS1820N  
Shutts  
4/13/15

**CS FOR SENATE BILL NO. 70(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to exceptions from designation as a special purpose site under art.  
2 VIII, sec. 7 of the Constitution of the State of Alaska for portions of Denali State Park,  
3 Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow  
4 Creek State Recreation Area to allow leasing a right-of-way for a natural gas pipeline."

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

6 \* Section 1. AS 41.21.150 is amended to read:

7           Sec. 41.21.150. Purpose of AS 41.21.150 - 41.21.153 [AS 41.21.150 -  
8 41.21.152]. The purpose of AS 41.21.150 - 41.21.153 [AS 41.21.150 - 41.21.152] is to  
9 restrict state-owned land and water described in AS 41.21.151, except as provided in  
10 AS 41.21.153, to use as a state park. Under AS 38.05.300, state land, water, or land  
11 and water containing more than 640 acres may be closed to multiple use only by act of  
12 the legislature. Because the area described in AS 41.21.151 exceeds 640 acres,  
13 AS 41.21.150 - 41.21.153 [AS 41.21.150 - 41.21.152] are intended to provide for the  
14 closing of the land and water described in AS 41.21.151, as that description is

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**modified by AS 41.21.153**, [LAND AND WATER] to multiple use in conformity with AS 38.05.300 and its designation as a special purpose area in accord with art. VIII, Sec. 7 of the Constitution of the State of Alaska.

\* **Sec. 2.** AS 41.21 is amended by adding a new section to read:

**Sec. 41.21.153. Certain land excepted.** (a) Notwithstanding AS 41.21.020(a)(6), 41.21.150, or 41.21.151, state-owned land in the following described parcels may be leased in accordance with AS 38.35 (Right-of-Way Leasing Act) for the purpose of construction and operation of a natural gas pipeline from the North Slope:

(1) Township 29 North, Range 5 West, Seward Meridian

Section 4: N1/2, SW1/4

Section 7: E1/2, SW1/4

Section 8

Section 9: NW1/4

Section 18: E1/2

Section 19: E1/2

Section 30: E1/2

Section 31: E1/2

Section 32: W1/2;

(2) Township 30 North, Range 5 West, Seward Meridian

Section 2: NW1/4

Section 3

Section 8: E1/2

Section 9

Section 10: W1/2

Section 16: W1/2

Section 17: E1/2

Section 20: E1/2

Section 21: W1/2

Section 28

Section 33;

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(3) Township 31 North, Range 4 West, Seward Meridian

- Section 1: NW1/4, N1/2NE1/4
- Section 2
- Section 3: SE1/4
- Section 9: SE1/4
- Section 10
- Section 11: W1/2
- Section 14: NW1/4
- Section 15: N1/2
- Section 16
- Section 17: S1/2
- Section 19: NE1/4, S1/2
- Section 20: N1/2, SW1/4
- Section 30: N1/2;

(4) Township 31 North, Range 5 West, Seward Meridian

- Section 24: SE1/4
- Section 25
- Section 26: E1/2
- Section 34: SE1/4
- Section 35
- Section 36: NW1/4;

(5) Township 32 North, Range 2 West, Seward Meridian

- Section 6: NW1/4;

(6) Township 32 North, Range 3 West, Seward Meridian

- Section 1: N1/2, SW1/4
- Section 2
- Section 3: SE1/4
- Section 8: SE1/4
- Section 9: NE1/4, S1/2
- Section 10: N1/2, SW1/4, N1/2SE1/4
- Section 11: NW1/4

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Section 16: N1/2

Section 17

Section 19: SE1/4

Section 20: N1/2, SW1/4, N1/2SE1/4

Section 29: NW1/4

Section 30

Section 31: N1/2, SW1/4;

(7) Township 32 North, Range 4 West, Seward Meridian

Section 35: SE1/4

Section 36;

(8) Township 33 North, Range 2 West, Seward Meridian

Section 16

Section 17: SE1/4

Section 20: NE1/4, S1/2, S1/2NW1/4

Section 21: W1/2

Section 29: N1/2, SW1/4

Section 30: S1/2, NE1/4

Section 31;

(9) Township 33 North, Range 3 West, Seward Meridian

Section 36: S1/2.

(b) A state or federal survey does not remove land from the parcels described in (a) of this section.

(c) The department shall manage any state-owned land described in this section and within the exterior boundaries of Denali State Park as part of Denali State Park until the land is leased under AS 38.35. State-owned land described in this section will revert to Denali State Park upon release of the land from a right-of-way through termination of the lease or otherwise and upon satisfaction of the lessee's obligations to restore and revegetate the land.

(d) Any right-of-way lease issued under AS 38.35 across land described in this section and within the exterior boundaries of Denali State Park must

(1) reserve to the state the interests necessary to provide for public

1 access by foot, snow machine, dog sled, and other traditional means of access along  
2 and across the leased corridor;

3 (2) preserve, to the maximum extent practicable, the recreational,  
4 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
5 within the exterior boundaries of Denali State Park; and

6 (3) provide for termination of the lease if construction of the pipeline  
7 has not begun 10 years after the effective date of the lease.

8 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
9 Denali State Park.

10 (f) A natural gas pipeline right-of-way lease may not be issued across land  
11 described in this section unless the lease becomes effective before January 1, 2025.

12 \* **Sec. 3.** AS 41.21.410 is amended to read:

13 **Sec. 41.21.410. Purpose of AS 41.21.410 - 41.21.426** [AS 41.21.410 -  
14 **41.21.425**]. The purpose of AS 41.21.410 - 41.21.426 [AS 41.21.410 - 41.21.425] is to  
15 empower the governor to restrict state owned land and water described in  
16 AS 41.21.415, **except as provided in AS 41.21.426**, to use as a public recreation area.  
17 Under AS 38.05.300, state land, water or land and water containing more than 640  
18 acres may be closed to multiple purpose use only by act of the legislature. Because the  
19 area described in AS 41.21.415 exceeds 640 acres, **AS 41.21.410 - 41.21.426**  
20 [AS 41.21.410 - 41.21.425] are intended to provide for the closing of the **land and**  
21 **water** described **in AS 41.21.415, as that description is modified by AS 41.21.426**,  
22 [LAND AND WATER] to multiple purpose use in conformity with AS 38.05.300 and  
23 its subsequent designation as a special purpose site in accordance with article VIII,  
24 Sec. 7, of the Constitution of the State of Alaska.

