

LEG. FINANCE - BILLS 1979 - 1980 1116

CSSHB 556 cont., thru ~~CSSHB 557~~ 1116

1 EDUCATION (CONT.)

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	ALLOCATIONS	APPROPRIATION	APPROPRIATION	FUND SOURCES
		ITEMS	GENERAL FUND	OTHER FUNDS
IDITAROD REAA				
DISTRICT CODE UPGRADE		250,000	250,000	
LOWER KUSKOKWIM REAA				
REFRIG PILING FREEZER REP KILBUCK SCHOOL/BETHEL		90,000	90,000	
PAINTING-KILBUCK SCHOOL/BETHEL		200,000	200,000	
LOWER YUKON REAA				
MAJOR MAINTENENCE/MOUNTAIN VILLAGE		108,000	108,000	
MAJOR MAINTENANCE-HIGH SCHOOL/EMMONAK		158,600	158,600	
ELEMENTARY SCHOOL/FORTUNA LEDGE		200,000	200,000	
ELEM SCHOOL REPLACEMENT/RUSSIAN MISSION		300,000	300,000	
PRIBILOF REAA				
RENOVATION-CODE UPGRADE/ST. PAUL		415,000	415,000	
RENOVATION-CODE UPGRADE/ST. GEORGE		30,000	30,000	
YUKON KOYUKUK REAA				
MAJOR MAINTENANCE		150,000	150,000	

	***** UNIVERSITY OF ALASKA *****			

UNIVERSITY OF ALASKA				
EQUIPMENT REPLACEMENT & ADDITIONS				
GOVERNOR'S LUMP SUM ALLOCATION-INSTRUCTIONAL		1,200,0	1,200,000	
HANDICAP BARRIER REMOVAL				
UNIVERSITY CENTER-JUNEAU		100,000	100,000	

1 UNIVERSITY OF ALASKA (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
3					
4	COMMUNITY COLLEGES-KETCHIKAN		120,000	120,000	
5	COMMUNITY COLLEGE-KUSKOKWIM		15,000	15,000	
6	COMMUNITY COLLEGES-MAT-SU		15,000	15,000	
7	COMMUNITY COLLEGES-NORTHWEST		25,000	25,000	
8	BUILDING REPAIR & RENOVATION				
9	REPAIR ELEVEY BUILDING-GEOPHYSICAL INSTITUTE		120,000	120,000	
10		*****			*****
11		*****	SOCIAL SERVICES		*****
12		*****			*****
13	DEPARTMENT OF ADMINISTRATION				
14	PIONEERS HOMES				
15	ROOF REPAIR/KOTZEBUE		220,300	220,300	
16	GENERATOR AND MAINTENANCE/PALMER		80,000	80,000	
17	MAINTENANCE/FAIRBANKS		74,200	74,200	
18	DEPARTMENT OF HEALTH & SOCIAL SERVICES				
19	PUBLIC ASSISTANCE ELIGIBILITY				
20	INSTALLATION OF INTEGRATED ELIGIBILITY SYSTEM		1,227,000	613,500	613,500
21	DEPARTMENT OF LABOR				
22	EMPLOYMENT SECURITY				
23	UNEMPLOYMENT INSURANCE WAGE SYSTEM		86,000		86,000
24	UNEMPLOYMENT INSURANCE BENEFITS SYSTEM		375,000		543,300
25	UNEMPLOYMENT INSURANCE TAX SYSTEM		325,000		325,000

1 SOCIAL SERVICES (CONT.)

		APPROPRIATION		APPROPRIATION FUND SOURCES	
	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS	
4	UNEMPLOYMENT INSURANCE MODEL CROSSMATCH	54,000		54,000	
5	AUTOMATED FIELD AUDIT SELECTION SYSTEM	47,000		47,000	
6	JOB SERVICE MATCHING SYSTEM	230,000		230,000	

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 8 * * * * * HEALTH * * * * *
 9 * * * * * * * * * *

10 DEPARTMENT OF HEALTH & SOCIAL SERVICES

11 ALASKA PSYCHIATRIC INSTITUTE

12	POWER PLANT	50,000	50,000		
13	LAUNDRY FILTERING SYSTEM	44,200	44,200		
14	FURNITURE AND EQUIP, CHILDREN & ADOLESCENTS	22,000	22,000		
15	FURNITURE & PARTITIONS	34,000	34,000		
16	HARBORVIEW				
17	CARPET FOR PATIENT DAYROOMS & BEDROOMS	78,200	78,200		
18	PAVING	75,200	75,200		
19	ALASKA PSYCHIATRIC INSTITUTE/HARBORVIEW				
20	HOSPITAL ACCOUNTING SYSTEM/ANCHORAGE & VALDEZ	60,000	60,000		

21 * * * * * * * * * *
 22 * * * * * NATURAL RESOURCE MANAGEMENT * * * * *
 23 * * * * * * * * * *

24 DEPARTMENT OF NATURAL RESOURCES

25 MANAGEMENT & ADMINISTRATION

26	ALASKA LAND & RESOURCES SYSTEM	2,233,700	2,233,700		
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		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
1	NATURAL RESOURCE MANAGEMENT (CONT.)				
2					
3					
4	LAND DISPOSAL SURVEYING		5,500,000	5,500,000	
5	OFFSHORE/MARINE BOUNDARY SURVEY		1,126,500	1,126,500	
6	GENERAL GRANT SELECTIONS		161,300	161,300	
7	FOREST MANAGEMENT				
8	STATE FOREST NURSERY		870,300		870,300
9	RESOURCE INVENTORY/ASSESSMENT				
10	GEOLOGIC/GEOPHYSICAL INTERPRETATION		2,000,000	2,000,000	
11	PARKS & RECRFATION				
12	LAND AND WATER CONSERVATION FUND		3,000,000		3,000,000
13	HISTORIC PRESERVATION FUND		900,000		900,000
14	DEPARTMENT OF FISH & GAME				
15	F.R.E.D.				
16	LAKE FERTILIZATION/LIMNOLOGY		300,000	300,000	
17	BIG LAKE HATCHERY WATER TREATMENT		170,000	170,000	
18	TUTKA LAGOON HATCHERY WATER SYSTEM		300,000	300,000	
19	INCUBATION EQUIPMENT		300,000	300,000	
20	CLEAR HATCHERY EQUIPMENT		40,000	40,000	
21	FISH PASS DEVELOPMENT PROJECTS		150,000	150,000	
22	CHILKAT RIVER COHO/CHUM REHABILITATION		75,000	75,000	
23	VESSELS				
24	MAINTENANCE: M/V STELLER, RESOLUTION & PANDALUS		197,200	197,200	
25	COMMERCIAL FISHERIES				
26	HERRING ASSESSMENT SONAR		110,000	110,000	

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1 NATURAL RESOURCE MANAGEMENT (CONT.)		APPROPRIATION		APPROPRIATION FUND SOURCES	
2		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
3					
4	BRISTOL BAY SMOLT ENUMERATION		189,900	189,900	
5	SIDE SCANNING SONAR TAPE DECODER		28,800	28,800	
6	COMMUNICATION EQUIPMENT STATEWIDE		53,200	53,200	
7	SPORT FISH				
8	KENAI FISH TRAP FACILITY		291,500	291,500	
9	ANGLING ACCESS ACQUISITION		252,500	252,500	
10	FISH & GAME ADMINISTRATION & SUPPORT				
11	MCNEIL RIVER GAME SANCTUARY DEVELOPMENT		50,800	50,800	
12	UGASHIK CABIN RELOCATION & RESTORATION		25,300	25,300	
13	CREAMER'S DAIRY ACQUISITION		217,200	217,200	
14	WAREHOUSES-STATEWIDE		100,000	100,000	
15	DEPARTMENT OF PUBLIC SAFETY				
16	FISH AND WILDLIFE PROTECTION				
17	ENFORCEMENT EQUIPMENT/STATEWIDE		100,000	100,000	
18	38/42 FT PATROL VESSEL/SITKA		267,500	267,500	
19	GRUMMAN GOOSE OVERHAUL/ANCHORAGE		77,700	77,700	
20	TWO GRUMMAN NAVIGATION SYSTEMS/KODIAK, SAND POINT		55,000	55,000	
21		* * * * *	* * * * *		
22		* * * * * PUBLIC PROTECTION	* * * * *		
23		* * * * *	* * * * *		
24	DEPARTMENT OF LABOR				
25	ADMINISTRATION OF WORKMEN'S COMPENSATION				
26	INFORMATION HANDLING SYSTEM		211,200	211,200	

1 PUBLIC PROTECTION (CONT.)		APPROPRIATION	APPROPRIATION FUND SOURCES	
2				
3	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4 DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT				
5 WEIGHTS AND MEASURES SECTION				
6 SCALE TEST UNITS		174,500	174,500	
7 DEPARTMENT OF MILITARY AFFAIRS				
8 ALASKA NATIONAL GUARD				
9 SITKA ARMORY		1,062,500		1,062,500
10 UPGRADE STATE FACILITIES		200,000	200,000	
11 DOCKS - JUNEAU, SITKA, KETCHIKAN		150,000	50,000	100,000
12 SEARCH AND RESCUE				
13 UPGRADE EXISTING CAP FACILITIES		62,000	62,000	
14 DEPARTMENT OF PUBLIC SAFETY				
15 DRIVER VEHICLE SERVICES				
16 COMPUTER UPGRADE		30,700	30,700	
17 NEW MOTOR VEHICLE LICENSE PLATES		1,624,700	1,624,700	
18 EMERGENCY MEDICAL SERVICES COMMUNICATIONS		300,000	300,000	
19 MICROFILM EQUIPMENT REPLACEMENT/ANCHORAGE		38,500	38,500	
20	* * * * *	* * * * *		
21	* * * * * ADMINISTRATION OF JUSTICE * * * * *			
22	* * * * *	* * * * *		
23 DEPARTMENT OF LAW				
24 PROSECUTION				
25 CALENDARING SYSTEM		100,000	100,000	

1 ADMINISTRATION OF JUSTICE (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
2				
3				
4	DEPARTMENT OF HEALTH & SOCIAL SERVICES			
5	OFFENDER CONF, REFORM & SUPERVISION			
6		150,000	150,000	
7		199,400	199,400	
8	DEPARTMENT OF PUBLIC SAFETY			
9	DETACHMENTS AND CIB			
10		114,700	114,700	
11		243,800	243,800	
12		319,800	319,800	
13		100,000	100,000	
14	TRAINING			
15		148,500	148,500	
16	* * * * *	* * * * *		
17	* * * * *	DEVELOPMENT	* * * * *	
18	* * * * *	* * * * *		
19	OFFICE OF THE GOVERNOR			
20	AGRICULTURAL ACTION COUNCIL			
21		1,000,000		1,000,000
22	DEPARTMENT OF REVENUE			
23		3,000,000	3,000,000	
24		20,000,000		20,000,000

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1 DEVELOPMENT (CONT.)				
2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES
3				GENERAL FUND OTHER FUNDS
4	DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT			
5				
6	EDA 304 STATE MATCH		617,500	123,500 494,000
7	ENERGY & POWER DEVELOPMENT			
8	KUSKOKWIM SINGLE WIRE GROUND RETURN		50,000	50,000
9	ANCHORAGE ENERGY SUPPLY & DEMAND ASSESSMENT		100,000	100,000
10	STATEWIDE FACILITIES GRANT PROGRAM		2,655,000	885,000 1,770,000
11	ALTERNATIVE ENERGY DEMONSTRATION PROJECTS		550,000	550,000
12	POWER PROJECT FUND			
13	SUSITNA FEASIBILITY ANALYSIS		3,335,000	3,335,000
14	SWAN LAKE HYDROELECTRIC PROJECT/KETCHIKAN		18,000,000	18,000,000
15	LAKE TYEE HYDROELECTRIC PROJECT		10,000,000	10,000,000
16	AVEC FUEL CONVERSION PROJECT/NULATO		125,000	125,000
17	HYDROELECTRIC PROJECT/DILLINGHAM		100,000	100,000
18	HYDROELECTRIC PROJECT/KISARALIK RIVER		100,000	100,000
19	HYDROELECTRIC PROJECT/HAINES-SKAGWAY		100,000	100,000
20	MENNONITE CREEK HYDRO PROJECT/KODIAK ISLAND		200,000	200,000
21	LARSEN BAY HYDRO PROJECT/KODIAK ISLAND		200,000	200,000
22	OLD HARBOR HYDRO PROJECT/KODIAK ISLAND		200,000	200,000
23	AVEC VILLAGES HYDRO STUDY		325,000	325,000
24	DISCRETIONARY STUDY FUNDS		75,000	75,000
25	BOTTOMFISH DEVELOPMENT			
26	BOTTOMFISH COMMUNITY ASSISTANCE		425,000	425,000

