

ALASKA LEGISLATURE

2415

HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002

ADOPTED

Reported
out

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS1516J
Kurtz
3/20/02

CS FOR SENATE BILL NO. 308()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR THERRIAULT

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska coastal management program and the responsibilities of
2 the Alaska Coastal Policy Council; and providing for an effective date."

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

4 * Section 1. AS 46.40.030 is amended by adding a new subsection to read:

5 (b) In developing statements of policies and regulations under (a) of this
6 section, a coastal resource district may not incorporate by reference statutes and
7 administrative regulations adopted by state agencies.

8 * Sec. 2. AS 46.40.094 is amended by adding a new subsection to read:

9 (d) Notwithstanding any other provision of this section, for a natural gas
10 pipeline project from the Alaska North Slope following a route that parallels the Trans
11 Alaska Pipeline System and the Alaska Highway to the Canadian border or a route
12 that runs south to Alaska tidewater, any agency responsible for the consistency
13 determination with respect to proposed uses or activities involved in the project may,
14 in its discretion, conduct the review and make the consistency determination in

1 separate phases in a manner that promotes review of proposed uses and activities
2 based upon the project's design, construction sequence, and schedule.

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

5 MODIFICATION OF APPROVED COASTAL MANAGEMENT PROGRAM
6 PLANS. (a) In a municipality or coastal resource service area for which the Alaska Coastal
7 Policy Council has approved a district coastal management program that is not consistent with
8 the prohibition of AS 46.40.030(b), added by sec. 1 of this Act, the municipality or coastal
9 resource service area shall submit to the Alaska Coastal Policy Council, within one year after
10 the effective date of this Act, program modifications to conform the program to the
11 requirements of AS 46.40.030(b), added by sec. 1 of this Act.

12 (b) If a municipality or coastal resource service area does not comply with (a) of this
13 section, the Alaska Coastal Policy Council may enter an order deleting the incorporation by
14 reference of statutes and administrative regulations in violation of AS 46.40.030(b), added by
15 sec. 1 of this Act.

16 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

SENATOR
Gene Therriault
119 N. Cushman Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
FAX (907) 465-3884

Senate
Senate District Q

Senate Bill 308—Revised 3/20/2002

"An Act relating to the Alaska Coastal management program
and the responsibilities of the Coastal Policy Council."

SPONSOR: Senator Gene Therriault

SPONSOR STATEMENT:

Alaska's permitting system is broken. Industries from across the state have stepped forward to ask for clarity, consistency, and timeliness. Central to the confusion of this broken system is the Coastal Zone Management program (CZM) and its underlying consistency determination process. It is confusing and often misunderstood by the public and permit applicants alike. Senate Bill 308 takes steps to address some of the problems associated with CZM and keep Alaska and its resource-dependent economy moving forward.

Alaska chose to participate in the federal voluntary Coastal Zone Management program by creating the Alaska Coastal Management Program (ACMP) in 1977. The ACMP requires that all permits issued by state agencies for a project within the coastal zone be consistent with the respective plans developed by a coastal resource district. Since that time, there have been many state and federal laws such as the clean water act, clean air act, spill prevention laws, and wetlands legislation affecting coastal districts and further complicating the process by which permits are found to be consistent.

As local plans have been developed, the statutes and regulations of specific departments and agencies were incorporated by reference. The result has been that local officials sometimes interpret these requirements differently than the state officials who work with them on a regular basis. While these conflicts are resolved through an internal elevation process, it causes delays and frustrations among all involved.

Specifically, the bill does two things:

- Prohibits the adoption by reference of state statutes and regulations by coastal districts.
- Allows permitting agencies to make consistency determinations in separate phases for a North Slope natural gas pipeline project that parallels the Trans

Alaska Pipeline System and the Alaska Highway or a route that runs to Alaska tidewater.

While the original version and the previous committee substitute for SB 308 dealt with the petition process, a House bill (HB 439) has come over to the Senate that addresses the issue. However, the language adopted by the House may not accomplish what was intended and the title on that measure is too restrictive to allow changes. If, in order for the Senate to effectively deal with these concerns, changing the title of HB 439 proves problematic, the title of SB 308 needs to remain broad enough to deal with petitions at a later time. For that reason, the proposed CS retains a broad title.

For the foreseeable future, Alaska's economy will be dependent upon the development of our natural resources. As the policy-making body of state government, we must remove those aspects of our permitting system which cause unnecessary delay and expense without improving public input and accountability, particularly when it comes to those projects which are critical to our state's future prosperity and revenues.

Pocket
GUIDE
to the

*Alaska Coastal
Management
Program project
review process*



5 steps to project approval in Alaska's coastal zone



Table of Contents

First Question:
Is this guide for you? 2

**Commonly Asked Questions
and Answers about Projects
Proposed in Alaska's Coastal Zone 4**

5 Steps to Project Approval..... 8
1 – Applicant Completes a CPQ 8
2 – Coordinating Agency Receives Packet 11
3 – Consistency Review Starts 13
4 – Proposed Determination Circulated 15
5 – Final Determination Issued 16
Elevation, Appeals, & Petitions 17

Where to Go for More Information 18
More Questions & Answers 18
Map of Alaska's Coastal Zone 20

Who to contact 22
Division of Governmental Coordination 22
Coastal Districts 23
State Agencies 28
Federal Agencies 30



*Working together for
the long-term economic and
environmental productivity
of Alaska's coast.*

Is this guide for you?

This guide is for you if you have little or no experience obtaining permits for projects in Alaska's coastal zone or you just want to learn more about the Alaska Coastal Management Program (ACMP). Here you will learn



Once you understand the permits your project will require, you can design a project that will address these requirements up front and avoid delays later during the permitting process.

How do I know if the ACMP applies to my project?

If your project meets the following two criteria, or if you are unsure, you should contact DGC. One of DGC's Project Review Coordinators will help you determine if your project requires an ACMP consistency review and guide you to the state agencies and coastal districts you may need to contact.

If your project is:

1. located in or will affect resources of the coastal zone; *and*
2. requires a state, federal, or local permit(s), your project may require an ACMP consistency review.

how to determine if your project is in the coastal zone, the 5 steps in the coastal consistency review process, answers to some commonly asked questions, and where to go for more information.

By answering the following questions, you should determine whether the Alaska Coastal Management Program applies to your project. If it does, feel assured that this booklet, the Division of Governmental Coordination (DGC), coastal districts, and state resource agencies will help you navigate your project through the ACMP consistency review process. You will find addresses, telephone numbers, and web site addresses for agencies you may need to contact at the end of this booklet.

If you are not sure about the location of your project in relation to Alaska's coastal zone or the permits required for your project, keep reading.

How do I know if my project is located in the coastal zone?

Alaska's coastal zone boundaries include more than 44,000 miles of coastline and can extend inland along river drainages as far as 250 miles. This variability can make it difficult to tell if your project is within the coastal zone. The map on pages 20-21 shows a representation of Alaska's coastal zone and coastal districts.

If your project is located within a coastal district, you should contact either DGC at (907) 465-3562 (Juneau) or 269-7470 (Anchorage), or the coastal district to determine whether your project is within its coastal zone. Coastal district contact information is located at the end of this booklet.

Please note that the ACMP also applies to projects in large areas of Prince William Sound and southeast Alaska that are in the coastal zone but not within a coastal district.

How do I know if my project will require state or federal permits?

If you are not sure what permits your project might require, fill out a Coastal Project Questionnaire (CPQ) (for your own information). Even if you don't require an ACMP consistency review, the questions in the CPQ will help you identify what permits might apply to your project and who to contact for more information. If you discover your project requires an ACMP consistency review, you will be well on your way to fulfilling the requirements in Step 1.

Keep reading to learn more about the ACMP consistency review process and how DGC, your local coastal district, and state resource agencies can be of assistance.

Questions & Answers

What is the Alaska Coastal Management Program?

In 1972 Congress passed the Coastal Zone Management Act (CZMA) to promote the orderly development and protection of the country's coastal resources. The CZMA resulted from concern spurred by the increasing demands for development of the nation's coastal areas, population increases near the coast, and declining productivity of the coastal environment. The CZMA established a voluntary partnership among the federal government, coastal states, and local governments to develop individual state programs for managing coastal resources.

The Alaska Coastal Management Program (ACMP) implements legislation passed by the State of Alaska in 1977. With this legislation, called the Alaska Coastal Management Act, Alaska joins the partnership envisioned by the CZMA.

The ACMP improves stewardship of Alaska's coastal land and water uses, and natural resources, by creating a network of local, state, federal, and applicant interests in the project approval process. The networking provided by the ACMP helps to ensure that all aspects of a project are considered during a single review and approval process. This integrated approach promotes both economic and environmental productivity of Alaska's rich and diverse coastal resources.

The ACMP requires that projects in Alaska's coastal zone be reviewed by coastal resource management professionals and found consistent with the statewide standards of the ACMP. These standards and the enforceable policies of an affected coastal district ensure that development interests observe the vision set out for the future by the state and coastal communities. It is called the consistency review process. A finding of consistency with the ACMP must be obtained before permits can be issued for the project.