25 \* **Sec. 4.** AS 41.21 is amended by adding a new section to read:

26 **Sec. 41.21.426. Certain land excepted.** (a) Notwithstanding  
27 AS 41.21.020(a)(6), 41.21.410 - 41.21.425, or a regulation issued implementing  
28 AS 41.21.420, state-owned land in the following described parcels may be leased in  
29 accordance with AS 38.35 (Right-of-Way Leasing Act) for the purpose of construction  
30 and operation of a natural gas pipeline from the North Slope:

31 Township 8 North, Range 10 West, Seward Meridian

- 1 Section 3: SE1/4  
2 Section 9: SE1/4  
3 Section 10: N1/2, SW1/4, W1/2 SE1/4  
4 Section 15: W1/2W1/2  
5 Section 16  
6 Section 17: S1/2, S1/2NE1/4.

7 (b) A state or federal survey does not remove land from the parcels described  
8 in (a) of this section.

9 (c) The department shall manage any state-owned land described in this section  
10 and within the exterior boundaries of Captain Cook State Recreation Area as part of  
11 Captain Cook State Recreation Area until the land is leased under AS 38.35. State-  
12 owned land described in this section will revert to Captain Cook State Recreation Area  
13 upon release of the land from a right-of-way through termination of the lease or  
14 otherwise and upon satisfaction of the lessee's obligations to restore and revegetate the  
15 land.

16 (d) Any right-of-way lease issued under AS 38.35 across land described in this  
17 section and within the exterior boundaries of Captain Cook State Recreation Area  
18 must

19 (1) reserve to the state the interests necessary to provide for public  
20 access by foot, snow machine, dog sled, and other traditional means of access along  
21 and across the leased corridor;

22 (2) preserve, to the maximum extent practicable, the recreational,  
23 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
24 within the exterior boundaries of Captain Cook State Recreation Area; and

25 (3) provide for termination of the lease if construction of the pipeline  
26 has not begun 10 years after the effective date of the lease.

27 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
28 Captain Cook State Recreation Area.

29 (f) A natural gas pipeline right-of-way lease may not be issued across land  
30 described in this section unless the lease becomes effective before January 1, 2025.

31 \* **Sec. 5.** AS 41.21.450 is amended to read:

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**Sec. 41.21.450. Purpose of AS 41.21.450 - 41.21.466 [AS 41.21.450 - 41.21.465].** The purpose of AS 41.21.450 - 41.21.466 [AS 41.21.450 - 41.21.465] is to restrict state-owned land and water within the boundaries described in AS 41.21.455, **except as provided in AS 41.21.466,** to use as a public recreation area. Under the provisions of AS 38.05.300, state land, water, or land and water containing more than 640 acres may be closed to multiple purpose use only by act of the legislature. Inasmuch as the area described in AS 41.21.455 exceeds 640 acres, AS 41.21.450 - 41.21.466 [AS 41.21.450 - 41.21.465] are intended to except the area described **in AS 41.21.465, as that description is modified by AS 41.21.153,** from the provisions of AS 38.05.300.

\* **Sec. 6.** AS 41.21 is amended by adding a new section to read:

**Sec. 41.21.466. Certain land excepted.** (a) Notwithstanding AS 41.21.020(a)(6) or 41.21.450 - 41.21.465, state-owned land in the following described parcels may be leased in accordance with AS 38.35 (Right-of-Way Leasing Act) for the purpose of construction and operation of a natural gas pipeline from the North Slope:

(1) Township 18 North, Range 5 West, Seward Meridian

- Section 10: E1/2
- Section 11: NW1/4
- Section 15: NW1/4
- Section 16: SE1/4
- Section 21: W1/2;

(2) Township 19 North, Range 5 West, Seward Meridian

Section 35: SW1/4.

(b) A state or federal survey does not remove land from the parcels described in (a) of this section.

(c) The department shall manage any state-owned land described in this section and within the exterior boundaries of Nancy Lake State Recreation Area as part of Nancy Lake State Recreation Area until the land is leased under AS 38.35. State-owned land described in this section will revert to Nancy Lake State Recreation Area upon release of the land from a right-of-way through termination of the lease or

1 otherwise and upon satisfaction of the lessee's obligations to restore and revegetate the  
2 land.

3 (d) Any right-of-way lease issued under AS 38.35 across land described in this  
4 section and within the exterior boundaries of Nancy Lake State Recreation Area must

5 (1) reserve to the state the interests necessary to provide for public  
6 access by foot, snow machine, dog sled, and other traditional means of access along  
7 and across the leased corridor;

8 (2) preserve, to the maximum extent practicable, the recreational,  
9 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
10 within the exterior boundaries of Nancy Lake State Recreation Area; and

11 (3) provide for termination of the lease if construction of the pipeline  
12 has not begun 10 years after the effective date of the lease.

13 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
14 Nancy Lake State Recreation Area.

15 (f) A natural gas pipeline right-of-way lease may not be issued across land  
16 described in this section unless the lease becomes effective before January 1, 2025.

17 \* **Sec. 7.** AS 41.21 is amended by adding a new section to article 4 to read:

18 **Sec. 41.21.496. Certain lands excepted.** (a) Notwithstanding  
19 AS 41.21.020(a)(6) or 41.21.491 - 41.21.495, state-owned land in the following  
20 described parcels may be leased in accordance with AS 38.35 (Right-of-Way Leasing  
21 Act) for the purpose of construction and operation of a natural gas pipeline from the  
22 North Slope: the East 1/2 of Section 2, Township 19 North, Range 5 West, Seward  
23 Meridian and the East 1/2 of Section 35, Township 20 North, Range 5 West, Seward  
24 Meridian.

25 (b) A state or federal survey does not remove land from the parcels described  
26 in (a) of this section.

27 (c) The department shall manage any state-owned land described in this section  
28 and within the exterior boundaries of Willow Creek State Recreation Area as part of  
29 Willow Creek State Recreation Area until the land is leased under AS 38.35. State-  
30 owned land described in this section will revert to Willow Creek State Recreation  
31 Area upon release of the land from a right-of-way through termination of the lease or

1 otherwise and upon satisfaction of the lessee's obligations to restore and revegetate the  
2 land.