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	ALLOCATIONS	APPROPRIATION		APPROPRIATION FUND SOURCES	
		ITEMS	GENERAL FUND	OTHER FUNDS	
1 DEVELOPMENT (CONT.)					
2					
3					
4	BOTTOMFISH PORTS AND TRANSPORTATION	204,000	204,000		
5	BOTTOMFISH RESOURCE ASSESSMENT	47,200	47,200		
6	BOTTOMFISH REGULATION DEVELOPMENT	9,900	9,900		
7	BOTTOMFISH MANAGEMENT ACTION	14,000	14,000		
8	BOTTOMFISH CATCH REPORTING	10,200	10,200		
9	BOTTOMFISH OBSERVERS/PORT SAMPLING	75,900	75,900		
10	BOTTOMFISH LOGBOOK	10,200	10,200		
11	BOTTOMFISH LOG BOOK-FISH TICKET CORRELATION	49,500	49,500		
12	BOTTOMFISH PROFILES	24,800	24,800		
13	BOTTOMFISH PRODUCTION TRIALS	500,000	500,000		
14	BOTTOMFISH LABORFORCE STUDY	58,300	58,300		
15	BOTTOMFISH ADVANCE EMPLOYMENT PROJECT	175,100	175,100		
16	PUBLIC INFORMATION	100,000	100,000		
17	ADMINISTRATION & CONTINGENCY	415,700	415,700		
18	DEPARTMENT OF NATURAL RESOURCES				
19					
20	AGRICULTURE REVOLVING LOAN FUND	6,160,000			6,160,000
21	EQUIPMENT & SEED STORAGE BUILDING/PALMER	108,000	108,000		
22	PLANT MATERIAL CENTER ANIMAL EXCLOSURE	14,600	14,600		
23	UPGRADE SEED CLEANING BUILDING	110,000	110,000		

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	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
3	*****	*****		
4	***** TRANSPORTATION *****			
5	*****	*****		
6	DEPARTMENT OF TRANSPORTATION			
7	HIGHWAY DESIGN & CONSTRUCTION	35,429,900		35,429,900
8	HEADQUARTERS CAPITAL POSITIONS (113 POSITIONS)	3,964,700		
9	ALL DEPARTMENT OF TRANSPORTATION CIP POSITIONS SHALL BE BUDGETED AND APPROPRIATED IN THIS MANNER PENDING DEVELOPMENT OF A			
10	PROJECT ACCOUNTING SYSTEM. WITH AN OPERATIONAL, AUTOMATED PROJECT ACCOUNTING SYSTEM, OTHER BUDGET FORMATS MAY BE REQUESTED.			
11	SOUTHEAST REGION CAPITAL POSITIONS (146 POSITIONS)	4,057,600		
12	CENTRAL REGION CAPITAL POSITIONS (442 POSITIONS)	11,952,300		
13	SOUTHCENTRAL CAPITAL POSITIONS (147 POSITIONS)	4,698,600		
14	INTERIOR REGION CAPITAL POSITIONS (348 POSITIONS)	9,824,300		
15	WESTERN REGION CAPITAL POSITIONS (29 POSITIONS)	932,400		
16	AVIATION DESIGN & CONSTRUCTION	4,219,200		4,219,200
17	HEADQUARTERS CAPITAL POSITIONS (4 POSITIONS)	156,100		
18	ALL DEPARTMENT OF TRANSPORTATION CIP POSITIONS SHALL BE BUDGETED AND APPROPRIATED IN THIS MANNER PENDING DEVELOPMENT OF A			
19	PROJECT ACCOUNTING SYSTEM. WITH AN OPERATIONAL, AUTOMATED PROJECT ACCOUNTING SYSTEM, OTHER BUDGET FORMATS MAY BE REQUESTED.			
20	CENTRAL REGION CAPITAL POSITIONS (111 POSITIONS)	3,267,900		
21	INTERIOR REGION CAPITAL POSITIONS (25 POSITIONS)	738,400		
22	SOUTHEAST REGION CAPITAL POSITIONS (2 POSITIONS)	56,800		
23	WATER AND HARBOR FACILITIES			
24	CAPITAL POSITIONS (16 POSITIONS)	619,000		619,000
25	ALL DEPARTMENT OF TRANSPORTATION CIP POSITIONS SHALL BE BUDGETED AND APPROPRIATED IN THIS MANNER PENDING DEVELOPMENT OF A			
26	PROJECT ACCOUNTING SYSTEM. WITH AN OPERATIONAL, AUTOMATED PROJECT ACCOUNTING SYSTEM, OTHER BUDGET FORMATS MAY BE REQUESTED.			

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1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
2			ITEMS	GENERAL FUND	OTHER FUNDS
3		ALLOCATIONS			
4	CENTRAL REGION HIGHWAYS		67,528,500		67,528,500
5	PALMER-WASILLA HIGHWAY	7,440,000			
6	WASILLA URBAN AREA	3,255,000			
7	SEWARD HIGHWAY, MCHUGH CREEK TO INDIAN CREEK	15,810,000			
8	UNALASKA CULVERTS	139,500			
9	ANCHORAGE PUBLIC TRANSIT COACHES	2,707,000			
10	ANCHORAGE BUS TURNOUTS	511,500			
11	GLENN PATHWAY, ANCHORAGE BOWL AREA	1,860,000			
12	ANCHORAGE-MAT-SU VAN POOLS	69,700			
13	KODIAK PAVING	1,395,000			
14	SEWARD HIGHWAY INTERCHANGE LIGHTING, ANCHORAGE	1,627,500			
15	STERLING HIGHWAY MILE 72-84	3,720,000			
16	STERLING WEIGH STATION RECONSTRUCTION	662,000			
17	BONIFACE INTERCHANGE & MCCARREY GRADE SEPARATION	5,101,000			
18	DIMOND BOULEVARD, ARR TO JEWEL LAKE ROAD	4,236,100			
19	ANCHORAGE URBAN LANDSCAPING	279,000			
20	POTTER WEIGH STATION RECONSTRUCTION	657,500			
21	RASPBERRY ROAD, JEWELL LAKE TO MINNISOTA	1,474,000			
22	ANCHORAGE NORTH SIDE CORRIDOR STUDY	423,100			
23	GLENN HIGHWAY, BRAGAW INTERCHANGE	1,060,200			
24	OLD SEWARD HIGHWAY, DOWLING TO HUFFMAN ROAD	186,000			
25	GLENN HIGHWAY, PALMER TO KING RIVER	1,525,200			

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1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	DEARMOUN & RABBIT CREEK INTERCHANGES	2,078,500			
5	WASILLA BYPASS	223,200			
6	BRAGAW, TUDOR TO ABBOTT, ANCHORAGE	47,000			
7	DOWLING ROAD, LAKE OTIS TO RASPBERRY EXTENSION	188,000			
8	STERLING HIGHWAY, MILE 37-50	204,600			
9	A-C COUPLET PHASE I	7,440,000			
10	HIGHWAY PROJECT CONTINGENCY	3,207,900			
11	CENTRAL REGION AIRPORTS		15,905,300		15,905,300
12	DUTCH HARBOR RUNWAY EXTENSION	5,940,000			
13	TOGIAK AIRPORT RELOCATION	3,150,000			
14	HOMER NEW AIR CARRIER APRON	1,620,000			
15	KODIAK AIR CARRIER APRON EXPANSION	2,160,000			
16	MANOKOTAK AIRPORT RECONSTRUCTION	270,000			
17	AKUTAN AIRPORT CONSTRUCTION	1,350,000			
18	DUZINKIE AIRPORT	657,900			
19	AVIATION PROJECT CONTINGENCY	757,400			
20	CENTRAL REGION MARINE TRANSPORTATION		56,210,000	410,000	55,800,000
21	KODIAK FERRY TERMINAL	2,790,000			
22	TUSTUMENA REPLACEMENT	46,500,000			
23	HOMER FERRY TERMINAL	3,255,000			
24	SELDOVIA FERRY TERMINAL	3,255,000			
25	BOW THRUSTERS	80,000			

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1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION	FUND SOURCES
2			ITEMS	GENERAL FUND	OTHER FUNDS
3		ALLOCATIONS			
4	VESSEL PIPING REPLACEMENT	60,000			
5	HULL, DECK & JOINTER RESTORATION	100,000			
6	TANKS, VOIDS & DOUBLE BOTTOMS	70,000			
7	CAR DECK LIGHTING & VENT SYSTEMS	60,000			
8	CARPET & TILE REPLACEMENT	40,000			
9	INTERIOR REGION HIGHWAYS		64,791,300	234,000	64,557,300
10	ALASKA HIGHWAY, TOK JUNCTION TO YERRICK CREEK	9,930,500			
11	ALASKA HIGHWAY, YERRICK CREEK TO DOT LAKE	280,900			
12	ALASKA HIGHWAY, JOHNSON RIVER TO DOT LAKE	450,100			
13	ALASKA HIGHWAY, MILE 1270-1285	393,400			
14	ALASKA HIGHWAY, MILE 1256-1270	9,284,200			
15	TOK CUTOFF, MILE 111-118	186,000			
16	RICHARDSON HIGHWAY, TRIMS TO MCCALLUM CREEK	418,500			
17	PARKS HIGHWAY, AIRPORT INTERCHANGE	6,510,000			
18	MILE 6 WEIGH STATION, RICHARDSON HIGHWAY	1,302,000			
19	TOK WEIGH STATION	644,000			
20	FOX WEIGH STATION	299,500			
21	RICHARDSON HIGHWAY, CANYON TO SHAW CREEK	2,348,200			
22	TAYLOR HIGHWAY, MILE 23-43	7,314,400			
23	TAYLOR HIGHWAY, MILE 43-66	112,500			
24	STEESE HIGHWAY, MILE 54-66	5,728,800			
25	PARKS HIGHWAY SHOULDER PAVING	4,950,400			

1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
2					
3					
4	MARIAN & DOUGLAS CREEK BRIDGES	710,000			
5	30TH AVENUE BYPASS, FAIRBANKS	8,277,000			
6	FAIRBANKS TRANSIT TURNOUTS, COLLEGE & UNIVERSITY	1,116,000			
7	BADGER ROAD RECONSTRUCTION, FAIRBANKS	1,018,400			
8	FARMERS LOOP ROAD	465,000			
9	HIGHWAY PROJECT CONTINGENCY	3,051,500			
10	INTERIOR REGION AIRPORTS		7,037,400		7,037,400
11	CHALKYITSIK RUNWAY REHABILITATION	432,000			
12	FORT YUKON RUNWAY SURFACING	720,000			
13	NULATO RUNWAY IMPROVEMENT	450,000			
14	NORTHWAY RUNWAY RESURFACING	1,485,000			
15	RAMPART RUNWAY RESURFACING	407,700			
16	BEAVER RUNWAY RESURFACING	470,700			
17	MANLEY RUNWAY CLEARING & RESURFACING	324,900			
18	GALENA APPON EXTENSION	1,013,400			
19	CIRCLE HOT SPRINGS LIGHTING SYSTEM	225,000			
20	TANANA RUNWAY SURFACING	720,000			
21	STEVENS VILLAGE RUNWAY RECONSTRUCTION	453,600			
22	AVIATION PROJECT CONTINGENCY	335,100			
23	SOUTHEAST REGION HIGHWAYS		21,432,200		21,432,200
24	GLACIER HIGHWAY, JUNEAU	1,860,000			
25	ADMIRAL WAY, JUNEAU	787,600			

1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	LOOP ROAD-EGAN DRIVE IMPROVEMENTS, JUNEAU	317,100			
5	KAKE BRIDGES	612,700			
6	MAIN STREET, HAINES	188,400			
7	EGAN EXPRESSWAY RAMPS, JUNEAU	2,472,100			
8	TONGASS AVENUE, KETCHIKAN	864,800			
9	HALIBUT POINT ROAD OVERLAY, SITKA	523,400			
10	CRAIG TO KLAWOCK PAVING	1,663,300			
11	PETERSBURG AIRPORT ROAD	1,360,800			
12	PETERSBURG THRU ROUTE, PHASE III	3,349,500			
13	LEMON ROAD, JUNEAU	2,619,600			
14	MUD BAY ROAD, HAINES	2,845,000			
15	NORTH TONGASS HIGHWAY, KETCHIKAN	17,300			
16	MENDENHALL LOOP ROAD, JUNEAU	930,000			
17	HIGHWAY PROJECT CONTINGENCY	1,020,600			
18	SOUTHEAST REGION AIRPORTS		5,326,200		5,326,200
19	WRANGELL RUNWAY RECONSTRUCTION	1,706,300			
20	SITKA APRON EXPANSION	2,080,800			
21	JUNEAU FLOATPLANE FACILITY	558,900			
22	KLAWOCK RUNWAY EXTENSION	726,600			
23	AVIATION PROJECT CONTINGENCY	253,600			
24	SOUTHEAST REGION MARINE TRANSPORTATION		11,096,800	3,550,000	7,546,800
25	PETERSBURG FERRY DOCK & TOWER REPLACEMENT	860,200			

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1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
2					
3					
4	HAINES FERRY DOCK & TOWER REPLACEMENT	590,500			
5	KETCHIKAN FERRY TERMINAL, PHASE II	1,329,900			
6	REPOWER VESSELS	4,766,200			
7	TERMINAL FACILITY MAINTENANCE	450,000			
8	VESSEL SUITABILITY/DESIGN STUDY	250,000			
9	DIESEL GENERATING UNIT UPGRADE	150,000			
10	STEERING SYSTEMS	200,000			
11	M/V COLUMBIA EMERGENCY GENERATOR REPLACEMENT	500,000			
12	PROPELLER PITCH CONTROL SYSTEMS	200,000			
13	VESSEL SPARE PARTS	120,000			
14	NAVIGATION LIGHTS CONVERSION	80,000			
15	BOW THRUSTERS	160,000			
16	VESSEL PIPING REPLACEMENT	150,000			
17	BAGGAGE STOWAGE UNITS	50,000			
18	VESSEL FURNITURE & LOUNGE CHAIRS	200,000			
19	RAMP TRAFFIC CONTROL	10,000			
20	HULL, DECK & JOINTER RESTORATION	360,000			
21	TANKS, VOIDS & DOUBLE BOTTOMS	320,000			
22	CAR DECK LIGHTING & VENT SYSTEMS	200,000			
23	VESSEL CARPET & TILE REPLACEMENT	150,000			
24	WESTERN REGION HIGHWAYS		12,987,500		12,987,500
25	NOME-BELTZ HIGHWAY WIDENING & REPAVING	1,674,000			