Mission of the Alaska Coastal Management Program:

"The ACMP provides stewardship of Alaska's rich and diverse coastal resources to ensure a healthy and vibrant coast that sustains long-term economic and environmental productivity."

What criteria does the ACMP use to evaluate my project?

The ACMP applies to projects within or affecting Alaska's coastal zone. The statewide standards (6 AAC 80) and coastal district enforceable policies of the ACMP provide direction for coastal resources and uses, such as:

- coastal development (whether a project is water-dependent or water-related),
- habitats (such as wetlands, tideflats, or streams),
- air, land, and water quality,
- transportation and utility routes and facilities,
- timber harvest,
- mining and mineral processing,
- subsistence opportunities,
- recreation designations,
- geophysical hazard areas,
- historical and archaeological resources,
- energy facilities, and
- fish and seafood processing.

Using the statewide standards and local enforceable policies, the ACMP evaluates the effects a project will have on the above coastal resources and uses. Projects must be consistent with the requirements found in the standards and enforceable policies.

What is the Coastal Consistency Review Process?

The coastal consistency review process, or *consistency review process*, helps ensure your project meets the statewide standards and coastal district policies. It also serves as the review process for most permits you will need from state resource agencies. This 5-step process advances your project through review and approval requirements in a timely fashion.

The consistency review process is a coordinated review process that benefits applicants and project reviewers alike. Applicants have a single, primary point of contact for their projects. Reviewers benefit by comprehensively reviewing a project only once.

This booklet explains the consistency review process in more detail and how you can get your project approved with a minimum of difficulty. The Division of Governmental Coordination, as well as state resource agencies and coastal districts, are available to help you understand and navigate your project through the consistency review process.

Who is DGC?

The Division of Governmental Coordination (DGC) is home to the ACMP. Located in the Office of the Governor, DGC is responsible for the overall administration and operation of the ACMP. In this role, DGC provides assistance to applicants, coastal districts, and state agencies in carrying out their duties and responsibilities under the ACMP.

DGC has connections throughout the ACMP network.



As such, *your first ACMP contact should probably be one of DGC's helpful Project Review Coordinators.* DGC also serves as the coordinator for the consistency review process if your project requires a federal permit or permits from more than one state agency.

The staff at DGC perform a variety of other activities that support the ACMP, including

- preapplication meetings for applicants
- federal funding for the ACMP
- assistance to local districts in getting their coastal management programs approved
- assistance resolving conflicts
- appeals, elevations, and petitions
- ACMP education and training

Who are the State Resource Agencies?

The State of Alaska has three agencies primarily responsible for managing its natural resources and uses of those resources. These **resource agencies** have permitting authorities for specific activities. If your project requires a permit(s) from only one state resource agency, that agency coordinates the consistency review process.

Your project will most likely require one or more permits from at least one resource agency. The state resource agencies include:

- *Department of Natural Resources (DNR)* manages state-owned land and natural resources, including sales and leases.
- *Department of Fish and Game (DFG)* manages the state's fish and wildlife resources and their habitats.

- *Department of Environmental Conservation (DEC)* serves to safeguard the public health and environment from human uses.

What is a coastal district?

Coastal districts are generally local governments, such as cities and boroughs, that contain a portion of Alaska's coastal area. In coastal areas outside the boundaries of local government, coastal districts known as Coastal Resource Service Areas (CRSA) may be formed.

Most coastal districts develop a coastal management program that requires a rigorous state and federal approval process. A district coastal management program contains enforceable policies that guide development affecting the coastal resources within its boundaries. Once approved, a district coastal management program becomes a part of the ACMP.

During the consistency review process, an affected coastal district reviews your project against the enforceable policies of its coastal management program. By complying with its enforceable policies, your project can help the district achieve its goals and objectives for coastal development within its boundaries.

The ACMP consistency review process provides:

- *a one-stop, consolidated state response to coastal development projects and related state and federal permit applications;*
- *specific timeframes and deadlines for reviewing project applications; and*
- *a fast appeal (elevation) process.*

Step 1

Complete a Coastal Project Questionnaire (CPQ)

What is the CPQ?

The Coastal Project Questionnaire, commonly called the CPQ, serves as the application for getting your project started in the ACMP consistency review process. A project in the coastal zone must receive an ACMP consistency determination, the end product of the consistency review process, before agencies can issue permits for the project.

The CPQ also helps you identify which state and federal permits will be required for your project. In addition, your completed CPQ provides reviewers with a description of your project and serves as your certification that your project will be conducted in a manner consistent with the ACMP. The CPQ (and this guide) includes a list of state agency and coastal district contacts for your convenience.

Who has to fill out a CPQ?

Anyone proposing a project within or affecting coastal areas of Alaska must submit a CPQ, with the following exceptions:

1) **Placer miners:** submit an *Annual Placer Mining Application* to the Department of Natural Resources (DNR).

2) **Aquatic farmers:** submit a *State of Alaska Aquatic Farm Permits Application* to DNR.

Federal agencies should contact DGC for information on how the consistency review process is used to review federal activities.

How do I get a CPQ?

Copies of the CPQ are available from DGC, state resource agencies (see the back of this brochure), the

U.S. Army Corps of Engineers (toll-free at 1-800-478-2712), other federal permitting agencies, and local coastal district offices.

What else do I need to know?

One of DGC's Project Review Assistants will help you determine what you need to do and who to contact to get your project ready for the consistency review process.

If your project is located within a coastal district, be sure to contact the district's ACMP coordinator and the planning department early to find out what will be required at the local level.

Once you've determined what permits will be required, be sure to contact those agencies to learn their permitting requirements.

How do I apply for my other permits?

Alaska has streamlined the permitting process to provide developers with a single point of entry. Your CPQ packet will include applications and fees for the permits you will need.

The consistency review process also serves as the permit review process for state resource agencies.

How much does it cost?

There is no charge for the ACMP consistency review process. However, agencies issuing permits for the project may require fees.

Is there anything I can do to pave the way for my project?

Before you finalize project plans or submit your CPQ and other information necessary for a complete application packet, the state can arrange a **preapplication meeting** with you and other review participants to discuss your draft plans. This meeting identifies concerns and information needs, helps you avoid 'pitfalls', and promotes a mutual understanding of your project. To

Pave the way for your project by identifying and addressing concerns before you turn in your application packet. Ask the state for a pre-application meeting.



arrange a preapplication meeting, contact the coordinating agency. In lieu of a meeting, the coordinating agency can distribute materials to review participants for preapplication assistance.

Fill in all the blanks

To complete the CPQ, fill in all the blanks and contact agencies as directed on the CPQ. Filling out the questionnaire properly is important and helps agencies process your project application without delays. If a question is not applicable then put "N/A." If you answer yes to a question and are not applying to that agency for a permit, explain why.

Your signature on the CPQ certifies that you believe your project is consistent with the standards and enforceable policies of the Alaska Coastal Management Program. The standards and enforceable policies are available from DGC and your local coastal district. If you need assistance, contact DGC or your local coastal district.

Is your application packet complete?

Your CPQ package should include:

- The completed CPQ and signed Certification of Consistency;
- Copies of any necessary state and federal permit applications, topographic maps, and plan drawings required by the approving agency. DGC encourages you to send original applications to the state or federal agency issuing the permit. Any fees associated with these permits also go to the issuing agency.
- Any additional pertinent information. Make sure you include a complete description of your entire project to minimize the need to provide more information later.

Step 2

Coordinating agency receives packet

Where do I send the CPQ?

Once you have a completed CPQ and application packet, you should submit it to the state agency responsible for coordinating the coastal consistency review for your project, commonly referred to as the **review coordinating agency**. You can determine the review coordinating agency for your project from the following:

- If your project requires a permit(s) from only one state agency, submit your CPQ and permit applications to that state agency. That agency will coordinate the consistency review for your project.
- If your project requires permits from two or more state agencies, or a permit from a federal agency, then you should submit your CPQ packet to the Division of Governmental Coordination, which will coordinate the consistency review for your project.

If you are not sure where to send your CPQ packet, contact DGC.

What happens next?

The review coordinating agency receives the application packet, decides whether it is complete, and determines if the project needs to undergo a coastal consistency review.

Does my project qualify for expedited review?

Some projects that have no significant impact on coastal resources, or are routine activities, may be exempt from further coastal consistency review requirements. The state maintains a list of permits and projects that qualify for expedited review in 6 AAC 50.050. The list is



referred to as the "Classification of State Agency Approvals" but is commonly known as the "ABC List."

To find out if your project qualifies for expedited review in the ABC List, contact DGC or your review coordinating agency. Projects that are in the coastal zone and not exempt from further review in the ABC List must undergo a full ACMP coastal consistency review.

Step 3

Consistency review starts

50-day coastal consistency review begins

Once your application is received by the review coordinating agency and determined to be complete, the coordinating agency initiates the required public notices. The consistency review starts once all public notices have been issued.

The coordinating agency issues a deadline for reviewer and public comments and circulates your application packet to review participants. The coordinating agency tracks the project during the review and makes sure all interested parties take the opportunity to participate within the designated time frames.



The review coordinating agency will notify you of your review's start date, review number, review schedule, and any other pertinent information. With a few exceptions, the state must complete the consistency review of your project 50 days after the start date.