3 (d) Any right-of-way lease issued under AS 38.35 across land described in this  
4 section and within the exterior boundaries of Willow Creek State Recreation Area  
5 must

6 (1) reserve to the state the interests necessary to provide for public  
7 access by foot, snow machine, dog sled, and other traditional means of access along  
8 and across the leased corridor;

9 (2) preserve, to the maximum extent practicable, the recreational,  
10 scenic, cultural, historical, and habitat values consistent with the leasehold's location  
11 within the exterior boundaries of Willow Creek State Recreation Area; and

12 (3) provide for termination of the lease if construction of the pipeline  
13 has not begun 10 years after the effective date of the lease.

14 (e) AS 38.35.130 does not apply to land within the exterior boundaries of  
15 Willow Creek State Recreation Area.

16 (f) A natural gas pipeline right-of-way lease may not be issued across land  
17 described in this section unless the lease becomes effective before January 1, 2025.

## LEGAL SERVICES

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### MEMORANDUM

March 31, 2015

**SUBJECT:** CSSB 70(RES) U.S. Survey language  
(Work Order No. 29-GH1820\W)

**TO:** Senator Cathy Giessel  
Attn: Akis Gialopsos

**FROM:** Susie L. Shutts *Susie Shutts*  
Legislative Counsel

Enclosed is the committee substitute you requested for SB 70.

It is unclear what is meant by the phrase "including land that would lie within the described parcels but for a U.S. survey," which appears in this committee substitute four times. This language is at best, ambiguous, and how it may be interpreted or applied by a court is unknown. What is this language intended to accomplish?

SB 70 concerns land in Denali State Park, Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow Creek State Recreation Area. This land is described in the Alaska Statutes, and in the new sections of law added by SB 70, by aliquot parts of a section. Aliquot parts are the divisions and subdivisions of a section that are described in relation to the four points of the compass; sections can be divided into halves of 320 acres with compass designations of N1/2, S1/2, E1/2, and W1/2, quarters of 160 acres, or further subdivided.<sup>1</sup>

The Alaska State Legislature has not used language such as "including land that would lie within the described parcels but for a U.S. survey" where aliquot parts are used to describe land. Even when metes and bounds are used to describe the relevant land, there is no language like this.<sup>2</sup> Instead, a particular survey number is specified in every situation where a U.S. Survey is referenced.

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<sup>1</sup> Department of Natural Resources, "Land Descriptions and Surveys," available at <http://dnr.alaska.gov/landrecords/docs/landrecords.pdf>.

<sup>2</sup> Metes and bounds is a method of describing a parcel of land by citing the physical features of the land's geography and directions and distances, such as the length of each course of the boundary, for example, "along a stream." U.S. Department of the Interior, Bureau of Land Management, "Glossaries of BLM Surveying and Mapping Terms," p. 39, available at <http://www.blm.gov/or/gis/geoscience/files/BLMglossary.pdf>.

Senator Cathy Giessel  
March 31, 2015  
Page 2

It is not clear what legal effect the inclusion of this language will have, or whether this language is even necessary.

Also, please note that spanned references to AS 41.21.150 - 41.21.152 in AS 41.21.150 and AS 41.21.151 should be amended to include AS 41.21.153, which is a new section created by this bill. Likewise, the spanned reference to AS 41.21.410 - 41.21.425 in AS 41.21.415 should be amended to include new section AS 41.21.426; and AS 41.21.450 and AS 41.21.460 should be amended to include a reference to new section AS 41.21.466. AS 38.35.130 should also be amended to include the exceptions listed in AS 41.21.153, AS 41.21.426, AS 41.21.466, and AS 41.21.496.

You may want to specify that the pipeline will not be an incompatible use within the state parks and that the land to be leased is not a designated special purpose site under art. VIII, sec. 7, Constitution of the State of Alaska.

SLS:dla  
15-237.dla

Enclosure



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Law

CIVIL DIVISION  
P.O. Box 110300  
Juneau, Alaska 99811  
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April 3, 2015

**HAND DELIVERED**

The Honorable Anna MacKinnon, Co-chair  
Alaska State Capitol, Room 516  
Senate Finance Committee  
Juneau, Alaska 99801

Re: *CSSB 70- GAS PIPELINE RIGHT-OF-WAY*

Dear Senator MacKinnon:

On March 31, 2015, Legislative Legal Services prepared a committee substitute for SB70 incorporating amendment 1 to that bill, an amendment adopted in the Senate Resources Committee on March 30, 2015. Accompanying that committee substitute was a memorandum by Legislative Counsel, querying the phrase "including land that would lie within the described parcels but for a U.S. survey" and suggesting that the language was "at best, ambiguous" and noting that the legislature has not used similar language in the past. This letter addresses the issues raised.

The need for a phrase such as "including land that would lie within the described parcels but for a U.S. survey" became apparent in the course of discussions with surveyors undertaken to ensure the accuracy of the bill's corridor description. Those descriptions were set out with reference to the Meridian, Township, Range, and Section lines used by the U.S. Public Land Survey System. Under the Public Land Survey System, land is surveyed using a grid system established from one of a number of principal meridians (a north/south axis) and baselines (an east/west axis). Range lines are established parallel to the meridian at defined intervals east and west of the meridian and Township lines are established parallel to the baseline at defined intervals north and south of the meridian. Each cell of the grid established by the Range and Township lines is further divided into Sections, of approximately 640 acres each, numbered boustrophedonically.

The surveyors, however, noted that the bill's land descriptions relied on *protracted* section lines – that is, section lines derived mathematically, rather than section lines established by actual surveys and marked on the ground with survey monuments. This is not uncommon in Alaska, where the federal government's public land surveying activity is not complete. In numerous areas throughout the corridor, however, official surveys have been conducted and accepted either by the federal government or by the State of Alaska. This acceptance of official surveys created a potential ambiguity in the bill's land descriptions as those descriptions stood before the adoption of Amendment 1. Because an accepted survey controls over a protracted description, it is a surveyor's convention that a protracted section is deemed to exclude surveyed land where that land lies within the protracted section. The bill's descriptions, therefore, could be read to leave out those parts of the corridor actually surveyed. As Legislative Counsel's memorandum suggests, the most common way to address this ambiguity is to simply include a reference to each survey by number.

Accordingly, the Department of Natural Resources began to prepare a land description that separately described surveyed lots according to the individual surveys. Because, however, the intended corridor included portions of a large number of separate surveys, the proposed legal description quickly became complicated and difficult for a person without specialized expertise to follow; and impossible to confirm without consulting a large number of different authoritative sources. Such a description has many failure modes – risks include failure to identify all relevant surveys, or misidentification of a survey or part of a survey and therefore misdescription of the intended corridor – risks that seemed greater than the potential ambiguity created by the use of projected section lines.