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11

1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	KOTZEBUE THIRD AVENUE	1,116,000			
5	NOME-COUNCIL ROAD STORM DAMAGE REPAIRS	930,000			
6	NOME CITY STREETS, PHASE II	2,325,000			
7	NOME-COUNCIL ROAD, MILE 4-15	1,116,000			
8	NOME-TELLER ROAD RESURFACING	2,604,000			
9	NOME-TAYLOR ROAD, MILE 8-13	1,395,000			
10	NOME-TAYLOR ROAD BRIDGES	1,209,000			
11	HIGHWAY PROJECT CONTINGENCY	618,500			
12	WESTERN REGION AIRPORTS		6,559,200		6,559,200
13	SHAKTOOLIK AIRPORT RELOCATION	893,700			
14	SHISHMAREF AIRPORT RELOCATION	2,138,600			
15	BUCKLAND AIRPORT RELOCATION	1,508,100			
16	DEERING AIRPORT IMPROVEMENTS	306,500			
17	KOTZEBUE AIRPORT LAND ACQUISITION	900,000			
18	AVIATION PROJECT CONTINGENCY	312,300			
19	SOUTHCENTRAL REGION HIGHWAYS		65,584,100		65,584,100
20	RICHARDSON HIGHWAY, MILE 46-65	2,883,000			
21	RICHARDSON HIGHWAY, MILE 6-14	11,160,000			
22	RICHARDSON HIGHWAY, MILE 115-125	6,510,000			
23	COPPER RIVER HIGHWAY, MILE 28-33	1,860,000			
24	RICHARDSON HIGHWAY, MILE 16-19	3,069,000			
25	RICHARDSON HIGHWAY, MILE 186-192	930,000			

11

1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	RICHARDSON HIGHWAY, MILE 35-40	6,830,000			
5	RICHARDSON HIGHWAY, MILE 101-106	7,533,000			
6	RICHARDSON HIGHWAY, MILE 138-148	370,000			
7	TOK HIGHWAY, MILE 38-48	9,486,000			
8	HANAGITA EAST EXTENSION, VALDEZ	837,000			
9	RICHARDSON HIGHWAY, MILE 19-25	1,042,000			
10	GLENN HIGHWAY, MILE 118-189	3,255,000			
11	COPPER RIVER HIGHWAY, MILE 18-27	186,000			
12	TOK HIGHWAY, MILE 48-65	372,000			
13	TOK HIGHWAY, MILE 65-75	279,000			
14	RICHARDSON HIGHWAY, MILE 160-170	279,000			
15	DAYVILLE ROAD PAVINC	930,000			
16	TOK HIGHWAY, MILE 2-30	4,650,000			
17	HIGHWAY PROJECT CONTINGENCY	3,123,100			
18	SOUTHCENTRAL REGION MARINE TRANSPORTATION				
19	TERMINAL FACILITY MAINTENANCE, VALDEZ & CORDOVA		50,000	50,000	
20	TRANSPORTATION PLANNING		12,644,100	4,800,000	7,844,100
21	TRANSPORTATION PLANNING	12,587,600			
22	URBAN MAPPING, ANCHORAGE	9,500			
23	EAST CITY BYPASS CORRIDOR, ANCHORAGE	47,000			
24	STATEWIDE HIGHWAY PROJECTS		23,100,000		23,100,000
25	ON SYSTEM BRIDGE REPLACEMENT	4,675,000			

11

1 TRANSPORTATION (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES
		ALLOCATIONS	ITEMS	GENERAL FUND OTHER FUNDS
4	OFF SYSTEM BRIDGE REPLACEMENT	825,000		
5	REIMBURSABLE AGREEMENTS	8,000,000		
6	SAFETY IMPROVEMENT PROGRAM	8,400,000		
7	PUBLIC TRANSPORTATION	1,200,000		
8	INTERNATIONAL AIRPORTS		3,188,000	3,188,000
9	ANCHORAGE EQUIPMENT	873,000		
10	FAIRBANKS EQUIPMENT	520,000		
11	ANCHORAGE SECURITY PLAN DEVELOPMENT	145,000		
12	ANCHORAGE PUBLIC ROAD IMPROVEMENTS	690,000		
13	ANCHORAGE TERMINAL DESIGN	300,000		
14	ANCHORAGE ANNUAL IMPROVEMENTS	350,000		
15	FAIRBANKS ANNUAL IMPROVEMENTS	210,000		
16	ANCHORAGE UPPER RAMP REPAIR	100,000		
17		* * * * *	* * * * *	
18		* * * * * GENERAL GOVERNMENT	* * * * *	
19		* * * * *	* * * * *	
20	OFFICE OF THE GOVERNOR			
21	EXECUTIVE OPERATIONS			
22	MANAGEMENT BY OBJECTIVES PROJECT		250,000	250,000
23	DEPARTMENT OF ADMINISTRATION			
24	ADMINISTRATIVE SERVICES TO STATE AGENCIES			
25	CONCEPTUAL DESIGN/STATE FINANCIAL SYSTEM		250,000	250,000

1	GENERAL GOVERNMENT (CONT.)	ALLOCATIONS	APPROPRIATION	APPROPRIATION	FUND SOURCES
2			ITEMS	GENERAL FUND	OTHER FUNDS
3					
4	ROOF REPAIR, FAIRBANKS	105,000			
5	ROOF REHABILITATION, SOUTHEASTERN	220,000			
6	GENERAL ROOF REPAIR, CENTRAL	30,500			
7	GOVERNOR'S MANSION MAINTENANCE, JUNEAU	29,000			
8	FAIRBANKS COURT BUILDING COOLING SYSTEM	200,000			
9	BUILDING HVAC SYSTEMS SOUTHEASTERN	105,000			
10	BOILER HVAC REPAIR & REPLACEMENT	48,000			
11	GENERATOR REPLACEMENTS	103,200			
12	FURNACE REPLACEMENT, SOUTHCENTRAL	18,800			
13	FAIRBANKS COURT BUILDING WELL REPAIR	15,000			
14	COMMUNITY BUILDING PIPING REPLACEMENT	76,000			
15	SOUTH FORK WELL & SECURITY FENCE	40,000			
16	BETHEL SHOP IMPROVEMENTS	60,000			
17	FAIRBANKS COURT BUILDING AIR SYSTEM	60,000			
18	CONCRETE SLABS INTERIOR SHOPS	40,000			
19	PAINTING STATE FACILITIES, SOUTHCENTRAL	32,300			
20	PAINTING, INTERIOR REGION	100,000			
21	PAINTING STATE FACILITIES SOUTHEASTERN	50,000			
22	ISLAND CENTER BUILDING CARPET REPLACEMENT	93,000			
23	CAPITOL BUILDING CLEANING & REPAIRS	102,000			
24	STATE OFFICE BUILDING EXTERIOR CLEANING, JUNEAU	90,000			
25	SUBPORT BUILDING MAINTENANCE, JUNEAU	30,000			

11

1 GENERAL GOVERNMENT (CONT.)			APPROPRIATION	APPROPRIATION FUND SOURCES	
		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	THOMPSON PASS BUNKHOUSE FOUNDATION	26,900			
5	REPAIRS TO NOME EQUIPMENT SHOP	334,100			
6	ELEVATOR IMPROVEMENTS, SOUTHEASTERN	60,000			
7	CAPITOL BUILDING EMERGENCY GENERATOR	98,000			
8	CANTWELL SITE IMPROVEMENTS	25,000			
9	COLD STORAGE BUILDING, PAXSON	42,300			
10	CAPITOL BUILDING FIRE ESCAPE PAINTING	50,000			
11	ANCHORAGE VISUAL ARTS CENTER HVAC REPAIRS	33,000			
12	STATE EQUIPMENT FLEET				
13	EQUIPMENT REPLACEMENT PROGRAM		10,253,800		10,253,800
14	FACILITIES PLANNING & RESEARCH		3,945,000	2,945,000	1,000,000
15	FEDERAL HIGHWAY RESEARCH PROGRAM	1,200,000			
16	ENGINEERING COMPUTER SOFTWARE	305,000			
17	HIGHWAY LIFE CYCLE COSTING	250,000			
18	STABILIZED SOILS STUDY	150,000			
19	RESILIENT SOIL PROPERTIES STUDY	80,000			
20	SNOW & ICE CONTROL	150,000			
21	PUT MEASURING DEVICE	35,000			
22	PERMAFROST CULVERTS STUDY	50,000			
23	BUILDING ENERGY CONSERVATION RESEARCH	165,000			
24	SOLAR ALASKAN SCHOOLS	140,000			
25	NEW ROOFING MATERIALS	50,000			

11

1 GENERAL GOVERNMENT (CONT.)

2		ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
3					
4	FUEL CELL TESTING	60,000			
5	REMOTE FACILITY MONITORING	300,000			
6	METEOR BURST DEMONSTRATION PROJECT	40,000			
7	SATELLITE DATA SYSTEM	100,000			
8	VEHICLE AIR QUALITY PROJECT	300,000			
9	NEW PRODUCT TESTING	100,000			
10	ANCHORAGE TRAFFIC COMPUTER IMPROVEMENTS	130,000			
11	PAINT PERFORMANCE TESTING	50,000			
12	PAVEMENT THERMAL STUDY	40,000			
13	RESEARCH CATALOGING SYSTEM	50,000			
14	AIR CUSHION VEHICLE STUDY-STATEWIDE APPLICATIONS	100,000			
15	HYDROFOIL DEMONSTRATION PROJECT	100,000			
16	FACILITIES PLANNING		3,100,000	3,100,000	
17	MANAGEMENT INFORMATION SYSTEM		1,800,000	1,600,000	200,000
18	FACILITIES PLANNING & RESEARCH		2,276,200		2,276,200
19	CAPITAL IMPROVEMENT PROJECT POSITIONS - SUPPORT	71,200			
20	IT IS THE INTENT OF THE LEGISLATURE THAT ALL DEPARTMENT OF TRANSPORTATION CIP POSITIONS SHALL BE BUDGETED AND APPROPRIATED IN				
21	THIS MANNER PENDING DEVELOPMENT OF A PROJECT ACCOUNTING SYSTEM. WITH AN OPERATIONAL, AUTOMATED PROJECT ACCOUNTING SYSTEM,				
22	OTHER BUDGET FORMATS MAY BE REQUESTED.				
23	CAPITAL IMPROVEMENT PROJECT POSITIONS - CENTRAL	541,200			
24	CAPITAL IMPROVEMENT PROJECT POSITIONS - INTERIOR	1,313,800			
25	CAPITAL IMPROVEMENT PROJECT POSITIONS-SOUTHEAST	350,000			

1 * SEC. 11 THE FOLLOWING LIST SETS OUT THE FUNDING OF THE APPROPRIATIONS MADE IN SECTION 237 OF THIS ACT.