Do all consistency reviews last 50 days?

Although most projects require a 50-day review, the actual time frame may be shortened or extended under certain circumstances. Alternatives to 50-day consistency reviews are identified below:

- The consistency review of your project may be expedited if your project is a routine activity identified in the ABC List. For more information, refer to *Does my project qualify for expedited review?* in Step 2.
- The 50-day review schedule for your project may be extended for specific reasons. For more information, refer to *Extensions to the review schedule* below.

50-Day Consistency Review Schedule	
ACMP Consistency Review Process	Day
Step 1 – Complete CPQ	0
Step 2 – Turn in your Packet	0
Step 3 – Consistency Review Starts	1
Deadline for information requests	25
Comment deadline	34
Step 4 – Proposed Determination	44
Deadline to file for elevation or petition*	49
Step 5 – Final Determination	50
*See page 17	

- If all necessary permits for your project are legally required to be issued within 30 days, the consistency review can be completed within a 30-day time frame as provided in 6 AAC 50.110 (a).
- Federal activities (projects conducted by or for a federal agency) may require a different review schedule. However, this booklet is not designed to address specific review or consistency requirements for federal activities. Contact DGC for more information at (907) 465-8794.

Who reviews the project?

The participants in the coastal consistency review process include: (1) you, the applicant; (2) state resource agencies and the Division of Governmental Coordination; (3) the affected coastal district; (4) other interested members of the public; and (5) federal agencies.

Having had a preapplication meeting can really pay off during step 3. Identifying concerns before the review begins can avoid delays and the need for additional stipulations.

Extensions to the review schedule

The review schedule may be extended for certain reasons as provided in 6 AAC 50.110(b). For example, after demonstrating a need for an extension, reviewers may request an extension:

- For you to provide additional information on your project that is needed for their analysis. The project review may be stopped within specified deadlines until that information is received. Within 7 days of receipt of the additional information, you will be notified of its adequacy.
- To perform a field review within a 10-day limit.
- To coordinate with DNR's process for disposals of interest in state land or resources.
- For a public hearing held as part of the consistency review process.

Step 4

Proposed consistency determination

What happens after reviewers submit comments?

After receiving comments from participants during the review process, the coordinating agency tries to resolve any issues that were raised. The coordinating agency then develops a **proposed consistency determination**. The proposed determination is discussed with you, state resource agencies, and the affected coastal district for concurrence.

What are stipulations?

The proposed consistency determination may include stipulations that modify your project and are necessary to bring it into compliance with the ACMP. These stipulations, or conditions of approval, are attached to permits issued for the project. Applicants and reviewers may discuss, or negotiate, the stipulations that will be included in the final determination.

What happens if I don't concur with the proposed consistency determination?

If concurrence cannot be reached by the review deadline, an elevation and/or petition can be requested by you or certain review participants. Please note that the instances of elevation are low. In fact, our statistics show that less than one percent of proposed consistency determinations receive requests for elevation or petition.

For a brief explanation of these processes, refer to *Elevations, Appeals, and Petitions* after Step 5. DGC can provide you with more information than is presented here in the unlikely event that this becomes an issue for your project.

Step 5

Final determination

When does my project get a final consistency determination?

A final consistency determination is issued when you and the project reviewers concur with the proposed determination, including the stipulations. The final consistency determination must be issued by the review deadline, generally 50 days.

When do I get my permits?

Once the final consistency determination is completed, most state agencies issue state permits covered by the determination within five days. However, an agency may find that additional time is necessary to fulfill its statutory requirements. For example, leases and other disposals of state land or resources issued by DNR generally require additional time. DGC or the permitting agency can provide you with more information on when you can expect to receive the permits for your project.



Once all your permits are in place, the real work begins.

Elevations, Appeals, and Petitions

Elevation

If you disagree with the proposed determination on your project, you may request **elevation** (further review) to division directors within state resource agencies. A resource agency or affected coastal district may also request an elevation. This request must be in writing and include a proposed alternative consistency determination that would effectively address your concerns. The directors review the proposed determination and the alternative determination included in the elevation request, then issue a director-level proposed determination.

If you do not agree with the director-level review, you may elevate the review to the commissioners of the resource agencies, who issue a final determination. This is the last step in the administrative process. Each elevation review can take up to 15 days.

Petition

Under AS 46.40.096, certain eligible parties may petition the Coastal Policy Council to review a project if the petitioner believes their comments related to the enforceable policies of an affected coastal district were not fairly considered. These parties may include the project applicant, an affected coastal district, a state agency, or a citizen of an affected coastal district. The petition process must be completed within 30 days. Contact DGC for more information.

Appeal

If your project requires a federal approval and you disagree with the state's final consistency determination, you may also appeal to the U.S. Secretary of Commerce in Washington, D.C., as provided in 15 CFR 930.125(h). DGC can provide you with information on this appeal process upon request.

Looking for more information?

Where you go to obtain more information will depend on the type of information you are seeking and your familiarity with the ACMP consistency review process. Generally, DGC can provide answers to your questions or direct you to the right person. However, before and during the application and review process, you will also likely benefit from contacting the local coastal district, and the agency or agencies that will be issuing permits.

If you are new to the ACMP or are unsure where to go, we recommend you contact the Division of Governmental Coordination (DGC). As the administrator of the Alaska Coastal Management Program, DGC's duties include helping applicants navigate the consistency review process and obtaining the information they need to succeed in getting their projects approved.

What other information can DGC provide?

The Division of Governmental Coordination (DGC) serves as the information center for the ACMP and the consistency review process. DGC can provide quick answers to whether or not your project is in the coastal zone, what permits you will need, and other questions you have about the project approval process.

DGC also retains copies of:

- all coastal district management programs,
- coastal zone boundary maps,
- ACMP statutes and regulations,
- policies, procedures, special project papers,
- ACMP history and legal opinions, and
- other documents related to the ACMP.

For projects requiring permits from two or more state agencies, or a federal permit, DGC serves as the coordinating agency for the consistency review. In addition, DGC coordinates the review for federal projects proposed in the coastal zone.

What information can other state resource management agencies provide?

The Department of Natural Resources (DNR), Department of Environmental Conservation (DEC), and the Department of Fish and Game (DFG) can provide information about the ACMP consistency review process but specialize in providing applicants with permitting requirements under their authority. For projects only requiring a permit from one of these state resource agencies, that agency coordinates the consistency review.

What information can coastal districts provide?

Coastal Districts can provide information about the ACMP consistency review process, but most importantly can share with you local permitting requirements for your project. In addition, coastal districts have expertise of local conditions and community standards, including development priorities, cultural values, and environmental conditions.

What information can I find on the Internet?

If you have access to the internet, be sure to visit the ACMP Website at:

<http://www.alaskacoast.state.ak.us/>

This new site will feature:

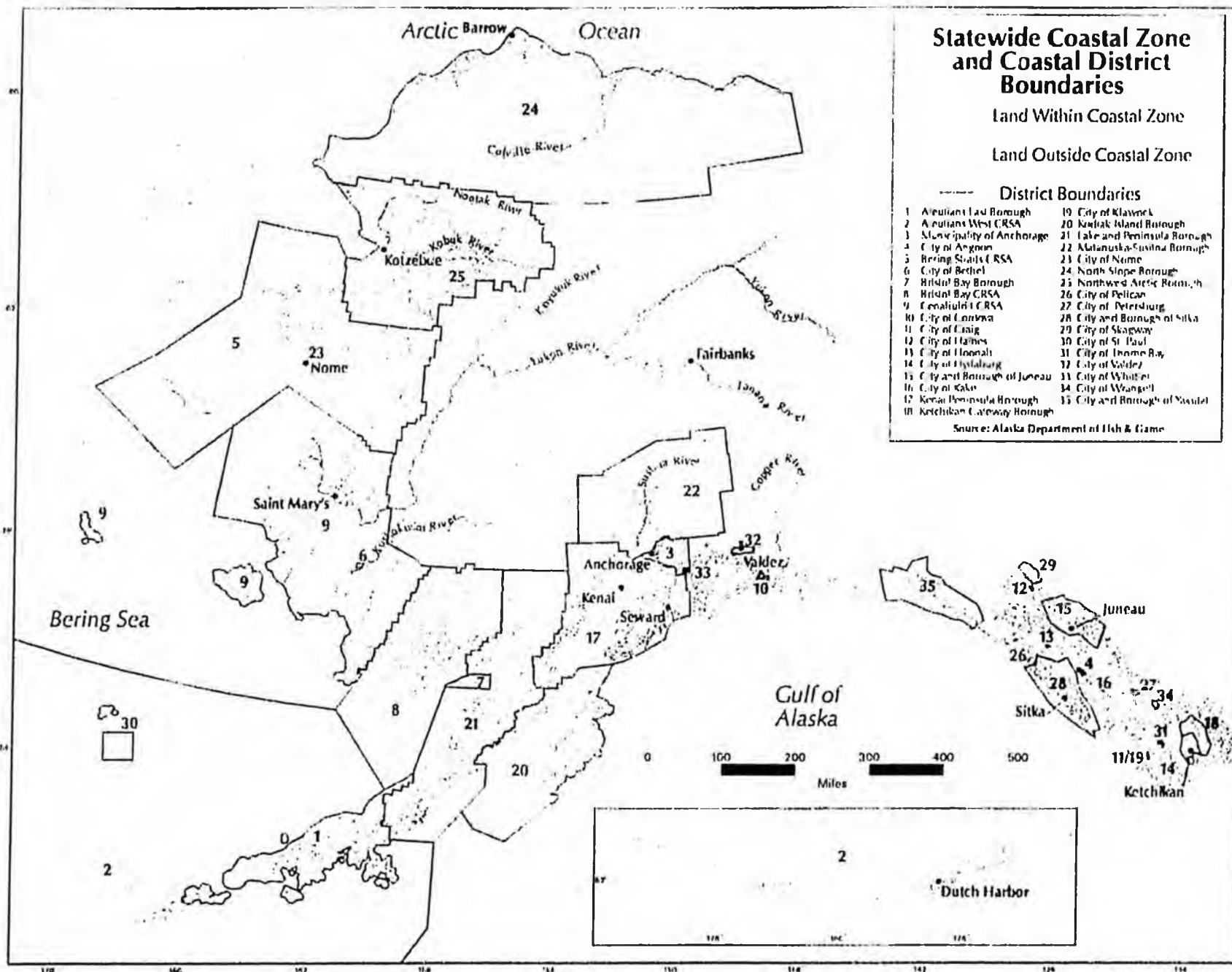
- a downloadable CPQ,
- more complete information about who to contact to help you through the consistency review process,
- access to DGC's project review database,
- coastal district enforceable policies,
- the ACMP statewide standards in 6 AAC 80,
- and much more.