As a result, the bill was amended to include the phrase “including land that would lie within the described parcels but for a U.S. survey.” With this phrase, the legislature makes clear its intention that the protracted sections identified in the bill must be construed so as to include federally or state surveyed land lying within those protracted sections. Upon further discussion we have concluded that the scope for ambiguity may be further reduced by replacing the phrase “including land that would lie within the described parcels but for a U.S. survey” with the phrase “including lands described by federal or state survey” each time it appears in the bill.

With respect to the remaining points in Legislative Counsel's memorandum; we acknowledge the concern that led to the suggestion that the spanned references in AS 41.21.150 be amended to include AS 41.21.153, that the spanned reference in AS 41.21.415 be amended to include AS 41.21.426, and that AS 41.21.450 and AS 41.21.460 be amended to include references to AS 41.21.466. We do not believe, however, that the suggested approach is entirely consistent with the intent of the bill and suggest, in the alternative, that AS 41.21.150 be amended to read:

“The purpose of AS 41.21.150 – 41.21.153 is to restrict state-owned land and water described in AS 41.21.151, except as provided in AS 41.21.153, to use as a state park. Under AS 38.05.300, state land, water, or land and water containing more than 640 acres may be closed to multiple use only by act of the legislature. Because the area described in AS 41.21.151 exceeds 640 acres, AS 41.21.150-41.21.153 are intended to provide for the closing of the land described in AS 41.21.151, as that description is modified by AS 41.21.153, to multiple use in conformity with AS 38.05.300 and its designation as a special purpose area in accord with art. VIII, § 7 of the Constitution of the State of Alaska.”

Similarly, we would recommend amending AS 41.21.410 to read:

“The purpose of AS 41.21.410 – 41.21.426 is to empower the governor to restrict state owned land and water described in AS 41.21.415 to use as a public recreation area. Under AS 38.05.300, state land, water, or land and water containing more than 640 acres may be closed to multiple purpose use only by act of the legislature. Because the area described in AS 41.21.415 exceeds 640 acres, AS 41.21.410 – 41.21.426 are intended to provide for the closing of the land described in AS 41.21.415, as that description is modified by AS 41.21.426, to multiple purpose use in conformity with AS 38.05.300 and its subsequent designation as a special purpose site in accordance with article VIII, § 7, of the Constitution of the State of Alaska.”

In addition, we would recommend amending AS 41.21.450 to read:

“The purpose of AS 41.21.450 – 466 is to restrict state-owned land and water within the boundaries described in AS 41.21.455, except as that description is modified by AS 41.21.466, to use as a public recreation area. Under the provisions of AS 38.05.300, state land, water, or land and water containing more than 640 acres may be closed by multiple purpose use only by act of the legislature. Inasmuch as the area described in AS 41.21.455 exceeds 640 acres, AS 41.21.450 – 41.21.466 are intended to except the area described from the provisions of AS 38.05.300.

We do not, however, believe any ambiguity would be removed by amending AS 38.35.130 to include the exceptions listed in AS 41.21.153, AS 41.21.426, AS 41.21.466, and AS 41.21.496.

Finally, because the amendments described above remove the land to be leased from designation as a special purpose site and, upon lease, land will be managed under the lease for the duration of the lease, we believe these amendments would fully address the concerns raised in the final paragraph of Legislative Counsel’s memo.

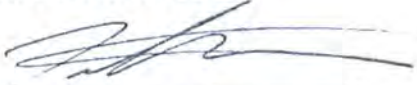
Letter to co-chairs of Senate Finance  
Our file no.: JU2014200820

April 3, 2015  
Page 4 of 4

Sincerely,

CRAIG W. RICHARDS  
ATTORNEY GENERAL

By: \_\_\_\_\_

  
John Hutchins  
Assistant Attorney General

JCH/dar

# LEGAL SERVICES

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## MEMORANDUM

April 10, 2015

**SUBJECT:** CSSB 70(RES) U.S. survey language and April 3, 2015, Attorney General memo (Work Order No. 29-GS1820\W)

**TO:** Senator Anna MacKinnon  
Attn: Erin Shine

**FROM:** Susie L. Shutts *Susie Shutts*  
Legislative Counsel

You requested a written opinion regarding an April 3, 2015, memorandum by the Attorney General regarding the inclusion of the phrase "including land that would lie within the described parcels but for a U.S. survey," which appears four times in CSSB 70(RES).

The April 3, 2015, Attorney General memorandum explains that because the land descriptions used in SB 70 to carve out excepted parcels rely on protracted section lines, that this creates potential ambiguity where official surveys have been accepted because "a protracted section is deemed to exclude surveyed land where that land lies within the protracted section" and the bill's land descriptions therefore "could be read to leave out those parts of the corridor actually surveyed." However, it is my understanding that protracted survey lines do not themselves change based on an on-the-ground survey and that the legal descriptions used in this bill therefore would not be altered by a survey.

The Attorney General's memorandum explains that surveys were not used to denote the right-of-way in SB 70 because the proposed legal description would be complicated and difficult to follow. However, given that surveys are not referred to in the land description in SB 70, I do not think that the addition of the language "including land that would lie within the described parcels but for a U.S. survey" alters the land as described in this bill. If a survey *could* jeopardize whether a land parcel is included in the land described in this bill, and the land needed for this project is close enough to a section line that a slight variation caused by a survey could jeopardize its inclusion in the land described in this bill, one solution could be to ensure that the land descriptions in the bill are selected to be broader than what is required for the project.

Please let me know if you have any additional questions.

SLS:lem  
15-241.lem



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Law

CIVIL DIVISION

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Juneau, Alaska 99811  
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April 10, 2015

**HAND DELIVERED**

The Honorable Anna MacKinnon, Co-chair  
Alaska State Capitol, Room 516  
Senate Finance Committee  
Juneau, Alaska 99801

Re: *CSSB 70- GAS PIPELINE RIGHT-OF-WAY*

Dear Senator MacKinnon:

Thank you for forwarding the reply of Legislative Counsel to our memorandum. In response we would like to further clarify the reasons for using the phrase "including land that would lie within the described parcels but for a U.S. Survey."