2 EDUCATION

3	FEDERAL RECEIPTS	26,985,000
4	GENERAL FUND MATCH	2,669,400
5	GENERAL FUND	348,757,500
6	INTER-AGENCY RECEIPTS	2,557,400
7	PROGRAM RECEIPTS	788,200
8	SCHOOL FUND (CIGARETTE TAX)	2,503,200
9	DONATED COMMODITY HANDLING FEE ACCOUNT	85,700
10	PUBLIC LAW 81-874/GENERAL FUND	16,000,000
11	STUDENT REVOLVING LOAN FUND	2,050,000
12	TRAINING AND BUILDING FUND	250,000
13	*** TOTAL FUNDING ***	402,646,400

14 UNIVERSITY OF ALASKA

15	FEDERAL RECEIPTS	35,567,100
16	GENERAL FUND MATCH	2,310,700
17	GENERAL FUND	99,032,000
18	INTER-AGENCY RECEIPTS	16,013,300
19	PROGRAM RECEIPTS	14,873,100
20	STUDENT FEES, UNIVERSITY OF ALASKA	8,414,500
21	INDIRECT COST RECOVERY	4,333,400
22	RESTRICTED RECEIPTS, U OF A	6,928,100
23	*** TOTAL FUNDING ***	187,472,200

24 SOCIAL SERVICES

25	FEDERAL RECEIPTS	64,533,200
26	GENERAL FUND MATCH	18,776,600

1	GENERAL FUND	69,597,700
2	INTER-AGENCY RECEIPTS	5,918,600
3	PROGRAM RECEIPTS	897,600
4	TITLE 20	4,703,000
5	TRAINING AND BUILDING FUND	230,900
6	*** TOTAL FUNDING ***	164,657,600
7	HEALTH	
8	FEDERAL RECEIPTS	36,134,200
9	GENERAL FUND MATCH	14,436,300
10	GENERAL FUND	62,853,100
11	INTER-AGENCY RECEIPTS	1,180,000
12	PROGRAM RECEIPTS	172,600
13	FEDERAL REVENUE SHARING FUND	9,400,000
14	*** TOTAL FUNDING ***	124,176,200
15	NATURAL RESOURCE MANAGEMENT	
16	FEDERAL RECEIPTS	17,222,300
17	GENERAL FUND MATCH	2,455,500
18	GENERAL FUND	85,434,600
19	INTER-AGENCY RECEIPTS	2,188,800
20	FISH AND GAME FUND	4,714,700
21	PROGRAM RECEIPTS	5,858,500
22	*** TOTAL FUNDING ***	117,874,400
23	PUBLIC PROTECTION	
24	FEDERAL RECEIPTS	4,361,900
25	GENERAL FUND MATCH	1,021,000
26	GENERAL FUND	23,022,100

11

1	INTER-AGENCY RECEIPTS	57,900
2	PROGRAM RECEIPTS	2,226,900
3	SECOND INJURY FUND RESERVE ACCOUNT	1,242,400
4	DISABLED FISHERMANS RESERVE ACCOUNT	991,400
5	*** TOTAL FUNDING ***	32,923,600
6	ADMINISTRATION OF JUSTICE	
7	FEDERAL RECEIPTS	2,778,800
8	GENERAL FUND MATCH	460,400
9	GENERAL FUND	99,583,800
10	INTER-AGENCY RECEIPTS	211,000
11	PROGRAM RECEIPTS	59,300
12	*** TOTAL FUNDING ***	103,093,300
13	DEVELOPMENT	
14	FEDERAL RECEIPTS	6,936,100
15	GENERAL FUND MATCH	376,900
16	GENERAL FUND	59,292,100
17	INTER-AGENCY RECEIPTS	2,390,900
18	AGRICULTURAL LOAN FUND	200,100
19	PROGRAM RECEIPTS	729,900
20	VETERANS REVOLVING LOAN FUND	903,600
21	*** TOTAL FUNDING ***	70,829,600
22	TRANSPORTATION	
23	FEDERAL RECEIPTS	300,000
24	GENERAL FUND	152,627,800
25	INTER-AGENCY RECEIPTS	315,100
26	INTERNATIONAL AIRPORT REVENUE FUND	16,595,600

11

1	PROGRAM RECEIPTS	1,982,900
2	*** TOTAL FUNDING ***	171,821,400
3	GENERAL GOVERNMENT	
4	FEDERAL RECEIPTS	4,353,900
5	GENERAL FUND MATCH	750,900
6	GENERAL FUND	124,557,100
7	INTER-AGENCY RECEIPTS	26,739,100
8	AGRICULTURAL LOAN FUND	19,500
9	FICA ADMINISTRATION FUND ACCOUNT	83,200
10	FISH AND GAME FUND	332,200
11	HIGHWAY WORKING CAPITAL FUND	14,387,200
12	INTERNATIONAL AIRPORT REVENUE FUND	676,700
13	PROGRAM RECEIPTS	2,933,500
14	PUBLIC EMPLOYEES RETIREMENT FUND	1,201,100
15	SECOND INJURY FUND RESERVE ACCOUNT	11,600
16	SURPLUS PROPERTY REVOLVING FUND	152,900
17	TEACHERS RETIREMENT SYSTEM FUND	1,090,500
18	VETERANS REVOLVING LOAN FUND	61,700
19	TRAINING AND BUILDING FUND	17,300
20	*** TOTAL FUNDING ***	177,368,400
21	NEW LEGISLATION	
22	*** TOTAL FUNDING ***	
23	CAPITAL PROJECTS	
24	FEDERAL RECEIPTS	363,620,500
25	GENERAL FUND MATCH	1,842,000
26	GENERAL FUND	55,813,300
27	INTER-AGENCY RECEIPTS	45,140,300

1	RENEWABLE RESOURCES INVESTMENT FUND	36,030,300
2	HIGHWAY WORKING CAPITAL FUND	10,253,800
3	INTERNATIONAL AIRPORT REVENUE FUND	2,563,000
4	PROGRAM RECEIPTS	8,638,400
5	RENEWABLE RESOURCE DEVELOPMENT FUND	20,000,000
6	*** TOTAL FUNDING ***	543,901,600
7	* SEC. 12 THIS ACT TAKES EFFECT IMMEDIATELY IN ACCORDANCE WITH AS 01.10.070(C).	
8		

January 17, 1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18, and art. IX, sec. 12 of the Alaska Constitution, I am transmitting the General Appropriation Bill for Fiscal Year 1981, covering the operating expenses and capital costs of the State of Alaska.

Sincerely,

s/ JSH

Jay S. Hammond
Governor

COMMITTEE COPY

JAY S. HAMMOND
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

556

January 17, 1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18, and art. IX, sec. 12 of the Alaska Constitution, I am transmitting the General Appropriation Bill for Fiscal Year 1981, covering the operating expenses and capital costs of the State of Alaska.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond
Governor



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT
SENATE

FURTHER: None

5/7/80

Date: 5-26-80

Mr. President:

The Committee on FINANCE has had CSSSHB 557

scheduling oil and gas lease sales

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with^SCS for CSSSHB 557 same title
 new title
- and recommends and acc.
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Hobson - no rec.

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
CHAIRMAN

[Signature]

Approved - add to new C.S.

557
Delivered
5-26-80
4:35 pm

PROPOSED AMENDMENT FOR SECTION 2 HB 557 (Senate Finance version)

Page 1, lines 27 through page 2, line 2, delete underlined and insert the following:

A lease sale shall be held in the calendar quarter for which it is scheduled in the proposed oil and gas leasing program but may be delayed by the commissioner for not more than 90 days if the commissioner determines that a delay is in the best interest of the state. A lease sale which is not held as scheduled in the oil and gas leasing program, or in the following 90 day period for a delay authorized by this subsection, may be held only if rescheduled in a proposed leasing program submitted to the legislature as provided in (b) of this section. A lease sale may not be held before the date it is scheduled in the proposed oil and gas leasing program.

Chenoweth,
05:22:80 ✓

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 557

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to scheduling oil and gas lease sales;
7 and providing for an effective date."

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

9 * Section 1. AS 38.05.180(b) is amended to read:

10 (b) The commissioner shall annually prepare and submit to the
11 legislature, between the first and the fifteenth day of each regular
12 legislative session, a five-year proposed oil and gas leasing program
13 consisting of a schedule of proposed lease sales and specifying as
14 precisely as practicable the location of tracts proposed to be offered
15 for oil and gas leasing during the [THIRD AND FOURTH CALENDAR YEARS
16 FOLLOWING THE] calendar year in which the proposed program is submitted
17 to the legislature and the following four calendar years.

18 * Sec. 2. AS 38.05.180(c) is amended to read:

19 (c) Except as provided in (d) and (w) of this section, an [NO] oil
20 and gas lease sale may not be held [ISSUED BY THE COMMISSIONER SHALL BE
21 VALID] unless it was included in the [A] proposed leasing programs
22 [PROGRAM] submitted to the legislature during the two [THIRD AND FOURTH]
23 calendar years preceding the year in which the sale [LEASE] is held
24 [ISSUED, EXCEPT THAT AN AREA PROPOSED FOR LEASING IN THE FOURTH CALENDAR
25 YEAR AFTER THE YEAR IN WHICH THE PROGRAM IS SUBMITTED TO THE LEGISLATURE
26 MAY BE LEASED IF THE COMMISSIONER RESUBMITS THE AREA TO THE FOLLOWING
27 REGULAR LEGISLATIVE SESSION]. ~~A lease sale may be held during the~~
28 ~~calendar year for which it is scheduled in the proposed oil and gas~~
29 ~~leasing program or in any calendar year after the year for which it is~~

1 ~~(scheduled, but may not be held before the year in which it was first~~
2 ~~included.)~~

3 * Sec. 3. AS 38.05.180(d) is amended to read:

4 (d) The commissioner may issue oil and gas leases in an area that
5 has not been included in a leasing program submitted, in accordance with
6 (b) of this section, to the legislature if

7 (1) the land to be leased was previously subject to a valid
8 state or federal oil and gas lease; or

9 (2) the land to be leased is contiguous to land already under
10 state, federal or private lease and the commissioner makes a written
11 finding, after hearing, that leasing of the land would result in a
12 substantial probability of early evaluation and development of the land
13 to be leased; or

14 (3) the land to be leased is adjacent to land owned or
15 controlled by another party on which a discovery of commercial quanti-
16 ties of oil or gas has been made, and where the commissioner finds,
17 after hearing, that there is a reasonable probability that the land to
18 be leased contains oil or gas in communication with the oil or gas
19 discovered on the land of the other party; or

20 (4) the land to be leased is adjacent to land included in
21 the federal five-year Outer Continental Shelf leasing program under 43
22 U.S.C. sec. 1344, and the commissioner makes a written finding, after
23 hearing, that coordinated or simultaneous leasing with the federal
24 government would be in the public interest.

25 * Sec. 4. AS 38.05.180(e)(2) is amended to read:

26 (2) if determined, a description of the bidding methods to
27 be used for all lease sales to be held during the current and next two
28 succeeding calendar years [AND, IF DETERMINED, THE BIDDING METHODS TO BE
29 USED];

1 * Sec. 5. AS 38.05.180(w) is amended to read:

2 (w) Notwithstanding any other provision of this section, land
3 which has been offered for lease within the previous five years and
4 which received no bids at competitive sale or for which no bid was
5 accepted may be, at the discretion of the commissioner, immediately
6 offered for lease, under regulations adopted by him, upon terms appear-
7 ing most advantageous to the state; however, non-competitive leasing is
8 prohibited. The commissioner shall establish a royalty as he determines
9 to be in the public interest but not less than 12-1/2 percent. A lease
10 must provide for payment to the state or rental but need not adhere to
11 the rental schedule in (n) of this section nor to the 5,760-acres-per-
12 lease limitation in (m) of this section. The lease term may not exceed
13 five years except as provided in (m) and (o) of this section.

14 * Sec. 6. Section 7, ch. 155 SLA 1978, as amended by sec. 2, ch. 65 SLA
15 1979, is amended to read:

16 Sec. 7. TRANSITIONAL PROVISIONS. By the 20th day of the First
17 Session of the Eleventh Legislature the commissioner of natural re-
18 sources shall submit a proposed oil and gas leasing program to the
19 legislature in accordance with AS 38.05.180(b), except that the proposed
20 program shall cover all areas to be leased in 1979 through 1983. No
21 lease, except as authorized under AS 38.05.180(d) or 38.05.180(w), shall
22 be issued during 1979, 1980, [OR] 1981, or 1982 unless the land to be
23 leased was included in this proposed leasing program.

24 * Sec. 7. TRANSITIONAL PROVISIONS. (a) By the 30th day following the
25 effective date of this section, the commissioner of natural resources shall
26 revise the five-year oil and gas leasing program which was submitted on
27 January 23, 1980, to the Second Session of the Eleventh Legislature. The
28 commissioner of natural resources shall make the necessary revisions of the
29 five-year oil and gas leasing program under this subsection and conduct lease

1 sales in accordance with the revised five-year oil and gas leasing program as
2 if the revised program had been submitted by the 15th day of the Second
3 Session of the Eleventh Legislature.

4 (b) To provide maximum opportunity for participation in state oil and
5 gas leasing programs by individual bidders who do not possess the financial
6 resources of major companies, the commissioner of natural resources shall
7 investigate methods by which those individual bidders, and the citizens of
8 the state generally, may participate in the development of oil and gas
9 resources and report to the legislature his recommendations concerning
10 implementation of those methods. The commissioner's recommendations under
11 this subsection shall be submitted in a report transmitted to the legislature
12 not later than the 10th day of the First Session of the Twelfth Legislature.

13 * Sec. 8. Sections 1 - 5 of this Act are retroactive to January 14, 1980.

14 * Sec. 9. Section 6 of this Act is retroactive to January 1, 1979.

15 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

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Approved - add to new C.S.

557

PROPOSED AMENDMENT FOR SECTION 2 HB 557 (Senate Finance version)
Page 1, lines 27 through page 2, line 2, delete underlined and
insert the following:

which
A lease sale shall be held in the calendar quarter for which
it is scheduled in the proposed oil and gas leasing program
but may be delayed by the commissioner for not more than
90 days if the commissioner determines that a delay is in the
best interest of the state. A lease sale which is not held
as scheduled in the oil and gas leasing program, or in the
following 90 day period for a delay authorized by this
subsection, may be held only if rescheduled in a proposed
leasing program submitted to the legislature as provided in
(b) of this section. A lease sale may not be held before the
date it is scheduled in the proposed oil and gas leasing
program.

Original sponsor: Rules/Governor

Offered: 5/2/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 557

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to scheduling oil and gas lease sales;
7 and providing for an effective date."

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

9 * Section 1. AS 38.05.180(b) is amended to read:

10 (b) The commissioner shall annually prepare and submit to the
11 legislature, between the first and the fifteenth day of each regular
12 legislative session, a five-year proposed oil and gas leasing program
13 consisting of a schedule of proposed lease sales and specifying as
14 precisely as practicable the location of tracts proposed to be offered
15 for oil and gas leasing during the [THIRD AND FOURTH CALENDAR YEARS
16 FOLLOWING THE] calendar year in which the proposed program is submitted
17 to the legislature and the following four calendar years.