If you need detailed information about an Alaskan community, visit the Department of Community and Regional Affairs community profiles database web page at:

http://www.comregaf.state.ak.us/CF_ComDB.htm

DGC can provide answers to your questions or direct you to the right person.





Map prepared by USFWS/Alaska

DGC Contacts: addresses are on back cover



**JUNEAU
OFFICE**

Main Line (907) 465-3562
Fax (907) 465-3075
Web Site Address:
<http://www.alaskacoast.state.ak.us>

Director of DGC..... 465-3562
Project Review Coordinators 465-2142
Project Review Analysts
ABC List 465-3529
ANILCA 269-7477
Federal Consistency/Supervisor 465-8794
Mining and Timber 465-8791
Oil and Gas 465-8792

ANCHORAGE DGC OFFICE

Main Line (907) 269-7470
Fax (907) 561-6134

Project Review Coordinators 269-7472

JOINT PIPELINE OFFICE

Main Line (907) 271-4317
Fax (907) 272-0690

Project Review Coordinator 271-4317

Coastal District Contacts

Aleutians East Borough

P.O. Box 349
Sand Point, AK 99661
Phone: (907) 383-2699
Telecopy: (907) 383-3496
E-mail: aebclerk@aol.com

Aleutians West CRSA

P.O. Box 920045
Dutch Harbor, AK 99692
Phone: (907) 581-2212
Telecopy: (907) 581-1306
E-mail: awersa@ptialaska.net

Anchorage, Municipality of

Department of Community
Planning and Development
P.O. Box 196650
Anchorage, AK 99519-6650
Phone: (907) 343-4261
Telecopy: (907) 343-4220
E-mail: TobishTG@ci.anchorage.ak.us
Web Site: <http://www.ci.anchorage.ak.us>

Angoon, City of

P.O. Box 189
Angoon, AK 99820
Phone: (907) 788-3653
Telecopy: (907) 788-3821

Bering Straits CRSA

P.O. Box 190
Unalakleet, AK 99684
Phone: (907) 624-3062
Telecopy: (907) 624-3811

Bethel, City of

P.O. Box 388
Bethel, AK 99559
Phone: (907) 543-5301
Telecopy: (907) 543-4186
E-mail: john_malone@dde-alaska.org

Bristol Bay Borough

P.O. Box 189
Naknek, AK 99633
Phone: (907) 246-4224
Telecopy: (907) 246-6633
E-mail: bbbmgmt@bristolbay.com

Coastal District Contacts

Bristol Bay CRSA

Nanvaq Building, Room 207
P.O. Box 849
Dillingham, AK 99576
Phone: (907) 842-2666
Telecopy: (907) 842-2776
E-mail: bbcrsant@nushtel.com

Ceñaliulriit CRSA

P.O. Box 368
St. Mary's, AK 99658
Phone: (907) 438-2638
Telecopy: (907) 438-2643

Cordova, City of

P.O. Box 1210
Cordova, AK 99574
Phone: (907) 424-6200
Telecopy: (907) 424-6246
E-mail: samflora@cordovanet.com

Craig, City of

City of Craig
P.O. Box 725
Craig, AK 99921
Phone: (907) 326-3275
Telecopy: (907) 826-3278
E-mail: jholling@ptialaska.net

Haines, City of

City of Haines
P.O. Box 1049
Haines, AK 99827
Phone: (907) 766-2231
Telecopy: (907) 766-3179
Web Site: <http://www.haines.ak.us>

Hoonah, City of

P.O. Box 360
Hoonah, AK 99829
Phone: (907) 945-3663
Telecopy: (907) 945-3445

Hydaburg, City of

P.O. Box 49
Hydaburg, AK 99922
Phone: (907) 285-3761
Telecopy: (907) 285-3760

Coastal District Contacts

Juneau, City and Borough of

Community Development Department
155 South Seward Street
Juneau, AK 99801
Phone: (907) 586-5230
Telecopy: (907) 586-3365
Email: Terry_Stone@mail.ci.juneau.ak.us
Web Site: <http://www.juneau.Lib.ak.us>

Take, City of

P.O. Box 500
Take, AK 99830
Phone: (907) 785-3804
Telecopy: (907) 785-4815
E-mail: clerkake@seaknet.alaska.edu

Kenai Peninsula Borough

144 N. Binkley Street
Soldotna, AK 99669-7599
Phone: (907) 262-4441 x337
E-mail: Glandua@borough.kenai.ak.us
Web Site: <http://www.borough.kenai.ak.us>

Ketchikan Gateway Borough

344 Front Street
Ketchikan, AK 99901
Phone: (907) 228-6610
Telecopy: (907) 247-8439
E-mail: ktnczm@ktn.net

Klawock, City of

P.O. Box 113
Klawock, AK 99925
Phone: (907) 755-2261
Telecopy: (907) 755-2403

Kodiak Island Borough

Community Development Department
710 Mill Bay Road
Kodiak, AK 99615-6340
Phone: (907) 486-9360
Telecopy: (907) 486-9376
E-mail: lfreed@kib.co.kodiak.ak.us (no caps)

Lake and Peninsula Borough

P.O. Box 495
King Salmon, AK 99613
Phone: (907) 246-3421
Telecopy: (907) 246-6602
E-mail: lpboro@bristolbay.com

Coastal District Contacts

Matanuska-Susitna Borough

350 E. Dahlia Avenue
Palmer, AK 99645-6488
Phone: (907) 745-9865
Telecopy: (907) 745-9876

Nome, City of

P.O. Box 281
Nome, AK 99762
Phone: (907) 443-5242
Telecopy: (907) 443-5349
Web Site: <http://www.alaska.net/~nome/>

North Slope Borough

P.O. Box 69
Barrow, AK 99723
Phone: (907) 852-0440 x266
Telecopy: (907) 852-5991
E-mail: jdunham@co.north-slope.ak.us

Northwest Arctic Borough

P.O. Box 1110
Kotzebue, AK 99752
Phone: (907) 442-2500
Telecopy: (907) 442-2930
E-mail: acar@eagle.ptialaska.net
Web Site: <http://www.northwestarcticborough.com>

Pelican, City of

P.O. Box 737
Pelican, AK 99832
Phone: (907) 735-2202(wk)
Telecopy: (907) 735-2258

Petersburg, City of

P.O. Box 329
Petersburg, AK 99833
Phone: (907) 772-4533
Telecopy: (907) 772-4876
E-mail: luczak@alaska.net

Sitka, City and Borough of

100 Lincoln Street, #201
Sitka, AK 99835-7540
Phone: (907) 747-1812
Telecopy: (907) 747-7403
E-mail: campbell@cityofsitka.com
Web Site: <http://www.CityofSitka.com>

Coastal District Contacts

Skagway, City of

P.O. Box 415
Skagway, AK 99840
Phone: (907) 983-2297
Telecopy: (907) 983-2151

St. Paul, City of

P.O. Box 901
St. Paul, AK 99660
Phone: (907) 546-2331
Telecopy: (907) 546-3199

Thorne Bay, City of

P.O. Box 19110
Thorne Bay, AK 99919
Phone: (907) 828-3380
Telecopy: (907) 828-3374

Valdez, City of

P.O. Box 307
Valdez, AK 99686
Phone: (907) 835-4313
Telecopy: (907) 835-2992
E-mail: vdzadm@alaska.net

Whittier, City of

P.O. Box 729
Whittier, AK 99693
Phone: (907) 472-2326
Telecopy: (907) 472-2404

Wrangell, City of

P.O. Box 531
Wrangell, AK 99929
Phone: (907) 874-2381
Telecopy: (907) 874-3952
E-mail: ecodev@wrangell.com