Our concern is not that any surveys conducted in the past or future would change the section lines in a material way due to the certainty that a survey would provide. It is, instead, that we have been informed by surveyors and landmen that land descriptions based on protracted sections can be deemed, to *exclude* surveyed land. For example, Section 9 of Township 30 North, Range 5 West from the Seward Meridian is included in the corridor that would be opened for leasing should SB70 become law. Lot 2, however, of U.S. Survey 5500, covers a portion of the land in Section 9 as shown in the attached map. Based on discussions with surveyors and landmen, we understand that absent some clarifying language, a reference to "Section 9" in a property grant would normally be construed to mean all of the land lying within the protracted section lines that form the boundaries of Section 9 *except* the land contained within Lot 2 of U.S. Survey 5500 (shaded grey in the attached map). For this reason, a grant of Section 9 would separately indicate the conveyance of Lot 2 of U.S. Survey 5500 if the intent were to include the entirety of the land lying within the protracted section lines that form the borders of Section 9.

We included the questioned language to eliminate any ambiguity as to the intention of the legislature with respect to the described corridor. It is the purpose of this bill to open all the state-owned land lying within the corridor regardless of the existence of state or federal surveys and notwithstanding interpretive conventions under which

Letter to co-chairs of Senate Finance  
Re: *CSSB 70- GAS PIPELINE RIGHT-OF-WAY*

April 10, 2015  
Page 2 of 2

sections based on protracted lines are deemed to exclude surveyed land lying within those protracted section lines.

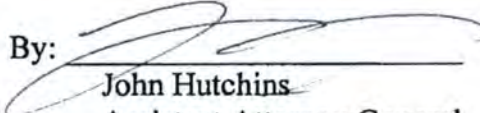
Because the concern does not relate to slight boundary variations that might be resolved by survey, widening the survey corridor would not resolve the problem that has been identified. The existence of land, within the corridor, that has been officially surveyed could make a Swiss cheese of the corridor if land descriptions are given by reference to section lines alone unless the intent to include surveyed lands is made clear.

Thank you again, and we remain available to help with questions as needed.

Sincerely,

CRAIG W. RICHARDS  
ATTORNEY GENERAL

By:

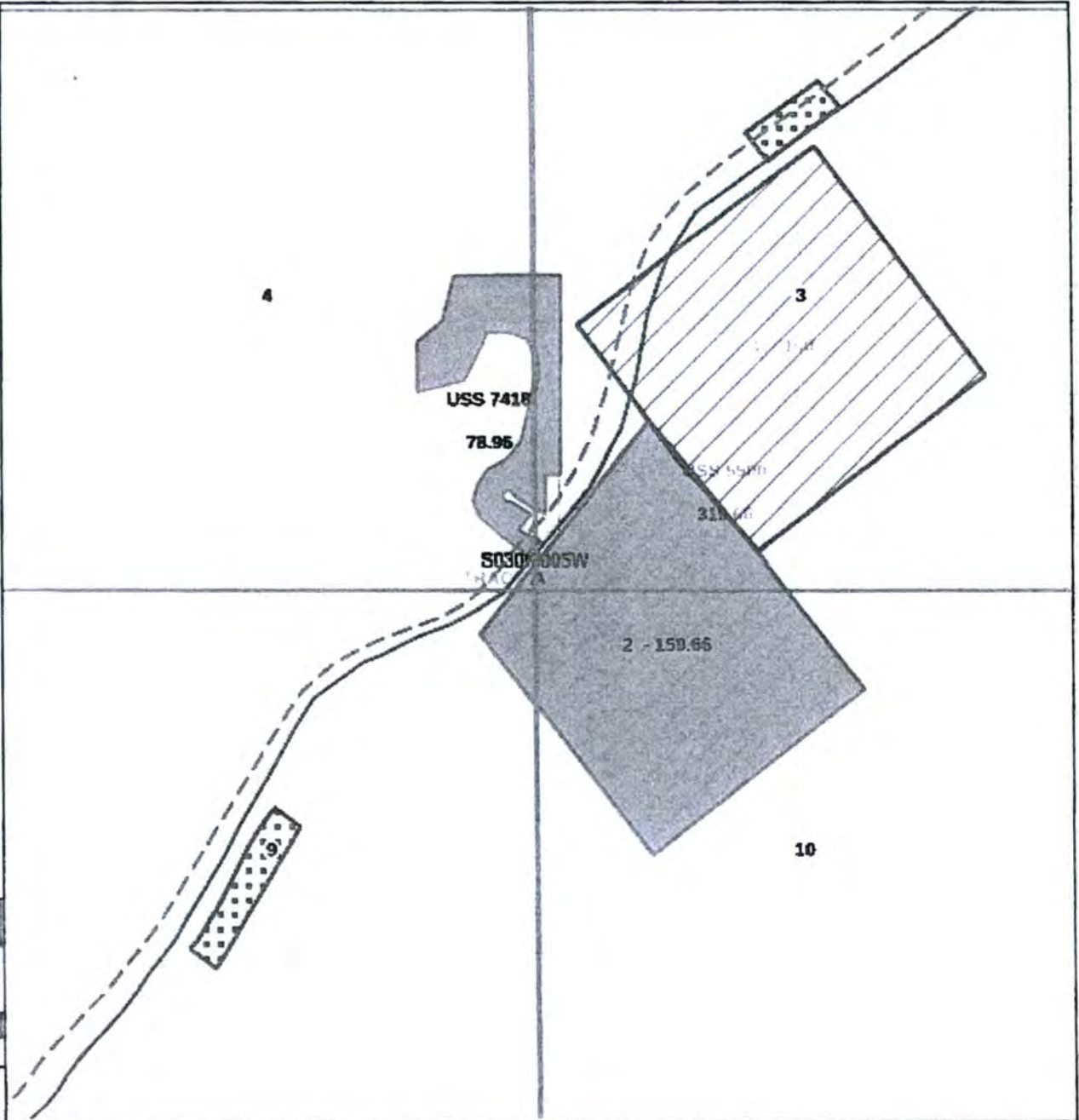
  
John Hutchins  
Assistant Attorney General

JCH/sma  
Enclosure

Alaska Mapper  
Spherical Mercator WGS 84 - EPSG:3857

2,000 ft

- PLS Sections
- Agreed, Stipend, Royalty
- Agreed, Stipend, Royalty
- Agreed, Stipend, Royalty
- Other Activities
- Other Activities
- Other Activities
- Permit or Lease
- Permit or Lease
- Permit or Lease
- Permit or Lease
- Easements
- Easement
- Easement
- Resource Sale
- Resource Sale
- Federal Actions
- Land Disposal Available
- Land Disposal Available
- Land Disposal Available
- Land Disposal Conveyed
- Land Disposal Conveyed
- Land Disposal Conveyed
- Land Disposal Conveyed
- Land Disposal Other
- Land Disposal Other
- Land Disposal Other
- Management Agreement
- Management Agreement
- Mental Health Trust Land
- Municipal Entitlement
- Municipal Tideland
- Native Allotment
- Other Acquired Land
- Other Acquired Land
- OSL 490 School Trust Land-Other Acquired Lands
- RS2477
- Tentative Approval or Patent
- Tentative Approval or Patent
- School Trust Lands-St Tentative App or Patent
- Borough
- Recording Districts
- Survey Boundary
- Survey Boundary
- Survey Boundary
- Township
- State Selected Land