18 * Sec. 2. AS 38.05.180(c) is amended to read:

19 (c) Except as provided in (d) and (w) of this section, an [NO] oil
20 and gas lease sale may not be held [ISSUED BY THE COMMISSIONER SHALL BE
21 VALID] unless it was included in the [A] proposed leasing programs
22 [PROGRAM] submitted to the legislature during the two [THIRD AND FOURTH]
23 calendar years preceding the year in which the sale [LEASE] is held
24 [ISSUED, EXCEPT THAT AN AREA PROPOSED FOR LEASING IN THE FOURTH CALENDAR
25 YEAR AFTER THE YEAR IN WHICH THE PROGRAM IS SUBMITTED TO THE LEGISLATURE
26 MAY BE LEASED IF THE COMMISSIONER RESUBMITS THE AREA TO THE FOLLOWING
27 REGULAR LEGISLATIVE SESSION]. A lease sale shall be held on the date
28 for which it is scheduled in the proposed oil and gas leasing program
29 but may be delayed by the commissioner to a date which is not later than

1 60 days after the date the sale is scheduled if the commissioner deter-
2 mines that a delay is in the best interest of the state. A lease sale
3 which is scheduled and not held on the date scheduled in the oil and
4 gas leasing program, or in the following 60-day period for a delay
5 authorized by this subsection, may be held only if scheduled as provided
6 in (b) of this section. A lease sale may not be held before the date it
7 is scheduled in the proposed oil and gas leasing program.

8 * Sec. 3. AS 38.05.180(e)(2) is amended to read:

9 (2) if determined, a description of the bidding methods to
10 be used for all lease sales to be held during the current and next two
11 succeeding calendar years [AND, IF DETERMINED, THE BIDDING METHODS TO BE
12 USED];

13 * Sec. 4. AS 38.05.180(w) is amended to read:

14 (w) Notwithstanding any other provision of this section, land
15 which has been offered for lease within the previous five years and
16 which received no bids at competitive sale or for which no bid was
17 accepted may be, at the discretion of the commissioner, immediately
18 offered for lease, under regulations adopted by him, upon terms appear-
19 ing most advantageous to the state; however, non-competitive leasing is
20 prohibited. The commissioner shall establish a royalty as he determines
21 to be in the public interest but not less than 12 1/2 percent. A lease
22 must provide for payment to the state or rental but need not adhere to
23 the rental schedule in (n) of this section nor to the 5,760-acres-per-
24 lease limitation in (m) of this section. The lease term may not exceed
25 five years except as provided in (m) and (o) of this section.

26 * Sec. 5. Section 7, ch. 155 SLA 1978, as amended by sec. 2, ch. 65 SLA
27 1979, is amended to read:

28 Sec. 7. TRANSITIONAL PROVISIONS. By the 20th day of the First
29 Session of the Eleventh Legislature the commissioner of natural re-

1 sources shall submit a proposed oil and gas leasing program to the
2 legislature in accordance with AS 38.05.180(b), except that the proposed
3 program shall cover all areas to be leased in 1979 through 1983. No
4 lease, except as authorized under AS 38.05.180(d) or 38.05.180(w), shall
5 be issued during 1979, 1980, [OR] 1981, or 1982 unless the land to be
6 leased was included in this proposed leasing program.

7 * Sec. 6. TRANSITIONAL PROVISIONS. (a) By the 30th day following the
8 effective date of this Act, the commissioner of natural resources shall
9 revise the five-year oil and gas leasing program which was submitted on
10 January 23, 1980, to the Second Session of the Eleventh Legislature. The
11 revised five-year oil and gas leasing program shall be based on the current
12 ability of the Department of Natural Resources to finish geologic and geo-
13 physical evaluations of individual tracts for lease sales during 1980 and
14 1981.

15 (b) The commissioner of natural resources shall make the necessary
16 revisions of the five-year oil and gas leasing program under (a) of this
17 section and conduct lease sales in accordance with the revised five-year oil
18 and gas leasing program as if the revised program had been submitted by the
19 fifteenth day of the Second Session of the Eleventh Legislature.

20 * Sec. 7. Sections 1 - 4 of this Act are retroactive to January 14, 1980.

21 * Sec. 8. Section 5 of this Act is retroactive to January 1, 1979.

22 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

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Analysis

PROPOSED FINANCE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HB 557

Section 1. Amends AS 38.05.180(b) to make clear that the oil and gas leasing schedule must be a five-year schedule, including the current year and the following four years.

Section 2. Amends AS 38.05.180(c) to provide that a sale may not be held unless it was included on the proposed program during the two preceding years. This changes current law in two ways: currently, a sale may be held, but the lease issued by the commissioner would be invalid if the sale was not included in the preceding schedule; secondly, the sale would have to be in the leasing schedule two years prior to sale rather than the current four years. A lease sale may be held during the calendar year for which it is scheduled in the proposed oil and gas leasing program or in any calendar year after the year for which it is scheduled, but may not be held before the year in which it was first included.

Section 3. Creates a new category of "exempt" acreage that can be leased without appearing on the schedule. This would allow leasing of state land adjacent to federal land scheduled for an OCS lease sale.

Section 4. Amends AS 38.05.180(e)(2) to clarify the language calling for a description of the bidding methods, if determined, to be included in the sale schedule.

page 2

Section 5. Amends AS 38.05.180(w) so that lands offered for bids once and "for which no bid was accepted" may be sold again at the discretion of the commissioner under the exempt acreage program, rather than having to be placed again on the leasing schedule.

Section 6. Amends Sec. 7, ch. 155 SLA 1978, as amended by Sec. 2, ch. 65 SLA 1979, so that leases may be validly issued in 1982. Current statute does not provide a transition clause for sales in 1982, making those sales legally questionable.

Section 7. Adds new transitional provisions. (a) Provides that within 30 days of the effective date of this Act, the Commissioner of Natural Resources shall revise the five-year leasing program submitted for 1980. Provides that the revisions shall be made and effective as if the revised program had been submitted to the legislature by the 15th day of this session. (b) Directs the commissioner of DNR to investigate ways to allow state citizens to participate in the oil and gas leasing program.

Section 8. Sections 1 - 5 are retroactive to January 14, 1980.

Section 9. Section 6 is retroactive to January 1, 1979.

Section 10. Immediate effective date.

SS HB 557

May 12, 1980

TO: Bill Hogan

FROM: Kay Brown

SUBJECT: SS SB 341

Attached is a copy of a section-by-section analysis of SS HB 557, which is identical to SS SB 341. The section-by-section was transmitted to both bodies by the governor when the SS was introduced, but was only printed in the House Journal Supplement.

Both SS SB 341, which has passed the Senate Resources Committee, and CS SS HB 557, which has passed the House, are pending in Senate Finance.

AGO 797981 +

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3B341

SECTION-BY-SECTION ANALYSIS

AS 38.05.180(b) requires the Department of Natural Resources to submit to the legislature annually a schedule for proposed oil and gas leasing of state-owned land in the third and fourth calendar years following the year in which the schedule was submitted. Under AS 38.05.180(c), no oil and gas lease issued by the state is valid unless it was listed on the schedule submitted three and four calendar years before the lease is issued, with some exceptions which are listed in AS 38.05.180(d) and 38.05.180(w). Under AS 38.05.180(e), the commissioner also must annually submit a report to the legislature containing, among other things, a description of all lease sales to be held during that calendar year and the next two succeeding years and, if determined, the bidding methods to be used.

In preparing the required submission to the Second Session of the Eleventh Legislature, the department encountered serious difficulty in adhering to both the statutory scheduling scheme and the purposes of the oil and gas leasing statute as set out in AS 38.05.180(a), which are to maximize the recovery of the resources, maximize competition, maximize the use of Alaska's human resources, recognize varying conditions throughout the state, and minimize the adverse impact of oil and gas development. In addition, certain potential legal problems with the statute were identified, stemming primarily from rather confusing language in that statute.

HB 557, the bill on this subject originally introduced at my request, would have solved some of those problems. However, review of that measure in light of the final schedule submitted to the legislature on January 23, 1980 indicated that certain additional amendments would further reduce confusion and the number of legal questions surrounding the state's oil and gas leasing activities. The attached sponsor substitute will accomplish those objectives.

[One area of confusion results from a lack of uniformity in the terms employed in the various subsections. AS 38.05.180(b) calls for a proposed oil and gas leasing "program" describing the "location of tracts" to be leased during the third and fourth calendar years following submission of the "program;" AS 38.05.180(c) provides that no oil and gas "lease" may be issued unless "it" was included in the "program" submitted three and four years earlier, except an "area" may be leased if the commissioner "resubmits" it; AS 38.05.180(e) requires the submission of a "report" to include a "description" of "lease sales" to be held during the current and next two succeeding calendar years.

These provisions, taken together, require that the commissioner provide the legislature annually with a comprehensive proposed

SS
HB
557

five-year oil and gas leasing program, identifying the timing and areas of proposed lease sales. Section 1 of this bill would amend AS 38.05.180(b) to make that clear by requiring the commissioner to annually prepare and submit to the legislature a five-year proposed oil and gas leasing program consisting of a schedule of proposed oil and gas lease sales to be held during the year of submission and the following four calendar years. To avoid confusion, section 4 would amend AS 38.05.180(e) to remove the requirement of a "description" of sales to be held in the current calendar year and the next two succeeding calendar years, but leaving the requirement that the "report" under that subsection include a description of the bidding methods to be used during those three years if determined.

A major difficulty encountered by the department in preparing this year's submission was that the existing statutory provisions governing scheduling allow virtually no flexibility in updating and resubmitting a previously submitted five-year leasing schedule. Because existing AS 38.05.180(c) provides that no oil and gas lease is valid unless it was included in the proposed leasing programs submitted to the legislature during the third and fourth calendar years preceding the year in which the lease is issued, no new sales may be added in the final year of the previously submitted program even if the advisability of such an addition becomes apparent only after the schedule has been submitted to the legislature. This is precisely what occurred in reviewing the leasing schedule submitted to the First Session of the Eleventh Legislature and updating it for submission to the Second Session.

The purposes of the oil and gas leasing statute can best be served by scheduling an Eastern Gulf of Alaska sale during calendar year 1983. While announcing such a sale at this time will give adequate opportunity for public comment and orderly decision-making regarding the terms and conditions of such a sale, thereby satisfying the legislative intent underlying the statute, a literal reading of the language of existing AS 38.05.180(c) could result in the invalidity of any leases ultimately issued as the result of such a sale. The amendment proposed in sec. 2 of this bill would provide sufficient flexibility to allow the addition of previously unannounced oil and gas lease sales in the third calendar year (the last year of the proposed program submitted the previous year) following the year in which the schedule was submitted to the legislature.

It should be noted that AS 38.05.180(b), both as it exists now and as it would be amended by this bill, still would require the preparation and submission to the legislature of a proposed leasing program five years in advance; the amendment would merely authorize the addition of lease sales in the last year of the program submitted the previous year. (Section 1 of HB 557 as originally introduced would have accomplished this

SS
HB
557

result; in this respect the attached sponsor substitute does not differ from the bill originally introduced.)

Section 2 also would change the legal consequence of a failure to comply with the statutory scheduling provisions by substituting a prohibition on holding nonconforming sales for the current consequence, lease invalidity. I believe that the statutory provisions enacted by the legislature as procedural safeguards on the disposal of state resources must accomplish the desired result. At the same time, I believe that the state should make every effort to ensure that leases it ultimately issues are valid. The prohibition on holding lease sales which do not satisfy the statutory scheduling provisions would preclude the commissioner from proceeding with a nonconforming lease sale while removing the threat that leases issued might, at some remote future point in time, be ruled invalid.

Section 2 also makes substantial changes in language in AS 38.05.180(c). There is virtual unanimity of opinion that subsection (c), as it currently exists, is very confusing. This section would amend AS 38.05.180(c) to provide that every lease sale (except exempt acreage sales), at minimum, would have to have been listed on the proposed five-year oil and gas leasing program submitted each of the three preceding years. In addition, it would provide that any given lease sale, once it has been included as part of a proposed five-year oil and gas leasing program, could not be held in a calendar year earlier than the calendar year for which it was initially proposed. These two requirements would ensure that every oil and gas lease sale (except exempt acreage sales) would be announced a minimum of three years in advance, with almost all sales announced a full four years in advance.

Finally, sec. 2 would make clear that, while a lease sale may not be held in an earlier year than initially scheduled, it may be held in a calendar year later than the one for which it was initially scheduled. Although it appears that the existing statutory language would permit such a delay, see Op. Atty. Gen. dated January 16, 1980, it is not absolutely certain that the courts would reach that result. I firmly believe that a decision to delay a lease sale should not be made lightly; however, if there are legitimate reasons for delaying a lease sale, that decision should be made on the merits of delay and not on its possible legal effect. By making it clear that a delay in holding a lease sale will not prohibit the sale altogether, the Department of Natural Resources will not have to choose between holding the sale as scheduled, even if a delay of one or more years is desirable, and delaying the sale a minimum of four years to reschedule it as part of the next oil and gas leasing program submitted to the legislature.