Yakutat, City and Borough of

P.O. Box 160
Yakutat, AK 99689
Phone: (907) 784-3323
Telecopy: (907) 784-3281

State Agency Contacts

Primary State Resource Management Agency Contacts

Department of Natural Resources

Web Site: <http://www.dnr.state.ak.us>

Southcentral Alaska:

Public Information Office
3601 C Street, Suite 200
Anchorage, AK 99503-5929
Phone: 269-8400
Fax: 269-8901

Southeast Alaska:

Public Information Office
400 Willoughby, Fourth Floor
Juneau, AK 99801-1790
Phone: 465-3400
Fax: 586-2954

Northern Alaska:

Public Information Office
3700 Airport Way
Fairbanks, AK 99709-4699
Phone: 451-2700
Fax: 451-2751

Department of Fish and Game Division of Habitat and Restoration

Web Site: [http://www.state.ak.us/local/akpages/
FISH.GAME/adfghome.htm](http://www.state.ak.us/local/akpages/FISH.GAME/adfghome.htm)

Southcentral Alaska:

333 Raspberry Rd.
Anchorage, AK 99518-1599
Phone: 267-2335
Fax: 267-2464

Southeast Alaska:

P.O. Box 240020
Douglas, AK 99824-0020
Phone: 465-4290
Fax: 465-4272

State Agency Contacts

Northern Alaska:

1300 College Rd.
Fairbanks, AK 99701-1599
Phone: 459-7289
Fax: 456-3091

Department of Environmental Conservation

Web Site: [http://www.state.ak.us/local/akpages/
ENV.CONSERV/home.htm](http://www.state.ak.us/local/akpages/ENV.CONSERV/home.htm)

Southcentral Alaska:

555 Cordova St.
Anchorage, AK 99501
Phone: 269-7500
Fax: 269-7652

Southeast Alaska:

410 Willoughby Ave. Suite 105
Juneau, AK 99801
Phone: 465-5350
Fax: 465-5274

Northern Alaska:

610 University Ave.
Fairbanks, AK 99709-3643
Phone: 451-2360
Fax: 451-2187

Federal Agency Contacts

U.S. Army Corps of Engineers

<http://www.usace.army.mil/alaska>

P.O. Box 898
Anchorage, AK 99506-0898
ATTN: NPACO-RF
Phone: 1-800-478-2712

Your project may also require permits from other federal agencies such as those listed below. However, these agencies do not have consistent or single points of contact for permit information and ACMP requirement. DGC can provide you with appropriate contact information if your project may require permits from these agencies.

Bureau of Land Management
<http://www.ak.blm.gov/>

Environmental Protection Agency
<http://www.epa.gov/region10/www/search.html>

222 W. 7th Ave. #19
Anchorage, AK 99513-7588
1-800-781-0983

Federal Aviation Administration

Federal Energy Regulatory Commission

Minerals Management Service

949 E. 36th Ave.
Anchorage, AK 99508
(907) 271-6010

U.S. Coast Guard

<http://www.uscg.mil/d17uscgd17.html>

U.S. Forest Service

<http://www.fs.fed.us/r10/>

For more information about federal consistency or appeals to the U.S. Secretary of Commerce contact

**Office of Ocean and Coastal
Resource Management (OCRM)**
<http://www.nos.noaa.gov/ocrm/>

OCRM, National Ocean Service
National Oceanic & Atmospheric Administration
U.S. Department of Commerce
1305 East-West Hwy., N/ORM4
Silver Spring, Maryland 20910



**State of Alaska,
Office of the Governor**

**Division of Governmental
Coordination (DGC)**

DGC Web Site:

<http://www.alaskacoast.state.ak.us>

Juneau DGC Office

Address: 240 Main St.,
Suite 500, Juneau, AK

Mailing: P.O. Box 110030,
Juneau, AK
99811-0030

Telephone: (907) 465-3562
Fax: (907) 465-3075

Anchorage DGC Office

Address: 3601 "C" St., Suite 370
Anchorage, AK
99503-5930

Telephone: (907) 269-7470
Fax: (907) 561-6134

Joint Pipeline Office

Address: 411 W. 4th Ave.
Suite 2-C, Anchorage,
AK 99501-2342

Telephone: (907) 271-4317
Fax: (907) 272-0690



Funding for this publication provided by the State of Alaska and through the Coastal Zone Management Act of 1972, as amended in 1990, administered by the Office of Ocean and Coastal Resource Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce. These booklets were printed at a cost of .96 each in Anchorage, Alaska during June, 1998.

SB 308-COASTAL ZONE MGMT PROGRAM
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Patrick Galvin Subject/Bill No: SB 308
Co./Dept./Title: Director, Div of Govt. Coord. Phone: 465-8800
Address: P.O. Box 110030 Jensen Zip: 99811

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SB

311

SFIN

FILE

SB 311

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

Alaska State Legislature

SENATOR
GENE THERRIALT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271



Senate

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

Senate District 0

Senate Bill 311: **“An act relating to the public school trust fund, the Alaska children’s trust, and the Alaska heritage endowment fund; and providing for an effective date.”**

Sponsor: **Senator Gene Therriault**

Sponsor Statement

Senate Bill 311 is designed to give greater flexibility to the Commissioner of Revenue in investing the principle of the Public Schools Trust Fund, the Alaska Children’s Trust and the Alaska Heritage Endowment Fund.

When these funds were created, the statutes were written so that the money appropriated from the accounts could only come from the *Net Income Account* of the funds. This forced the Commissioner of Revenue to invest the money in low yield bonds and CD’s that would return guaranteed dividends as net income. The current language creates no incentive for the Commissioner to invest in high yield equities because the increase in value of the equity is considered an increase in principle rather than net income.

Senate Bill 311 will allow appropriations from the funds to be based on the market value rather than net income. This change in statute will direct the Commissioner of Revenue to manage the funds as endowments and allow investments in higher yielding securities. The commissioner would be directed to invest the assets in a manner to yield at least a 5% real rate of return over time and report to the legislature annually the market value of the fund as well as the amount of money available for appropriation.

Passage of Senate Bill 311 would create a more productive group of funds that would more effectively fund programs throughout the state.

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

Senate

Senate District 0

SECTIONAL ANALYSIS

Senate Bill 311

Section 1. Removes reference to the "net income account" in the Alaska Heritage Endowment Fund and replaces it with "money appropriated from." The net income account is repealed in section 23. This allows money to be appropriated from the fund without being considered "income."

Section 2 and 3. Removes all references to "the net income account" which is repealed in section 23.

Section 4. Removes reference to "the principal of" in the Alaskan children's trust because the fund will no longer be comprised of "principal" and "net income."

Section 5. Removes AS 37.14.170 which describes how the Public Schools Trust Fund was to be invested and managed. New criteria will be outlined in section 7.

Section 6. Removes reference to the "principle" of the fund and adds appropriations and income to what the fund is comprised of.

Section 7. Deletes language that describes the distinction between income and principle of the Public Schools Trust Fund. It also explains that the fund is to be managed as an endowment, which is not to diminish over time and will be expected to yield at least 5% real rate of return over time.

Section 8. Adds language to state that revenues deposited into this fund are not dedicated.

Section 9. Deletes reference to principle and interest of the fund.

Section 10. Removes statute that explains how the net income of the Public School Trust was to be spent and inserts the language stating how the fund is to be managed. After

July 1st the Commissioner of Revenue will report the month-end market value of the fund and the three previous fiscal years and identify 5% of the amount for appropriation by the legislature.

Section 11. Repeals language that distinguishes between income and principle of the account and replaces it with language describing the duties of the commissioner.

Section 12. Removing language that refers to the principle of the fund and adds language that the trust also consists of "income earned on investment of trust assets."

Section 13. Inserts language stating that the fund will be managed as an endowment and the purchasing power will not diminish over time. The fund is to be invested in a manner likely to yield at least a 5% real rate of return. Also inserts language that nothing in this section creates a dedicated fund.

Section 14. Repeals language that distinguishes between income and principle of the account and replaces it with language re-stating the duties of the commissioner.

Section 15. Removes language relating to "net income" and replaces it with "money appropriated from." Also removes the words "programs and" from the statement "programs and projects" by request of the fund to more narrowly designate what they are attempting to fund.

Section 16. Removes statute that explains how the net income of the Alaska Childrens Trust was to be spent and inserts the language stating how the fund is to be managed.

Section 17. Removes language referring to "net income" when referring to grants and changes it to "money appropriated from." Removes language referring to "programs," in the statements "programs and projects." Adds language to specify who can receive appropriated grants and how they are to be used.

Section 18. Removes the word "programs" from "programs and projects to clarify the intent of the grants.

Section 19. Removes language distinguishing the difference between the principle and the income of the Alaska Heritage Endowment Fund.

Section 20. Inserts subsection stating that the fund will be managed as an endowment and the purchasing power will not diminish over time. Also inserts language that nothing in this section creates a dedicated fund.

Section 21. Repeals language that distinguishes between income and principle of the account and replaces it with language re-outlining the duties of the commissioner.