GRAPHIC ILLUSTRATION ONLY.  
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### MEMORANDUM

April 12, 2015

**SUBJECT:** U.S. survey language and CSSB 70(FIN)  
(Work Order No. 29-GS1820\E)

**TO:** Senator Anna MacKinnon  
Attn: Erin Shine

**FROM:** Susie L. Shutts  
Legislative Counsel

Enclosed is the committee substitute you requested for SB 70.

As you requested, the language "including land that would lie within the described parcels but for a U.S. survey," which appeared four times in CSSB 70(RES) has been replaced with subsections stating "[a] state or federal survey does not remove land from the parcels described in (a) of this section."

SB 70 uses aliquot parts of a section to describe the land available for leasing for a pipeline right-of-way in Denali State Park, Captain Cook State Recreation Area, Nancy Lake State Recreation Area, and Willow Creek State Recreation Area. As I discussed with Ms. Shine and with Mr. Hutchins of the Department of Law, inclusion of this language does not seem necessary, and it remains unclear what, if any, legal effect this language will have or how this language may be interpreted or applied by a court.

An April 3, 2015, Attorney General memorandum explains that because the land descriptions used in SB 70 to carve out excepted parcels rely on protracted section lines, that this creates potential ambiguity where official surveys have been accepted because "a protracted section is deemed to exclude surveyed land where that land lies within the protracted section" and the bill's land descriptions therefore "could be read to leave out those parts of the corridor actually surveyed." An April 10, 2015, Attorney General memorandum elaborates that the Department of Law has been informed by surveyors and landmen that land descriptions based on protracted sections can be deemed to exclude surveyed land, and that the inclusion of the language "including land that would lie within the described parcels but for a U.S. survey" aims to eliminate ambiguity as to the legislature's intent to include all state-owned land lying within the corridor regardless of any state or federal surveys.

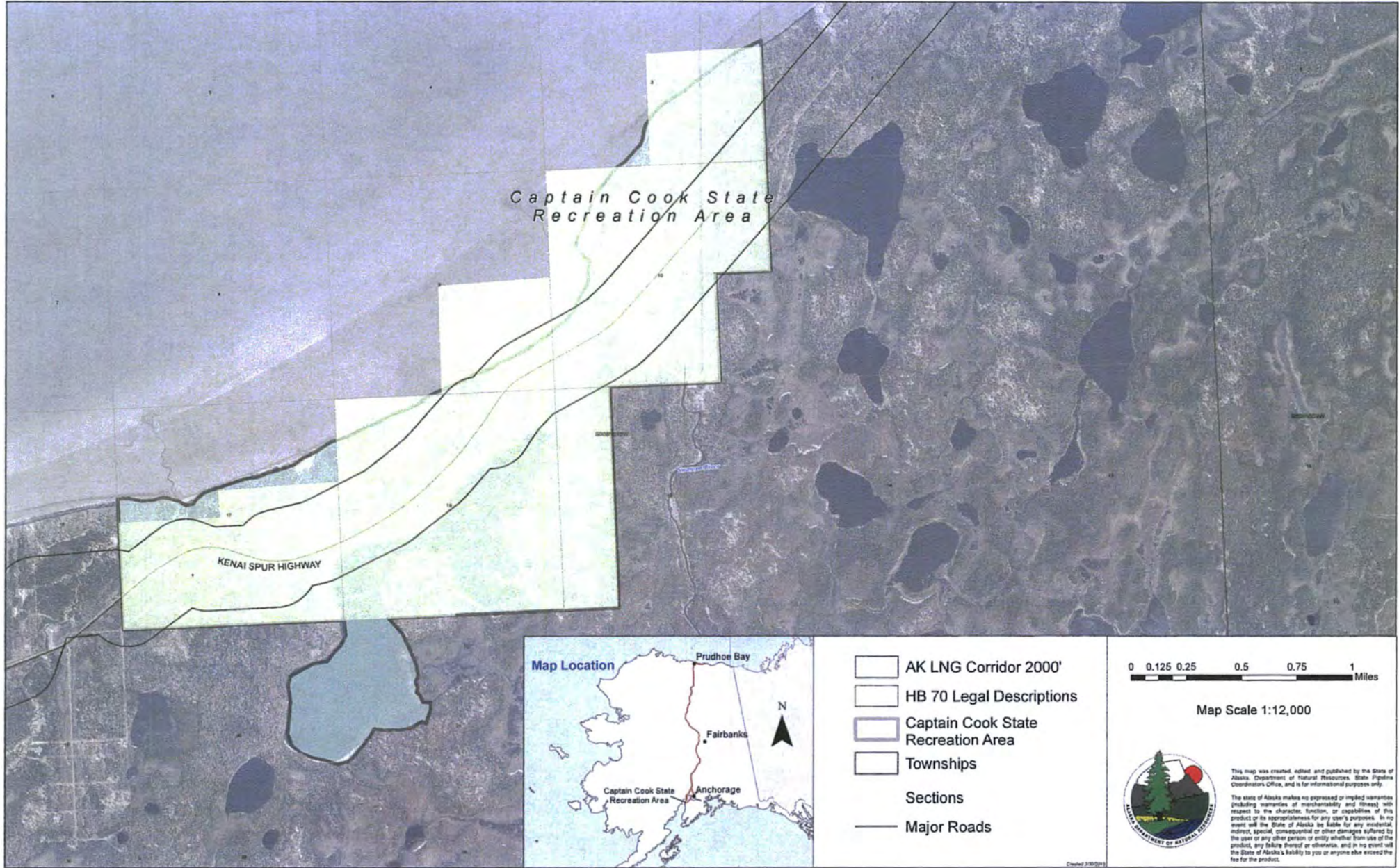
Because it is my understanding that protracted survey lines are independent of on-the-ground surveys, inclusion of this language seems unnecessary since a survey would not