Because of the state's desire to coordinate offshore submerged land sales with the federal government when possible, and because the federal Outer Continental Shelf oil and gas leasing schedule may subject to change, I believe it is desirable for the state to have sufficient flexibility to make changes in and additions to an already submitted schedule when necessary to allow for coordinated or simultaneous sales with the federal government. Accordingly, Sec. 3 of this bill would amend AS 38.05.180(d) to permit the leasing of adjacent state-owned land, even if that leasing does not conform to an already submitted state five-year oil and gas leasing schedule, if the commissioner of natural resources makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government would be in the public interest. (This section appears as sec. 2 in HB 557.)

AS 38.05.180(w) exempts "land which has been offered for lease within the previous five years and which received no bids at competitive sale" from the scheduling requirements discussed above. Experience has shown that there are two ways in which land which has been offered for lease will not be leased: (1) if no bids are received, and (2) if, although bids are received, none is accepted. From a policy standpoint, there appears to be no reason to distinguish land which is not leased because no bids are received from land which is not leased because none of the bids received is accepted. Accordingly, sec. 5 of this bill would amend AS 38.05.180(w) to exempt from scheduling requirements land previously offered for lease but for which no bid was either received or accepted. (This section appears as sec. 3 in HB 557.)

In preparing the schedule for submission to the Second Session of the Eleventh Legislature, a problem with the transitional provisions of ch. 155 SLA 1978, the law which established the requirements, was discovered. The transitional provisions provide that no leases could be issued during 1979, 1980 or 1981 unless the land to be leased was included in the proposed leasing program submitted in 1979 to the First Session of the Eleventh Legislature. That proposed leasing program was the first prepared under the new law. The validity of leases issued in 1982 and thereafter would be governed by the substantive provisions of AS 38.05.180(b) and (c). However, 1982 is the third calendar year following the year in which that first schedule was submitted. As a direct result, any lease sale held in 1982 would not have been included in a proposed leasing program submitted to the legislature during both the third and fourth preceding calendar years; the fourth calendar year preceding 1982 was 1978 and, of course, no proposed leasing schedule was submitted that year. To ensure the validity

SS
HB
557

of any leases issued as the result of a sale in 1982, sec. 6 of this bill would permit leases to be issued during 1982 if the land to be leased was included in the proposed leasing program submitted to the First Session of the Eleventh Legislature. This section would also make a technical amendment to the transitional provisions of ch. 155 SLA 1978 to recognize the statutory exemption from scheduling requirements contained in AS 38.05.180(w). (This section appears as sec. 4 in HB 557.)

Finally, as the Department of Natural Resources indicated in the proposed oil and gas leasing program it submitted to the Second Session of the Eleventh Legislature on January 23, 1980, the amendments proposed in this bill have been proposed because the lack of flexibility in the existing statutory scheme would not permit the department to present the optimum leasing program. The department indicated that it would make certain changes to the program submitted if the amendments contained in this bill were enacted. Section 7 of this bill is a transitional provision which will permit the department to revise the program already submitted to conform with what the department indicated in its submittal would be the optimum program, the department would adopt if the scheduling provisions of the existing statute were amended to permit such a revision.

Sections 7 and 8 of this bill would make these amendments retroactive as appropriate, and sec. 9 would make the bill effective immediately.

PROPOSED AMENDMENT TO CS FOR SS FOR HB 557

page 1, line 27 through page 2, line 7, delete underlined language and insert instead:

1 A lease sale shall be held in the calendar quarter for which
2 it is scheduled in the proposed oil and gas leasing program but
3 may be delayed by the commissioner for not more than 90 days
4 if the commissioner determines that a delay is in the best
5 interest of the state. A lease sale which is not held as scheduled
6 in the oil and gas leasing program, or in the following 90-day
7 period for a delay authorized by this subsection, may be held
8 only if rescheduled in a proposed leasing program submitted to
9 the legislature as provided in (b) of this section; provided,
10 however, this provision does not apply to delays caused by
11 judicial decisions or lack thereof. A lease sale may not be
12 held before the date it is scheduled in the proposed oil and
13 gas leasing program.

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15 *From:*
16 *Rep. Miles*
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Original sponsor: Rules/Governor

Offered: 5/2/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 557

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to scheduling oil and gas lease sales;
7 and providing for an effective date."

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

9 * Section 1. AS 38.05.180(b) is amended to read:

10 (b) The commissioner shall annually prepare and submit to the
11 legislature, between the first and the fifteenth day of each regular
12 legislative session, a five-year proposed oil and gas leasing program
13 consisting of a schedule of proposed lease sales and specifying as
14 precisely as practicable the location of tracts proposed to be offered
15 for oil and gas leasing during the [THIRD AND FOURTH CALENDAR YEARS
16 FOLLOWING THE] calendar year in which the proposed program is submitted
17 to the legislature and the following four calendar years.

18 * Sec. 2. AS 38.05.180(c) is amended to read:

19 (c) Except as provided in (d) and (w) of this section, an [NO] oil
20 and gas lease sale may not be held [ISSUED BY THE COMMISSIONER SHALL BE
21 VALID] unless it was included in the [A] proposed leasing programs
22 [PROGRAM] submitted to the legislature during the two [THIRD AND FOURTH]
23 calendar years preceding the year in which the sale [LEASE] is held
24 [ISSUED, EXCEPT THAT AN AREA PROPOSED FOR LEASING IN THE FOURTH CALENDAR
25 YEAR AFTER THE YEAR IN WHICH THE PROGRAM IS SUBMITTED TO THE LEGISLATURE
26 MAY BE LEASED IF THE COMMISSIONER RESUBMITS THE AREA TO THE FOLLOWING
27 REGULAR LEGISLATIVE SESSION]. [A lease sale shall be held on the date
28 for which it is scheduled in the proposed oil and gas leasing program
29 but may be delayed by the commissioner to a date which is not later than

See amendment

1 60 days after the date the sale is scheduled if the commissioner deter-
2 mines that a delay is in the best interest of the state. A lease sale
3 which is scheduled and not held on the date scheduled in the oil and
4 gas leasing program, or in the following 60-day period for a delay
5 authorized by this subsection, may be held only if scheduled as provided
6 in (b) of this section. A lease sale may not be held before the date it
7 is scheduled in the proposed oil and gas leasing program.]

8 * Sec. 3. AS 38.05.180(e)(2) is amended to read:

9 (2) if determined, a description of the bidding methods to
10 be used for all lease sales to be held during the current and next two
11 succeeding calendar years [AND, IF DETERMINED, THE BIDDING METHODS TO BE
12 USED];

13 * Sec. 4. AS 38.05.180(w) is amended to read:

14 (w) Notwithstanding any other provision of this section, land
15 which has been offered for lease within the previous five years and
16 which received no bids at competitive sale or for which no bid was
17 accepted may be, at the discretion of the commissioner, immediately
18 offered for lease, under regulations adopted by him, upon terms appear-
19 ing most advantageous to the state; however, non-competitive leasing is
20 prohibited. The commissioner shall establish a royalty as he determines
21 to be in the public interest but not less than 12 1/2 percent. A lease
22 must provide for payment to the state or rental but need not adhere to
23 the rental schedule in (n) of this section nor to the 5,760-acres-per-
24 lease limitation in (m) of this section. The lease term may not exceed
25 five years except as provided in (m) and (o) of this section.

26 * Sec. 5. Section 7, ch. 155 SLA 1978, as amended by sec. 2, ch. 65 SLA
27 1979, is amended to read:

28 Sec. 7. TRANSITIONAL PROVISIONS. By the 20th day of the First
29 Session of the Eleventh Legislature the commissioner of natural re-

1 sources shall submit a proposed oil and gas leasing program to the
2 legislature in accordance with AS 38.05.180(b), except that the proposed
3 program shall cover all areas to be leased in 1979 through 1983. No
4 lease, except as authorized under AS 38.05.180(d) or 38.05.180(w), shall
5 be issued during 1979, 1980, [OR] 1981, or 1982 unless the land to be
6 leased was included in this proposed leasing program.

7 * Sec. 6. TRANSITIONAL PROVISIONS. (a) By the 30th day following the
8 effective date of this Act, the commissioner of natural resources shall
9 revise the five-year oil and gas leasing program which was submitted on
10 January 23, 1980, to the Second Session of the Eleventh Legislature. The
11 revised five-year oil and gas leasing program shall be based on the current
12 ability of the Department of Natural Resources to finish geologic and geo-
13 physical evaluations of individual tracts for lease sales during 1980 and
14 1981.

15 (b) The commissioner of natural resources shall make the necessary
16 revisions of the five-year oil and gas leasing program under (a) of this
17 section and conduct lease sales in accordance with the revised five-year oil
18 and gas leasing program as if the revised program had been submitted by the
19 fifteenth day of the Second Session of the Eleventh Legislature.

20 * Sec. 7. Sections 1 - 4 of this Act are retroactive to January 14, 1980.

21 * Sec. 8. Section 5 of this Act is retroactive to January 1, 1979.

22 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

To: Bill Miles
From: Mary Halloran ^{HH}

Sectional Analysis of Resources CS for SSHB 557 "Scheduling
Oil and Gas Lease Sales"

*Section 1. Amends AS 38.05.180(b) to make clear that the oil and gas leasing schedule must be a five-year schedule, including the current year and the following four years.

*Section 2. Amends AS 38.05.180(c) to provide that a sale may not be held unless it was included on the proposed program during the two preceding years. This changes current law in two ways: currently, a sale may be held, but the lease issued by the commissioner would be invalid if the sale was not included in the preceding schedule; secondly, the sale would have to be in the leasing schedule two years prior to sale rather than the current four years. This change also provides that a proposed sale may be delayed by the commissioner for up to 60 days from its scheduled date and still held. If delayed beyond 60 days from its scheduled date, the sale must be placed again, if it is to be held, at the bottom of the sale schedule, or two years later. A sale may not be held prior to its scheduled date in any case.

*Section 3. Amends AS 38.05.180(e)(2) to clarify the language calling for a description of the bidding methods, if determined, to be included in the sale schedule.

*Section 4. Amends AS 38.05.180(w) so that lands offered for bids once and "for which no bid was accepted" may be sold again at the discretion of the commissioner under the exempt acreage program, rather than having to be placed again on the leasing schedule.

*Section 5. Amends Sec. 7, ch. 155 SLA 1978, as amended by Sec. 2, ch. 65 SLA 1979, so that leases may be validly issued in 1982. Current statute does not provide a transition clause for sales in 1982, making those sales legally questionable.

*Section 6. Adds new transitional provisions. (a) Provides that within 30 days of the effective date of this Act, the Commissioner of Natural Resources shall revise the five-year leasing program submitted for 1980. For sales during 1980 and 1981, the revision is to be based on the Department's ability to finish geologic and geophysical evaluations of individual tracts. (b) Provides that the revisions shall be made and effective as if the revised program had been submitted to the Legislature by the 15th day of this session.

*Section 7. Sections 1-4 are retroactive to January 14, 1980.

*Section 8. Section 5 is retroactive to January 1, 1979.

*Section 9. Immediate effective date.

JAY S. HAMMOND
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 12, 1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a sponsor substitute for HB 557, a bill to amend the state's oil and gas leasing statute, AS 38.05.180, regarding scheduling lease sales. Because of the complexity of the bill, I am attaching, for your convenience, a section-by-section analysis which explains the substitute bill and the differences between it and the currently pending version.

Sincerely,

Jay S. Hammond
Governor

HB 557
SSHB 557
557

SECTION-BY-SECTION ANALYSIS

AS 38.05.180(b) requires the Department of Natural Resources to submit to the legislature annually a schedule for proposed oil and gas leasing of state-owned land in the third and fourth calendar years following the year in which the schedule was submitted. Under AS 38.05.180(c), no oil and gas lease issued by the state is valid unless it was listed on the schedule submitted three and four calendar years before the lease is issued, with some exceptions which are listed in AS 38.05.-180(d) and 38.05.180(w). Under AS 38.05.180(e), the commissioner also must annually submit a report to the legislature containing, among other things, a description of all lease sales to be held during that calendar year and the next two succeeding years and, if determined, the bidding methods to be used.

In preparing the required submission to the Second Session of the Eleventh Legislature, the department encountered serious difficulty in adhering to both the statutory scheduling scheme and the purposes of the oil and gas leasing statute as set out in AS 38.05.180(a), which are to maximize the recovery of the resources, maximize competition, maximize the use of Alaska's human resources, recognize varying conditions throughout the state, and minimize the adverse impact of oil and gas development. In addition, certain potential legal problems with the statute were identified, stemming primarily from rather confusing language in that statute.

HB 557, the bill on this subject originally introduced at my request, would have solved some of those problems. However, review of that measure in light of the final schedule submitted to the legislature on January 23, 1980 indicated that certain additional amendments would further reduce confusion and the number of legal questions surrounding the state's oil and gas leasing activities. The attached sponsor substitute will accomplish those objectives.

One area of confusion results from a lack of uniformity in the terms employed in the various subsections. AS 38.05.180(b) calls for a proposed oil and gas leasing "program" describing the "location of tracts" to be leased during the third and fourth calendar years following submission of the "program;" AS 38.05.180(c) provides that no oil and gas "lease" may be issued unless "it" was included in the "program" submitted three and four years earlier, except an "area" may be leased if the commissioner "resubmits" it; AS 38.05.180(e) requires the submission of a "report" to include a "description" of "lease sales" to be held during the current and next two succeeding calendar years.