Section 22. Removes statute that explains how the net income of the Alaska Heritage Endowment Fund was to be spent and inserts the language stating how the fund is to be

managed. After July 1st the Commissioner of Revenue will report the month-end market value of the fund and the three previous fiscal years and identify 5% of the amount for appropriation by the legislature.

Section 23. Removes language that separates these funds into "net income" and "principle".

Section 24. Adds language to the uncodified law of the State of Alaska to describe the transition from the old system of managing the Alaska Heritage Endowment Fund. This includes seeking consent from contributors to the fund.

Section 25. Removes language referring to "net income" and replaces it with "appropriations from."

Section 26. States the effective date is immediate.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

March 27, 2002

SUBJECT: Certain public funds; sectional summary (SB 311)

TO: Senator Gene Therriault
Attn: Zach Warwick

FROM: Tamara Brandt Cook *TBC*
Director

This bill basically eliminates the distinction between income and principal in three public funds: the Alaska heritage endowment fund, the Alaska children's trust, and the public school trust fund. It switches from a system under which income was used from each fund to a formula under which five percent of an averaged market value of the fund is the basis for determining the level of appropriations from the fund each year.

Sec. 1. Deletes reference to the net income account and simply authorizes use of money appropriated from the Alaska heritage endowment fund. The net income account is repealed in bill sec. 23.

Secs. 2 and 3. Conforming changes to delete reference to the net income account.

Sec. 4. Eliminates a reference to "the principal of" in connection with the Alaska children's trust.

Sec. 5. Eliminates a reference to AS 37.14.170, repealed in bill sec. 23, which establishes criteria for the investment and management of the public school trust fund. A new statement of management criteria is added in bill sec. 7.

Sec. 6. Eliminates the distinction between principal and income of the public school trust fund. Adds to list of sources of fund assets appropriations to the fund and income earned on fund assets.

Sec. 7. See explanation, sec. 5.

Sec. 8. Adds a provision that, except for amounts dedicated under federal law, amounts deposited into the public school trust fund are not dedicated.

Sec. 9. Conforming change to delete reference to "principal and interest" with respect to the public school trust fund.

Sec. 10. Establishes formula under which the amount to be used from the public school trust fund is five percent of an averaged market value of the fund.

Sec. 11. Changes provisions dealing with management of the public school trust fund.

Sec. 12. Conforming change to eliminate distinction between principal and income with respect to the Alaska children's trust.

Sec. 13. Adds provisions relating to management of the trust as an endowment and providing that the trust is not dedicated.

Secs. 14 and 15. Changes provisions relating to management of the trust.

Sec. 16. Establishes formula under which the amount to be used from the trust each year is five percent of an averaged market value of the trust.

Secs. 17 and 18. Conforming changes and changes to provisions dealing with grants from the trust.

Sec. 19. Eliminates distinction between principal and income for the Alaska heritage endowment fund.

Sec. 20. Adds a new provision dealing with management of the fund as an endowment and providing that the fund is not dedicated.

Sec. 21. Changes provisions dealing with management of the endowment fund.

Sec. 22. Provides for use of five percent of an averaged market value of the endowment fund.

Sec. 23. Repeals provisions dealing with income of the funds dealt with in this bill and a provision dealing with investment of the public school trust fund.

Sec. 24. Requires the commissioner of revenue to get consent from persons who made contributions to the Alaska heritage endowment fund principal to account for those amounts under the provisions of this Act.

Sec. 25. Directs the revisor of statutes to change an article heading.

Sec. 26. Provides for an immediate effective date.

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/19/02

FURTHER: Finance

Date of 5-Day Notice: 4/14/02
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/15/02

Health, Education and Social Services Committee considered **SENATE BILL NO. 311**
SB 311 STATE TRUST FUND MONIES

"An Act relating to the public school trust fund, the Alaska children's trust, and the Alaska heritage endowment fund; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 311 (HES)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

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

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DOR	4/5/02	✓		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Greg Wilber</i>	✓			
<i>Betty Davis</i>	✓			
<i>Alan A. Hansen</i>	✓		✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>				
CHAIR: <i>[Signature]</i>			✓	

NAME: Neil Slotnick / John Jenks Subject/Bill No: 311

Co./Dept./Title: Dept of Revenue Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SITE: FAIRBANKS LIO

SUBJECT OF MEETING:

COMMITTEE: SFIN

DATE: 5/1/2002

UPDATE # 1



PLEASE SIGN IN

PRINT YOUR NAME	DO YOU WANT ADDRESS (MAILING & ZIP)	REPRESENTING	TO TESTIFY? Y or N
✓ Carol Brice		AK Children's Trust	Y SB 311
✓ Marilyn Eggleston		RCPC	Y SB 311
✓ Coleen Turner		RCPC	Y SB 311

SB

312

SFIN

FILE

SB 312

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

SB

317

SFIN

FILE

SB 317

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

This bill was waived from Committee



OFFICIAL BUSINESS

Alaska State Legislature
Senate
Office of the Secretary

STATE CAPITOL, ROOM 213
JUNEAU, ALASKA 99801-1192
(907) 465-3701
FAX: 465-2832
EMAIL: senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: May 10, 2002
TO: Finance Committee
(Mindy - Room 520)
FROM: Office of the Senate Secretary
SUBJ: Waived Bill(s)

The Chair of the Committee noted above has waived referral on the following bill(s):

RETRIEVE

SENATE BILL NO. 317

"An Act relating to the national forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; and providing for an effective date."

Please give the bill file(s) to the page for forwarding to the next Committee of referral.

Thank you.

SB

319

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CSSB 319 (RES)
 () Publish Date: _____

Revision Date/Time (Note if correction): 18-Apr-02 Dept. Affected: DNR
 Title Shallow Natural Gas: BRU Oil and Gas Development
Leasing & Discharges Component Oil and Gas Development
 Sponsor Sen. Torgerson
 Requester (H) FIN Component No. 439

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	275.0*	250.0**	250.0**	250.0**	250.0**	250.0**
-------------------------------	---------------	----------------	----------------	----------------	----------------	----------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

*Positive revenue flow anticipated in FY 03 from the conversion of approximately 50 shallow gas leases. Lessees would have a one-time chance to convert the lease to the specifications allowed under the new amendments if they pay the difference in the application fee (estimated at \$4,500 if fees are set at \$5,000 in the regulation process), bonding requirement, and rental fees. Under this example the state could receive \$225,000 additional application fees, plus an additional \$0.50 per each acre converted under the proposed amendments. DNR also assumes that it will receive 10 new applications (\$50,000) during FY03.

** In the ensuing years, activity in shallow gas leasing is expected to increase leading to additional revenues to the state. These figures assume that DNR receives 50 new applications each year. This amount does not include additional rental income nor royalties from production.

Prepared by: Mark Myers Phone 269-8800
 Division: Oil and Gas Date/Time 4/18/2002
 Approved by: Pat Pourchot Date 4/18/2002
 Agency: Natural Resources



**LEGISLATIVE AFFAIRS AGENCY
INFORMATION & TELECONFERENCING**

PO Box 845

Tok, AK 99780

Phone: 883-5020 Fax: 883-5021

Date: 5.6.02

Please accept the enclosed original(s) of written testimony for the HF 1N SB 37
teleconferenced hearing that was scheduled on 5.6.02

A copy of this testimony was transmitted to your committee via fax on 5.6.02

Thank you.

Tok LJO

Shawn Roberts, FNP, MS,

I am not in favor of HB 37. As a family nurse practitioner, I practice independently of physicians. It has been difficult to receive certain privileges in which physicians have total control. One example is hospital privileges to order radiology tests and procedures without using a physician's name.

HB 37 gives collective bargaining to physician on an exclusive basis. By not having FNP's or mid-level practitioners included in this collective, we are affectively kept out of all care of individuals represented by the health benefit plan. (again at the auspices of physician's) Please reconsider the wording of "physician" to include all practitioners
Thank-you.

Shawn Roberts, FNP, MS,

17 years working in rural AK providing primary care medicine

ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street · Anchorage, Alaska 99508 · (907)562-0304 · (907)561-2063 (fax)

FAX COVER SHEET

Pages (including cover sheet):

TO: Rep. Bill Williams

FROM: Jim Jordan

DATE: 5/6/02

SUBJECT: SB37

MESSAGE:

Dear Rep. Williams

The statement I read in the hearing today is from this letter which was addressed to Rep. Murbowski. pertaining to the FTC, 1/18/02, letter on this bill.

Thank you

Jim

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

February 11, 2002

Honorable Lisa Murkowski
Alaska State House of Representatives
State Capitol, Room 408
Chair, House Labor and Commerce Committee
Juneau, AK 99801-1182

Dear Representative Murkowski:

The Alaska State Medical Association (ASMA's) lobbyist has provided me with a copy of the response (dated 1/18/ 2002) from several staff members from the Federal Trade Commission (FTC). At the risk of stating the obvious, please note that these are the comments of staff members (Messrs. Simons and Cruz) and do not represent the position of the FTC. This is the same situation when another FTC staff person (Richard Feinstein) testified on SB 256 (SB 37 during the last session) on his own behalf and not representing the views of the FTC.