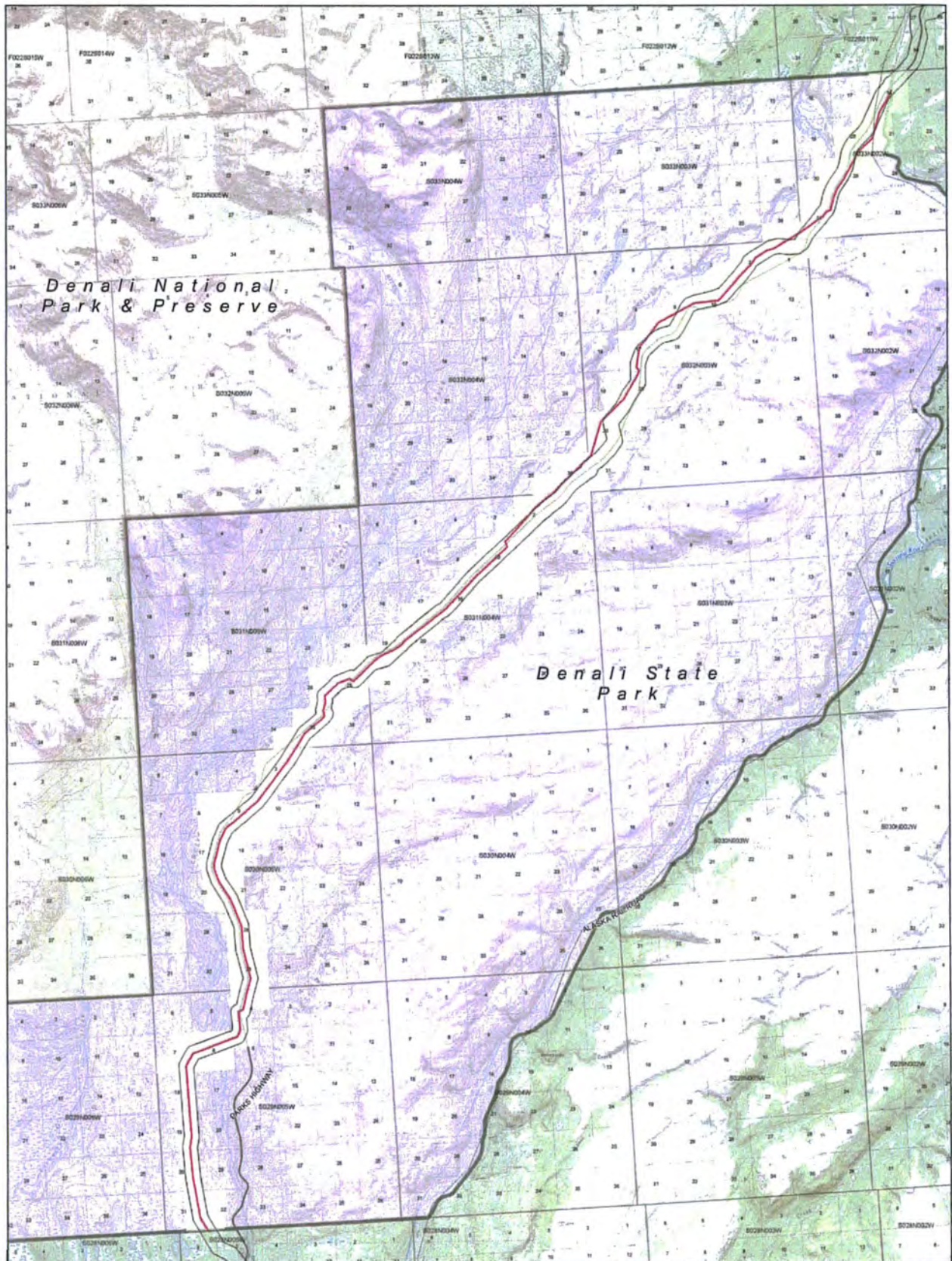
Senator Anna MacKinnon  
April 12, 2015  
Page 2

affect the legal descriptions used in this bill. Although this language has been included to allay concerns about any ambiguity created by surveys, inclusion of this language may cast doubt on the use of section lines in other land descriptions in the Alaska Statutes or references to section lines, for example under AS 19.10.010, which concerns section line easements.

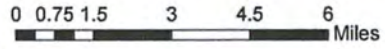
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Enclosure





- ASAP Centerline Route
- AK LNG Corridor 2000'
- HB 70 Legal Descriptions
- Denali State Park
- Townships
- Sections
- Major Roads
- Railroads
- Major Rivers