These provisions, taken together, require that the commissioner provide the legislature annually with a comprehensive proposed

five-year oil and gas leasing program, identifying the timing and areas of proposed lease sales. Section 1 of this bill would amend AS 38.05.180(b) to make that clear by requiring the commissioner to annually prepare and submit to the legislature a five-year proposed oil and gas leasing program consisting of a schedule of proposed oil and gas lease sales to be held during the year of submission and the following four calendar years. To avoid confusion, section 4 would amend AS 38.05.-180(e) to remove the requirement of a "description" of sales to be held in the current calendar year and the next two succeeding calendar years, but leaving the requirement that the "report" under that subsection include a description of the bidding methods to be used during those three years if determined.

A major difficulty encountered by the department in preparing this year's submission was that the existing statutory provisions governing scheduling allow virtually no flexibility in updating and resubmitting a previously submitted five-year leasing schedule. Because existing AS 38.05.180(c) provides that no oil and gas lease is valid unless it was included in the proposed leasing programs submitted to the legislature during the third and fourth calendar years preceding the year in which the lease is issued, no new sales may be added in the final year of the previously submitted program even if the advisability of such an addition becomes apparent only after the schedule has been submitted to the legislature. This is precisely what occurred in reviewing the leasing schedule submitted to the First Session of the Eleventh Legislature and updating it for submission to the Second session.

The purposes of the oil and gas leasing statute can best be served by scheduling an Eastern Gulf of Alaska sale during calendar year 1983. While announcing such a sale at this time will give adequate opportunity for public comment and orderly decision-making regarding the terms and conditions of such a sale, thereby satisfying the legislative intent underlying the statute, a literal reading of the language of existing AS 38.05.180(c) could result in the invalidity of any leases ultimately issued as the result of such a sale. The amendment proposed in sec. 2 of this bill would provide sufficient flexibility to allow the addition of previously unannounced oil and gas lease sales in the third calendar year (the last year of the proposed program submitted the previous year) following the year in which the schedule was submitted to the legislature.

It should be noted that AS 38.05.180(b), both as it exists now and as it would be amended by this bill, still would require the preparation and submission to the legislature of a proposed leasing program five years in advance; the amendment would merely authorize the addition of lease sales in the last year of the program submitted the previous year. (Section 1 of HB 557 as originally introduced would have accomplished this

result; in this respect the attached sponsor substitute does not differ from the bill originally introduced.)

Section 2 also would change the legal consequence of a failure to comply with the statutory scheduling provisions by substituting a prohibition on holding nonconforming sales for the current consequence, lease invalidity. I believe that the statutory provisions enacted by the legislature as procedural safeguards on the disposal of state resources must accomplish the desired result. At the same time, I believe that the state should make every effort to ensure that leases it ultimately issues are valid. The prohibition on holding lease sales which do not satisfy the statutory scheduling provisions would preclude the commissioner from proceeding with a nonconforming lease sale while removing the threat that leases issued might, at some remote future point in time, be ruled invalid.

Section 2 also makes substantial changes in language in AS 38.05.180(c). There is virtual unanimity of opinion that subsection (c), as it currently exists, is very confusing. This section would amend AS 38.05.180(c) to provide that every lease sale (except exempt acreage sales), at minimum, would have to have been listed on the proposed five-year oil and gas leasing program submitted each of the three preceding years. In addition, it would provide that any given lease sale, once it has been included as part of a proposed five-year oil and gas leasing program, could not be held in a calendar year earlier than the calendar year for which it was initially proposed. These two requirements would ensure that every oil and gas lease sale (except exempt acreage sales) would be announced a minimum of three years in advance, with almost all sales announced a full four years in advance.

Finally, sec. 2 would make clear that, while a lease sale may not be held in an earlier year than initially scheduled, it may be held in a calendar year later than the one for which it was initially scheduled. Although it appears that the existing statutory language would permit such a delay, see Op. Atty. Gen. dated January 16, 1980, it is not absolutely certain that the courts would reach that result. I firmly believe that a decision to delay a lease sale should not be made lightly; however, if there are legitimate reasons for delaying a lease sale, that decision should be made on the merits of delay and not on its possible legal effect. By making it clear that a delay in holding a lease sale will not prohibit the sale altogether, the Department of Natural Resources will not have to choose between holding the sale as scheduled, even if a delay of one or more years is desirable, and delaying the sale a minimum of four years to reschedule it as part of the next oil and gas leasing program submitted to the legislature.

Because of the state's desire to coordinate offshore submerged land sales with the federal government when possible, and because the federal Outer Continental Shelf oil and gas leasing schedule may subject to change, I believe it is desirable for the state to have sufficient flexibility to make changes in and additions to an already submitted schedule when necessary to allow for coordinated or simultaneous sales with the federal government. Accordingly, Sec. 3 of this bill would amend AS 38.05.180(d) to permit the leasing of adjacent state-owned land, even if that leasing does not conform to an already submitted state five-year oil and gas leasing schedule, if the commissioner of natural resources makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government would be in the public interest. (This section appears as sec. 2 in HB 557.)

AS 38.05.180(w) exempts "land which has been offered for lease within the previous five years and which received no bids at competitive sale" from the scheduling requirements discussed above. Experience has shown that there are two ways in which land which has been offered for lease will not be leased: (1) if no bids are received, and (2) if, although bids are received, none is accepted. From a policy standpoint, there appears to be no reason to distinguish land which is not leased because no bids are received from land which is not leased because none of the bids received is accepted. Accordingly, sec. 5 of this bill would amend AS 38.05.180(w) to exempt from scheduling requirements land previously offered for lease but for which no bid was either received or accepted. (This section appears as sec. 3 in HB 557.)

In preparing the schedule for submission to the Second Session of the Eleventh Legislature, a problem with the transitional provisions of ch. 155 SLA 1978, the law which established the requirements, was discovered. The transitional provisions provide that no leases could be issued during 1979, 1980 or 1981 unless the land to be leased was included in the proposed leasing program submitted in 1979 to the First Session of the Eleventh Legislature. That proposed leasing program was the first prepared under the new law. The validity of leases issued in 1982 and thereafter would be governed by the substantive provisions of AS 38.05.180(b) and (c). However, 1982 is the third calendar year following the year in which that first schedule was submitted. As a direct result, any lease sale held in 1982 would not have been included in a proposed leasing program submitted to the legislature during both the third and fourth preceeding calendar years; the fourth calendar year preceeding 1982 was 1978 and, of course, no proposed leasing schedule was submitted that year. To ensure the validity

of any leases issued as the result of a sale in 1982, sec. 6 of this bill would permit leases to be issued during 1982 if the land to be leased was included in the proposed leasing program submitted to the First Session of the Eleventh Legislature. This section would also make a technical amendment to the transitional provisions of ch. 155 SLA 1978 to recognize the statutory exemption from scheduling requirements contained in AS 38.05.180(w). (This section appears as sec. 4 in HB 557.)

Finally, as the Department of Natural Resources indicated in the proposed oil and gas leasing program it submitted to the Second Session of the Eleventh Legislature on January 23, 1980, the amendments proposed in this bill have been proposed because the lack of flexibility in the existing statutory scheme would not permit the department to present the optimum leasing program. The department indicated that it would make certain changes to the program submitted if the amendments contained in this bill were enacted. Section 7 of this bill is a transitional provision which will permit the department to revise the program already submitted to conform with what the department indicated in its submittal would be the optimum program, the department would adopt if the scheduling provisions of the existing statute were amended to permit such a revision.

Sections 7 and 8 of this bill would make these amendments retroactive as appropriate, and sec. 9 would make the bill effective immediately.

SS HB 557

January 17, 1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to amend the state's oil and gas leasing statute, AS 38.05.180.

AS 38.05.180(b) requires the Department of Natural Resources to submit to the legislature annually a schedule for proposed oil and gas leasing of state-owned land in the third and fourth calendar years following the year in which the schedule is submitted. Under AS 38.05.180(c), no oil and gas lease issued by the state is valid unless it was listed on the schedule submitted three and four calendar years before the lease is issued, with some exceptions which are listed in AS 38.05.180(d) and 38.05.180(w). In preparing the schedule for submission to the Second Session of the Eleventh Alaska State Legislature, the department encountered serious difficulty in adhering to both the current statutory scheduling scheme and the overall intent of the oil and gas leasing statute, as set out in AS 38.05.180(a), which is to maximize the recovery of the resources, maximize competition, maximize the use of Alaska's human resources, recognize varying conditions throughout the state, and minimize the adverse impact of oil and gas development.

The basic difficulty encountered by the department was that the current scheduling provisions allow virtually no flexibility in updating and resubmitting a previously submitted five-year leasing schedule. Because no oil and gas lease is valid unless it was included in the proposed leasing program submitted to the legislature during the third and fourth calendar years preceding the year in which the lease is issued, no new sales may be added in the final year of a previously submitted program even if the advisability

HB 557

of such an addition becomes apparent only after the schedule has been submitted to the legislature. This is precisely what has happened in revising the leasing schedule submitted to the First Session of the Eleventh Alaska State Legislature. In reviewing that schedule in light of the legislative findings in AS 38.05.180(a), it now appears that the purposes of the oil and gas leasing statute can best be served by scheduling an Eastern Gulf of Alaska sale during calendar 1983. While announcing such a sale at this time will give adequate opportunity for public comment and orderly decision-making regarding the terms and conditions of such a sale, thereby satisfying the legislative intent underlying the statute, the literal language of AS 38.05.180(c) would result in any leases ultimately issued as a result of such a sale being invalid. The amendment which would be accomplished by sec. 1 of this bill would provide sufficient flexibility to allow the addition of previously-unannounced oil and gas lease sales in the third calendar year (the last year of the proposed program submitted the previous year) following the year in which the schedule is submitted to the legislature while still requiring the preparation and submission to the legislature of a proposed leasing program a minimum of five years in advance.

Because of the state's desire to coordinate sales with the federal government when possible, and because the federal oil and gas leasing schedule has not been finalized, I believe it is desirable for the state to have sufficient flexibility to make changes in and additions to an already-submitted schedule when necessary to allow for coordinated or simultaneous sales with the federal government. Accordingly, sec. 2 of this bill would amend AS 38.05.180(d) to permit the leasing of state-owned land, even if that leasing does not conform to an already-submitted state five-year oil and gas leasing schedule, if the commissioner of natural resources makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government would be in the public interest.

AS 38.05.180(w) exempts "land which has been offered for lease within the previous five years and which received no bids at competitive sale" from the scheduling requirements discussed above. Experience has shown that there are two ways in which land which has been offered for lease will not be leased: (1) if no bids are received, and (2) if, while bids are received, none is accepted. From a policy standpoint,

there appears to be no reason to distinguish land which is not leased because no bids are received from land which is not leased because none of the bids received is accepted. Accordingly, sec. 3 of this bill would amend AS 38.05.180(w) to exempt from scheduling requirements land previously offered for lease but for which no bid was accepted.

Finally, in preparing the schedule for submission to the Second Session of the Eleventh Alaska State Legislature, a problem with the transitional provisions of ch. 155 SLA 1978, the law which established the scheduling requirements, was discovered. The transitional provisions provide that no leases should be issued during 1979, 1980 or 1981 unless the land to be leased was included in the proposed leasing program submitted in 1979 to the First Session of the Eleventh Alaska State Legislature. That proposed leasing program was the first prepared under the new law. The validity of leases issued in 1982 and thereafter would be governed by the substantive provisions of AS 38.05.180(b) -- 38.05.180(c). However, 1982 was the third calendar year following the year in which that first schedule was submitted. As a direct result, any lease sale held in 1982 would not have been included in a proposed leasing program submitted to the legislature during both the third and fourth preceding calendar years; the fourth calendar year preceding 1982 was 1978 and, of course, no proposed leasing schedule was submitted that year. To ensure the validity of any leases issued as a result of a sale in 1982, sec. 4 of this bill would permit leases to be issued during 1982 if the land to be leased was included in the proposed leasing program submitted to the First Session of the Eleventh Alaska State Legislature. This section also would make a technical amendment to the transitional provisions of ch. 155 SLA 1978 to recognize the statutory exemption from scheduling requirements contained in AS 33.05.180(w).

Sections 5 and 6 of this bill would make these amendments retroactive as appropriate, and sec. 7 would make the bill effective immediately.

Sincerely,

S/JSH

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 557
 Title Scheduling of oil and gas lease sales
 Requested by Natural Resources Date Jan. 14, 1980

II. FISCAL DETAIL

Agency Affected Natural Resources
 Program Category Affected IRMEC
 BRU, Program, or Subprogram(s) Affected Mineral and Energy Management
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		-0-				
400 COMMODITIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		-0-				
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumption:

1) The proposed changes to AS 38.05.180 (c), (d), (w) and Transitional Provisions would give the Department more flexibility to readjust the Five-Year Oil and Gas Lease Schedule. No additional funding will be required as a result of this change, since it is anticipated that the number of sales in any one year would remain the same, even if the order of sales is rearranged.