The response from Mr. Simons and Mr. Cruz again reflect similarly the comments made in regard to the "state action doctrine exception" bills in both Texas and the District of Columbia. ASMA has responded to the comments with both written and oral testimony on numerous occasions, including before House Labor and Commerce Committee as well as in your work session this past December. Therefore, I am not going to comment in detail again but will instead make several comments on a broader basis. (By the way, a private attorney representing an undisclosed client in D.C. brought very similar arguments to those of Mr. Simons and Mr. Cruz in opposition to the D.C. bill establishing a state action doctrine exception. Mr. Charles James was the D.C. medical society legal council and he responded to those arguments. I will share some of Mr. James' comments with you as well.)

I will begin by framing the issue that is illustrative of why ASMA has brought forth and supported the concept embodied in SB 37. Alaska is faced with a situation where the private insurers involved in the health insurance are an oligopoly; Alaska has an inadequate number of physicians plus a great number who will be leaving practice soon due to age; and a necessary symbiotic relationship exists between physicians and the third party payors. ASMA is very interested in the physician workforce issues due to concerns over access to care issues. The symbiotic relationship, embodied by the whole concept and practice of assignment of benefits, is necessary due to legitimate public health reasons. (This relationship is required to exist by AS 21.87.140 for a medical service corporation.) Additionally, the contractual arrangements between insurers and physicians have been such that no negotiation takes place, with physicians being offered contracts on a "take it or leave it" basis. This happens because of the monopsony power that is exercised by the few insurers in the marketplace. ASMA finds this to be patently unfair.

Mr. Cruz and Mr. Simons seem to be unaware of the health care environment in Alaska and make the presumption that the health insurers can not look out after their own best interests. ASMA feels that the State is in a better position to determine what is needed to meet the health care needs of the citizens and that the large health insurers can and do vigorously look out for their own interests. (Also, and again, the entire process embodied in SB 37 is voluntary.)

Mr. James was the outside legal council for the medical association in D.C. when it was pursuing its bill embodying the "state action doctrine exception". He now is the head of the U.S. Justice Department's anti-trust enforcement division. The following is a response from Mr. James pertaining to arguments made by a lawyer (Mr. Hartwell) against D.C.'s "state action doctrine exception bill"; which represent an excellent overview:

"...It is true, the proposed legislation does not rely on elaborate pricing mechanisms to fix the outcome of the negotiations. From his letter, it appears that Mr. Hartwell would have the District insinuate itself into every facet of the negotiation process, establishing, among other things, a "framework" for the actual negotiations and a "procedural mechanism for evaluating the fairness of the negotiated terms and conditions." (Ltr. From Ray V. Hartwell, III., Esq. to Linda Crop of 4/24/00 at 6.) But the active supervision requirement does not require the District actually to sit at the bargaining table. Such a narrow interpretation indeed would turn the state action doctrine on its head. The underlying rationale of the doctrine, again, is to free the exercise of District's police powers from federal interference. Mr. Hartwell's understanding of the active supervision requirement would effectively preclude the District from adopting more progressive regulatory policies, like those embodied in the Act, that take advantage of efficiencies inherent in a bargained-for exchange. Rather than trying to impose bureaucratic notions of fairness, the Act relies on the self-interest of the physicians and the health plans to drive the bargaining process toward the most efficient result. At the same time the Mayor retains the ability to fix certain parameters before negotiations commence, (see Bill 13-333 at § 7), and to review the end-result (see id. At §§ 7-8). This structure ensures that the District has the final say on the agreement, while securing the efficiency benefits of a private bargain."

Additionally, I would like to point out that the letter from Mr. Simons and Mr. Cruz point out the need for non-fee related items to be covered in SB 37. On page 7, the last two sentences are as follows:

"...The method a health plan uses to calculate its payments to providers for particular services, however, can have a direct and significant impact on the ultimate price that providers receive for their services, and thus such are also "price" terms. Moreover, even collective bargaining over other, more clearly "non-price" issues in a health plan contract can have a substantial effect on the ultimate costs paid by consumers."

Finally, some of the points made by Mr. Simons and Mr. Cruz in last several pages of this letter pertaining to information provided the AG in the course of the process and the time in which the AG needs to make its final decision have merit. We addressed those issues with Sen. Kelly and have suggested amendments to address those issues.

Please give me a call if you wish to discuss any of the issues involving SB 37.

Sincerely,



James J. Jordan

Cc: Sen. Pete Kelly
John Troxel, MD, ASMA President

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CSSB 319 (RES)
 () Publish Date: _____

Revision Date/Time (Note if correction): 18-Apr-02 Dept. Affected: DNR
 Title Shallow Natural Gas: BRU Oil and Gas Development
Leasing & Discharges Component Oil and Gas Development
 Sponsor Sen. Torgerson
 Requester (H) FIN Component No. 439

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	275.0*	250.0**	250.0**	250.0**	250.0**	250.0**
-------------------------------	---------------	----------------	----------------	----------------	----------------	----------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

*Positive revenue flow anticipated in FY 03 from the conversion of approximately 50 shallow gas leases. Lessees would have a one-time chance to convert the lease to the specifications allowed under the new amendments if they pay the difference in the application fee (estimated at \$4,500 if fees are set at \$5,000 in the regulation process), bonding requirement, and rental fees. Under this example the state could receive \$225,000 additional application fees, plus an additional \$0.50 per each acre converted under the proposed amendments. DNR also assumes that it will receive 10 new applications (\$50,000) during FY03.

** In the ensuing years, activity in shallow gas leasing is expected to increase leading to additional revenues to the state. These figures assume that DNR receives 50 new applications each year. This amount does not include additional rental income nor royalties from production.

Prepared by: Mark Myers Phone 269-8800
 Division: Oil and Gas Date/Time 4/18/2002
 Approved by: Pat Pourchol Date 4/18/2002
 Agency: Natural Resources



ALASKA STATE LEGISLATURE

SENATOR JOHN TORGERSON

CHAIR, SENATE RESOURCES COMMITTEE

CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CHAIR, JOINT COMMITTEE ON NATURAL GAS PIPELINES

Session:

State Capitol, Room 427, Juneau, AK 99801
Telephone 907/465-2828 Fax 907/465-4779

District:

45457 Kenai Spur Hwy. Suite 101B,
Soldotna, AK 99669
Telephone 907/260-3042 Fax 907/260-3044

Sponsor Statement

SB 319 - "An act relating to shallow natural gas leasing; and providing for an effective date."

Shallow gas leasing was originally proposed as a program that would enable exploration and production of shallow natural gas deposits. One of the features of the program was to encourage a new energy supply to villages, mines, and other rural users. The program is fully operational with over 100 leases processed and nearly 200 more pending. The program has become a vehicle for commercial gas development in Fairbanks, Big Delta, Matsu Valley, and the lower Kenai Peninsula. SB 319 is intended to advance the program into a more robust and viable commercial program that should benefit all parties.

Because the program has become more commercial in nature, increasing revenues from application fees and annual rental fees is appropriate. The program will still neither involve competitive bidding nor require bonus bids. However, application fees for shallow gas leases have been increased from \$500 to \$5,000 and annual rental fees have been increased from \$0.50 to \$1 per acre. The increased fees are designed to increase revenue and pay for the program costs, while not discouraging parties of genuine interest and ability from developing shallow natural gas resources.

The requirement that DNR annually notify a lessee by certified mail of rental due has been deleted. Rent would automatically be due on the date determined in the lease. Deadlines have proven to be unworkable and do not recognize the work required by DNR to prepare leases in areas that are populated and may have complex land ownership patterns.

REPRESENTING THE KENAI PENINSULA

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Humpy
Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo Kusilof Lowell Point
Moose Pass Nanwalek Nikolaevs Ninilchik Port Graham Razdolna Seward Seldovia
Soldotna Stariski Sterling Voznesenka*

The limitation on depth to 3,000 feet has been replaced with the requirement that some portion of the field must be within 3,000 feet of the surface. The total amount of acreage that may be held by shallow natural gas lessees has been increased from 46,080 acres to an aggregate of 100,000 acres. The acreage increase reflects the fact that large acreage may be necessary to a shallow gas program.

The requirement that the applicant conduct a title search will be removed. DNR routinely conducts a title search for land before leases are issued. Additionally, there are no title companies who will conduct a thorough title search of the subsurface estate and warranty title. These changes will improve reservoir management and increase the value to the lessee and the state.

New bonding provisions would demonstrate lessees are fiscally responsible and would help protect surface owners. The lessee must secure the bond as a precondition to obtaining the lease. In the event that the surface estate is owned by a private party, an additional bond may be required if the lessee and the private party cannot reach an agreement.

Lessees will have from July 1, 2002 through September 30, 2002 (roughly 90 days) to convert leases from the existing program to the new program, if they so choose.



ALASKA STATE LEGISLATURE

SENATOR JOHN TORGERSON

CHAIR, SENATE RESOURCES COMMITTEE

CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CHAIR, JOINT COMMITTEE ON NATURAL GAS PIPELINES

Session:

State Capitol, Room 427, Juneau, AK 99801
Telephone 907/465-2828 Fax 907/465-4779

District:

45457 Kenai Spur Hwy.; Suite 101B, Soldotna, AK 99669
Telephone 907/260-3042 Fax 907/260-3044

SECTIONAL ANALYSIS

SB 319

"An Act relating to shallow natural gas leasing"

Sec. 1 Page 1, lines 6-7.