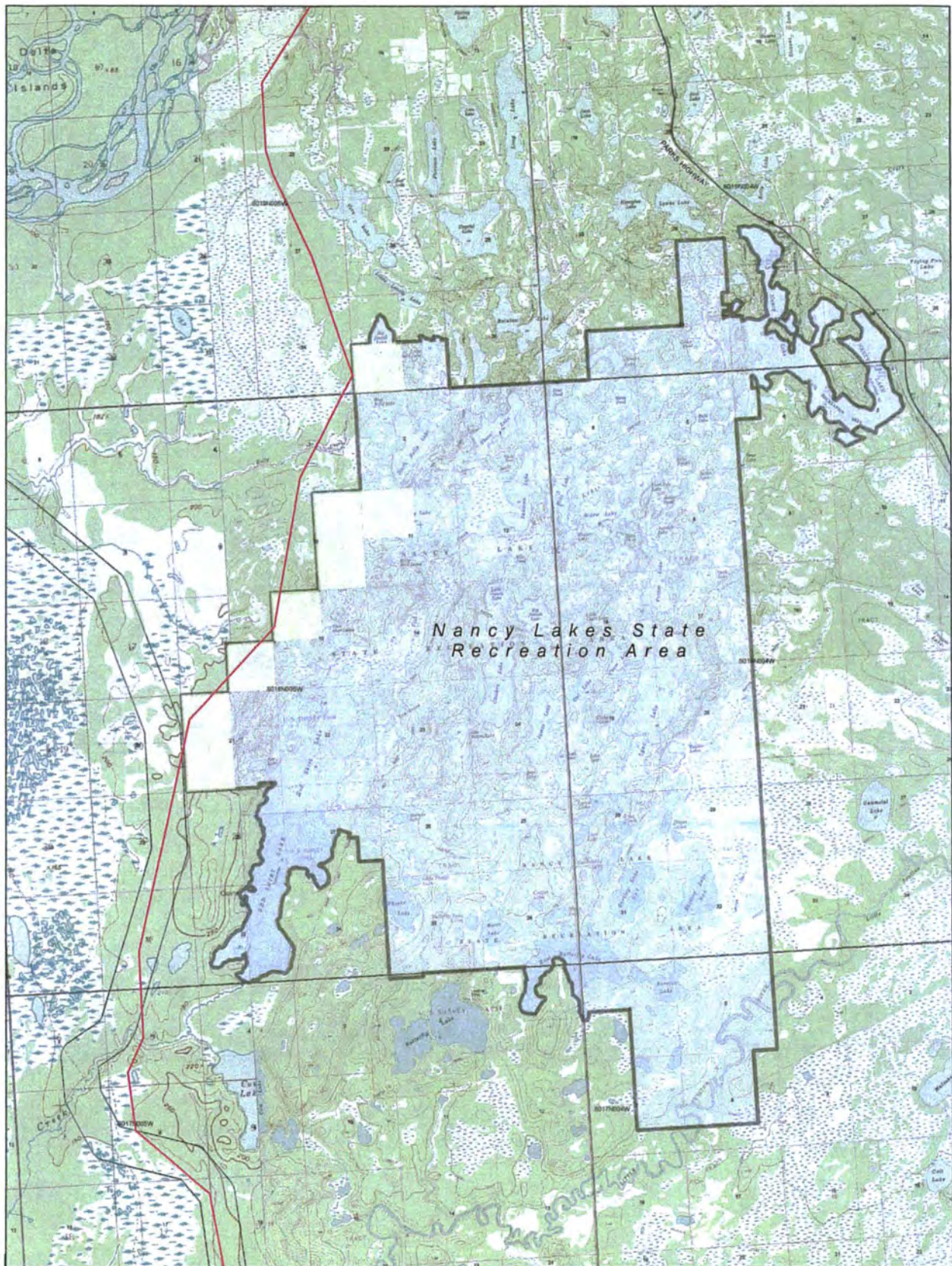


Map Scale 1:73,000



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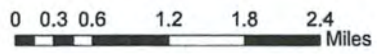
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Nancy Lakes State  
Recreation Area



- ASAP Centerline Route
- AK LNG Corridor 2000'
- HB 70 Legal Descriptions
- Nancy Lakes State Recreation Area
- Townships
- Sections
- Major Roads

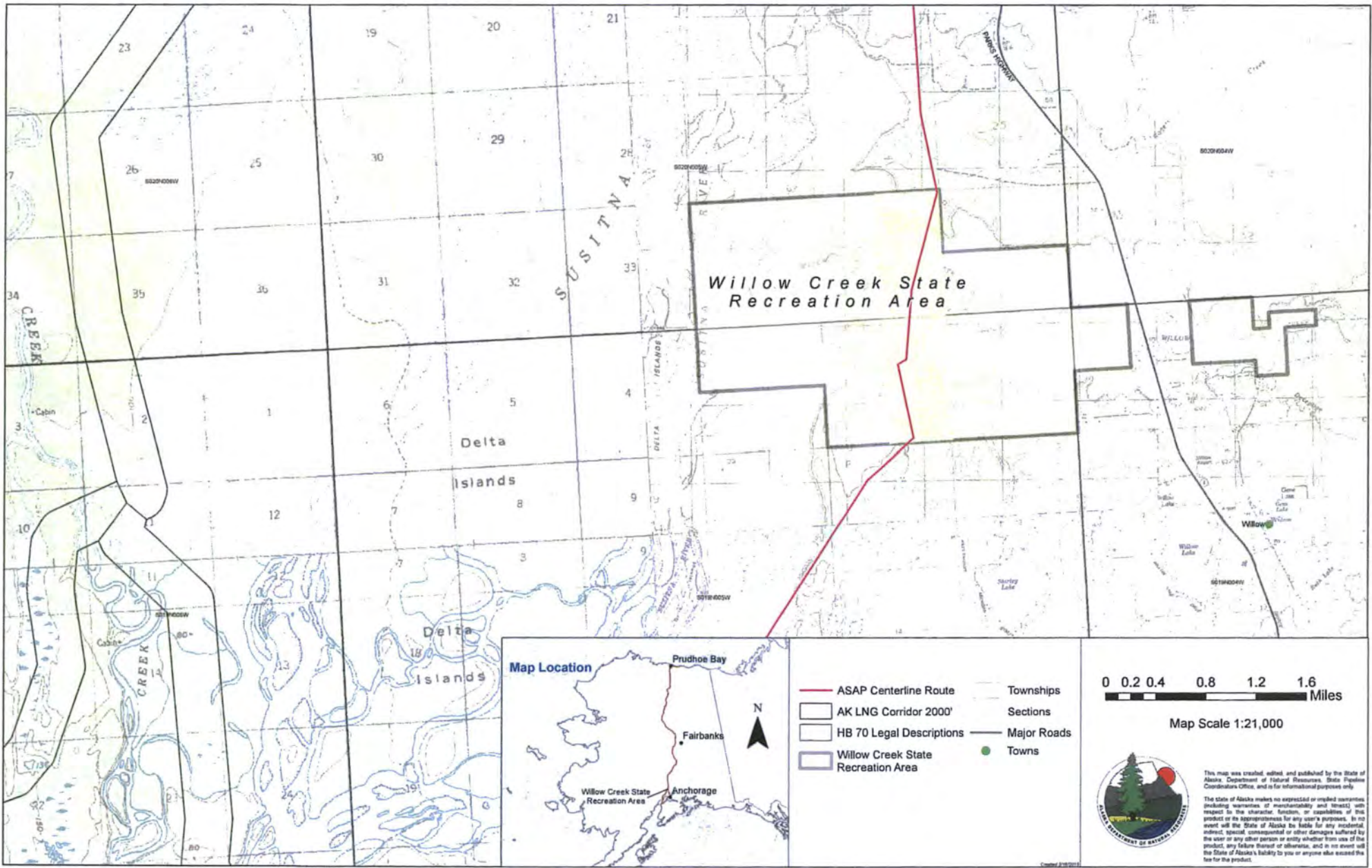


Map Scale 1:30,000



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- ASAP Centerline Route
- AK LNG Corridor 2000'
- HB 70 Legal Descriptions
- Willow Creek State Recreation Area
- Townships
- Sections
- Major Roads
- Towns

0 0.2 0.4 0.8 1.2 1.6 Miles

Map Scale 1:21,000



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