IV. DATE Jan. 14, 1980

PREPARED BY Jeff Haynes, Deputy Commissioner
 AGENCY Natural Resources
 PHONE 465-2400

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB 557

CATEGORY: NATURAL RESOURCES MANAGEMENT AND ENVIRONMENTAL CONSERVATION

PROGRAM: MANAGEMENT OF MINERAL AND ENERGY RESOURCES

AGENCY: NATURAL RESOURCES

BRU (s): MINERAL AND ENERGY DEVELOPMENT; MINERAL RESOURCES ADMINISTRATION

This program consists of the Mineral and Energy Development and the Mineral Resources Administration BRUs.

The goal of the Mineral and Energy Development BRU is to provide for the orderly development of minerals, coal and geothermal energy resources in a manner which protects State interests and maximizes benefits to the public. This BRU has three components: Mineral Development, Coal Development and Geothermal Development.

The Mineral Development component is responsible for mineral development policy; maintenance of mining records; performance of assays for the public; processing applications for mineral interests on state lands; administering of mining plans of operations; and ensuring that the State regulatory program protects State economic and resource management interests without imposing unwarranted hardship on mining operators.

The Coal Development component provides for the orderly development and use of coal resources by developing and implementing appropriate reclamation procedures and conducting field investigations to locate coal resources which could be developed.

The Geothermal Development component provides for the orderly development and use of geothermal resources by assessing the presence and potential of geothermal resources and determining their suitability for use as energy resources, and authorizing the development of geothermal energy by the private sector through the leasing of State land.

The Mineral Resources Administration BRU's purpose is to provide policy and administrative direction to the Mineral Resources operating components. Included are the Directors, Deputy Directors and immediate clerical staff of the Division of Geological and Geophysical Surveys and the Division of Minerals and Energy Management, and support services such as office space, utilities and office supplies.

-259-

Phone Contact for more information: Tom Bergstrom 465-2442

SERVICE MEASURES	FY 79		FY 80	FY 81	
	Plan	Actual	Plan	Continuation	Total
Mineral Claims Processed			22,000	22,000	22,000
Public Assays Performed			1,000	1,000	1,000
Geothermal Lease Sales Conducted				-0-	1-2

STATE OF ALASKA -- BUDGET UNIT SUMMARY

23:54

1/03/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: RESOURCE INVENTORY/ASSESSMENT

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
GEOLOGIC. HAZARD IDENT.							187.3
GEOLOGIC. INVESTIGATIONS/MAPPING							199.7
** TOTAL							387.0
** CHANGE VERSUS 80 AUTH							100.0%
OBJECT DESCRIPTION							
EQUIPMENT							2.1
COMMODITIES							5.7
CONTRACTUAL							53.8
TRAVEL							17.6
PERS. SERV.							307.8
FUNDING SOURCE							
GENERAL FUND							339.9
FED. RECEIPT							47.1
** GENERAL FUND CHANGE VS. 80 AUTH							100.0%
POSITIONS							
STAFF MONTHS							89.0
PART-TIME							
FULL-TIME							6.6

AGD 798004

HB557
SB341 is a companion
bill

To: Bill Miles
From: Mary Halloran ^{MM}

Sectional Analysis of Resources CS for SSHB 557 "Scheduling
Oil and Gas Lease Sales"

*Section 1. Amends AS 38.05.180(b) to make clear that the oil and gas leasing schedule must be a five-year schedule, including the current year and the following four years.

*Section 2. Amends AS 38.05.180(c) to provide that a sale may not be held unless it was included on the proposed program during the two preceding years. This changes current law in two ways: currently, a sale may be held, but the lease issued by the commissioner would be invalid if the sale was not included in the preceding schedule; secondly, the sale would have to be in the leasing schedule two years prior to sale rather than the current four years. This change also provides that a proposed sale may be delayed by the commissioner for up to 60 days from its scheduled date and still held. If delayed beyond 60 days from its scheduled date, the sale must be placed again, if it is to be held, at the bottom of the sale schedule, or two years later. A sale may not be held prior to its scheduled date in any case.

*Section 3. Amends AS 38.05.180(e)(2) to clarify the language calling for a description of the bidding methods, if determined, to be included in the sale schedule.

*Section 4. Amends AS 38.05.180(w) so that lands offered for bids once and "for which no bid was accepted" may be sold again at the discretion of the commissioner under the exempt acreage program, rather than having to be placed again on the leasing schedule.

*Section 5. Amends Sec. 7, ch. 155 SLA 1978, as amended by Sec. 2, ch. 65 SLA 1979, so that leases may be validly issued in 1982. Current statute does not provide a transition clause for sales in 1982, making those sales legally questionable.

*Section 6. Adds new transitional provisions. (a) Provides that within 30 days of the effective date of this Act, the Commissioner of Natural Resources shall revise the five-year leasing program submitted for 1980. For sales during 1980 and 1981, the revision is to be based on the Department's ability to finish geologic and geophysical evaluations of individual tracts. (b) Provides that the revisions shall be made and effective as if the revised program had been submitted to the Legislature by the 15th day of this session.

*Section 7. Sections 1-4 are retroactive to January 14, 1980.

*Section 8. Section 5 is retroactive to January 1, 1979.

*Section 9. Immediate effective date.

Resource Development Council

for Alaska, Inc.

444 West 7th Avenue, Anchorage, Alaska 99501
 Box 516, Anchorage, Alaska 99510 - 207/278-8671

TB 557

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PLEASE DELIVER APRIL 29

April 29, 1980

Bill Miles, Co-chairman
 Al Osterback, Co-chairman
 House Resources Committee
 Alaska State Legislature
 Juneau, Alaska

Gentlemen:

Following is a resolution which was adopted unanimously at the Resource Development Council's Annual Meeting April 25

It is extremely pertinent to your committee hearing tonight, and we would therefore appreciate its being read into the record.

WHEREAS, our nation is facing an energy crisis, and

WHEREAS, the importation of almost 50% of our petroleum needs has aggravated the balance of payments and contributed to the problems of inflation, and

WHEREAS, long lead times are required to develop significant sources of oil and gas, and

WHEREAS, Alaska has the most promising onshore and offshore lands for potential development, but exploration, production and development are being held up by both the state and federal governments, and

WHEREAS, the first state lease sale for 1980 is being delayed because of lack of personnel and administrative direction, and

WHEREAS, some departments in state government are doing nothing to prepare for future lease sales or their impact, and

Representatives Miles and Osterback
page 2

WHEREAS, there are indications that this problem will not improve unless the legislature and the administration give these sales higher priority,

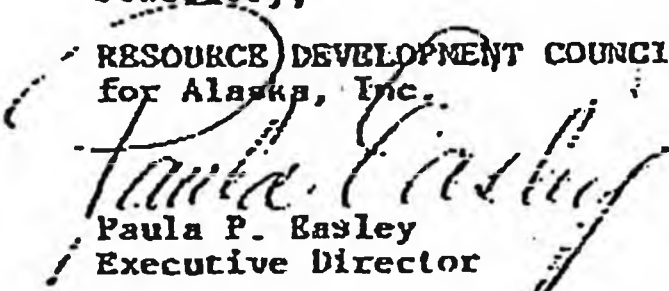
THEREFORE BE IT RESOLVED that the Resource Development Council recommend that the legislature insure that adequate funding is provided for proper planning of future lease sales; and that the Governor be encouraged to insure that lease sales are planned and held on schedule.

BE IT FURTHER RESOLVED that the Governor be requested to insist that baseline studies for all future sales be instituted immediately and that any agency which does not institute these studies be instructed not to object to the sale on the basis of a lack of data.

On behalf of our Council and its broad-based membership of over 7,000 Alaskans, we urgently request your most thoughtful consideration of the concerns expressed in this resolution.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
for Alaska, Inc.


Paula P. Basley
Executive Director

cc: Jay S. Hammond, Governor
Robert E. LeResche, Commissioner
Thomas K. Williams, Commissioner
Clem Tillion, Senate President
Terry Gardiner, House Speaker

AGO 798008

Introduced: 2/14/80
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 557

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to scheduling oil and gas lease
7 sales; and providing for an effective date."

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

9 * Section 1. AS 38.05.180(b) is amended to read:

10 (b) The commissioner shall annually prepare and submit to the
11 legislature, between the first and the fifteenth day of each regular
12 legislative session, a five-year proposed oil and gas leasing program
13 consisting of a schedule of proposed lease sales and specifying as
14 precisely as practicable the location of tracts proposed to be offered
15 for oil and gas leasing during the [THIRD AND FOURTH CALENDAR YEARS
16 FOLLOWING THE] calendar year in which the proposed program is submitted
17 to the legislature and the following four calendar years.

18 * Sec. 2. AS 38.05.180(c) is amended to read:

19 (c) Except as provided in (d) and (w) of this section, no oil
20 and gas lease sale may be held [ISSUED BY THE COMMISSIONER SHALL BE
21 VALID] unless it was included in the [A] proposed leasing programs
22 [PROGRAM] submitted to the legislature during the three [THIRD AND
23 FOURTH] calendar years preceding the year in which the sale [LEASE]
24 is held [ISSUED, EXCEPT THAT AN AREA PROPOSED FOR LEASING IN THE
25 FOURTH CALENDAR YEAR AFTER THE YEAR IN WHICH THE PROGRAM IS SUBMITTED
26 TO THE LEGISLATURE MAY BE LEASED IF THE COMMISSIONER RESUBMITS THE
27 AREA TO THE FOLLOWING REGULAR LEGISLATIVE SESSION]. A lease sale may
28 be held in the calendar year for which it was scheduled in the program
29 in which it initially was proposed or in any calendar year thereafter,

1 but may not be held in an earlier calendar year.

2 * Sec. 3. AS 38.05.180(d) is amended to read:

3 (d) The commissioner may issue oil and gas leases in an area
4 that has not been included in a leasing program submitted, in accord-
5 ance with (b) of this section, to the legislature if

6 (1) the land to be leased was previously subject to a valid
7 state or federal oil and gas lease; or

8 (2) the land to be leased is contiguous to land already
9 under state, federal or private lease and the commissioner makes a
10 written finding, after hearing, that leasing of the land would result
11 in a substantial probability of early evaluation and development of
12 the land to be leased; or

13 (3) the land to be leased is adjacent to land owned or
14 controlled by another party on which a discovery of commercial quanti-
15 ties of oil or gas has been made, and where the commissioner finds,
16 after hearing, that there is a reasonable probability that the land to
17 be leased contains oil or gas in communication with the oil or gas
18 discovered on the land of the other party; or

19 (4) the land to be leased is adjacent to land included in
20 the federal five-year Outer Continental Shelf leasing program under 43
21 U.S.C. sec. 1344, and the commissioner makes a written finding, after
22 hearing, that coordinated or simultaneous leasing with the federal
23 government would be in the public interest.

24 * Sec. 4. AS 38.05.180(e)(2) is amended to read:

25 (2) if determined, a description of the bidding methods to
26 be used for all lease sales to be held during the current and next two
27 succeeding calendar years [AND, IF DETERMINED, THE BIDDING METHODS TO
28 BE USED];

29 * Sec. 5. AS 38.05.180(w) is amended to read:

1 (w) Notwithstanding any other provision of this section, land
2 which has been offered for lease within the previous five years and
3 which received no bids at competitive sale or for which no bid was
4 accepted may be, at the discretion of the commissioner, immediately
5 offered for lease, under regulations adopted by him, upon terms appear-
6 ing most advantageous to the state; however, non-competitive leasing
7 is prohibited. The commissioner shall establish a royalty as he
8 determines to be in the public interest but not less than 12 1/2 per-
9 cent. A lease must provide for payment to the state or rental but
10 need not adhere to the rental schedule in (n) of this section or to
11 the 5,760-acres-per-lease limitation in (m) of this section. The
12 lease term may not exceed five years except as provided in (m) and (o)
13 of this section.

14 * Sec. 6. Section 7, ch. 155 SLA 1978, as amended by sec. 2, ch. 65 SLA
15 1979, is amended to read:

16 Sec. 7. TRANSITIONAL PROVISIONS. By the 20th day of the First
17 Session of the Eleventh Legislature the commissioner of natural re-
18 sources shall submit a proposed oil and gas leasing program to the
19 legislature in accordance with AS 38.05.180(b), except that the pro-
20 posed program shall cover all areas to be leased in 1979 through 1983.
21 No lease, except as authorized under AS 38.05.180(d) or 38.05.180(w),
22 shall be issued during 1979, 1980, [OR] 1981, or 1982 unless the land
23 to be leased was included in this proposed leasing program.

24 * Sec. 7. TRANSITIONAL PROVISIONS. By the thirtieth day following the
25 effective date of this Act, the commissioner of natural resources may sub-
26 mit to the legislature a revised five-year leasing program making those re-
27 visions in the January 23, 1980 "State Five-Year Leasing Program Presented
28 to the Second Session, Eleventh Alaska Legislature," which that document
29 indicated would be desirable in the event AS 38.05.180 and ch. 155 SLA are

1 amended in the manner set out in secs. 1 - 6 above. It is the legislature's
2 intent that this section be construed as authorizing the commissioner of
3 natural resources to make the indicated program revisions and to conduct
4 lease sales in accordance with the revised program as if the revised pro-
5 gram had been submitted by the fifteenth day of the Second Session of the
6 Eleventh Legislature.

7 * Sec. 8. Sections 1 -- 5 of this Act are retroactive to January 14,
8 1980.

9 * Sec. 9. Section 6 of this Act is retroactive to January 1, 1979.

10 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

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