- Amends the 3,000 foot depth to "a field, if a part of the field is within 3,000 feet of the surface."

Sec. 2 Page 2, Lines 14-22

- Amends the application fee to "up to \$5,000."
- Amends the total acreage from 46,080 acres to 100,000 acres.

Sec. 3 Page 2, Lines 23-7

- Removes the timing requirements for DO&G: Notice 20 days after receipt of application; Execute lease within 90 days after close of public comment period or 30 days after final consistency determination.

Sec. 4 Page 3, Lines 8-14

- Increases rental from .50 per acre to \$1 per acre.
- Removes requirement that DO&G send written notice by certified mail of rent due.

Sec. 5 Page 3, Lines 15-29

- Amends depth in AS 38.05.177(j) Lessee has the right to produce gas only if it is from a field if a part of the field is within 3000 feet of the surface.

Sec. 6 Page 3, Lines 30-16

- Adds new section requiring an additional bond (in addition to the bond required under AS 38.05.130). Establish by regulation form and amount for statewide, areawide, unit-wide, or per-lease bonds.

REPRESENTING THE KENAI PENINSULA

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove
Homer Hope Kachemak City Kachemak Selo Kasilof Lowell Point Moose Pass Nanwalek Nikolaevsk
Ninilchik Port Graham Razdolna Seward Seldovia Soldotna Stariski Sterling Voznesenka*

- The bond must be posted as a condition of issuing the lease.
- An additional bond is not required if the person already has a bond covering the person's statewide oil and gas leasing activities in an amount of at least \$500,000.

Sec. 7 Page 4, Lines 17-5

- Amends the depth with respect to Waste Disposal Permits under Title 46(DEC). The permit requirements do not apply for "water well drilling, geophysical drilling, or coalbed methane drilling or other natural gas from a field subject to lease under AS38.05.177.

Sec. 8 Page 5, Lines 6-29

- Changes depth for proof of financial responsibility to respond to damages in the case of pipelines or exploration/production facilities Title 46 (DEC).

Sec. 9 Page 5, Line 30

- Repeals the requirement for the applicant to conduct the title search.

Sec. 10 Page 5, Lines 31-5

- DNR may proceed with adopting regulations necessary to implement these amendments.

Sec. 11, Page 6, Lines 6-12

- Adds a new section to the uncodified that allows lessees to convert leases to consistency with the amendments between July 1, 2002 and October 1, 2002.

Sec. 12 Page 6, Line 13

- Section 10, above, takes effect immediately

Sec. 13 Page 6, Line 14

- The remainder of the amendments take effect July 1, 2002

Alaska Reserves and Production

- **36% of total U.S. oil reserves.**
- 8.0 billion barrels of oil
- **17% of total U.S. gas reserves**
- 35 trillion cubic feet of gas
- **20% of total U.S. oil production**
- 1.04 million barrels of oil per day

Sources: Alaska data are from Department of Natural Resources, Division of Oil and Gas, 2001 Annual Report
U.S. data are from U.S. Crude Oil, Natural Gas, and NGL Reserves, 2000 Annual Report, U.S.D.O.E.-E.I.A.

The State Revenue Pie

Petroleum Revenue Sources, (FY 2001)

**Total Royalties, Bonuses, Rents & Settlements:
\$1,145.9 Million**

General Fund Royalties, Bonuses & Rents^{1,2}:
\$798.8 Million

Royalties to Permanent Fund &
School Fund⁴:
\$337.1 Million

Settlements to CBRF⁴:
\$10.0 Million
(Includes Royalties & Taxes)

**Taxes:
\$1,125.4 Million²**

(Oil & Gas Property Tax + Tax Settlements +
Income Tax + Severance Tax)

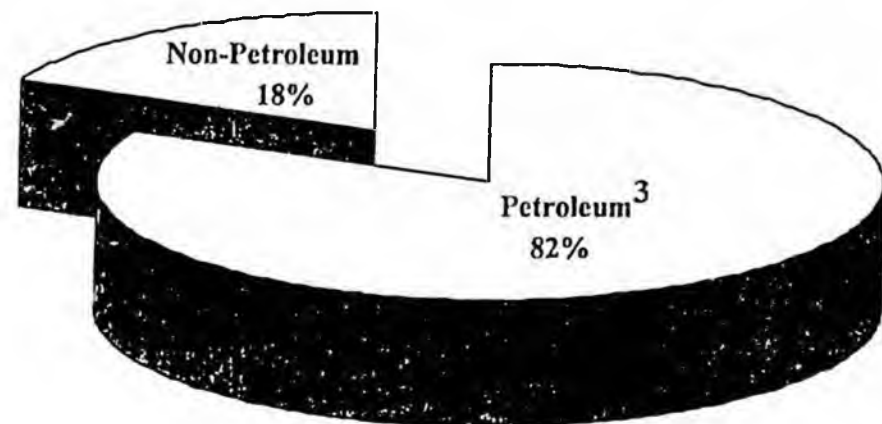
1 Includes Federally shared rentals

2 Source: pg. 23, DOR Fall 2001 Revenue Sources Book

3 Source: pg. 22, DOR Fall 2001 Revenue Sources Book

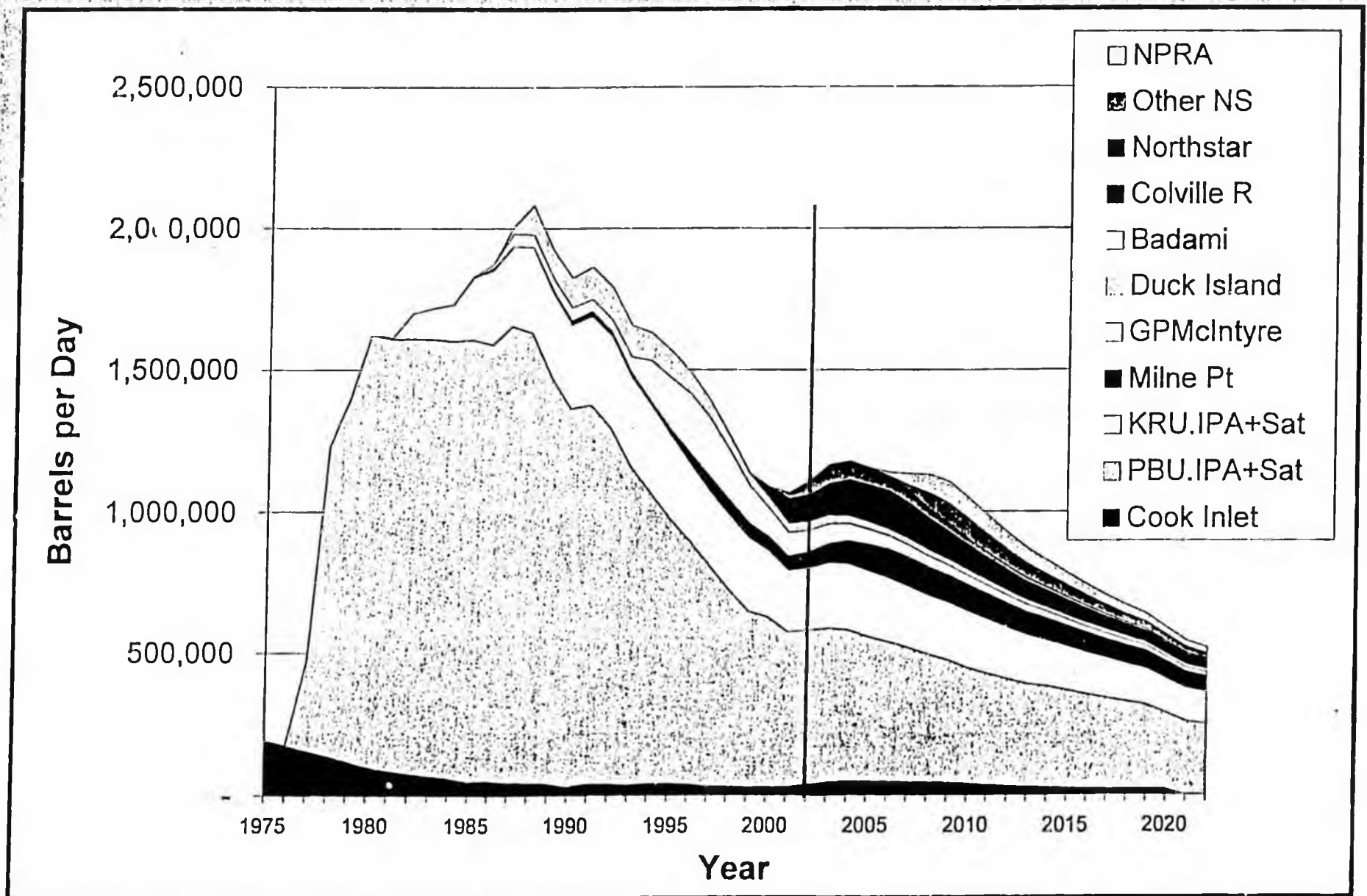
4 Source: pg. 19, DOR Fall 2001 Revenue Sources Book

FY 2001 Unrestricted Revenue

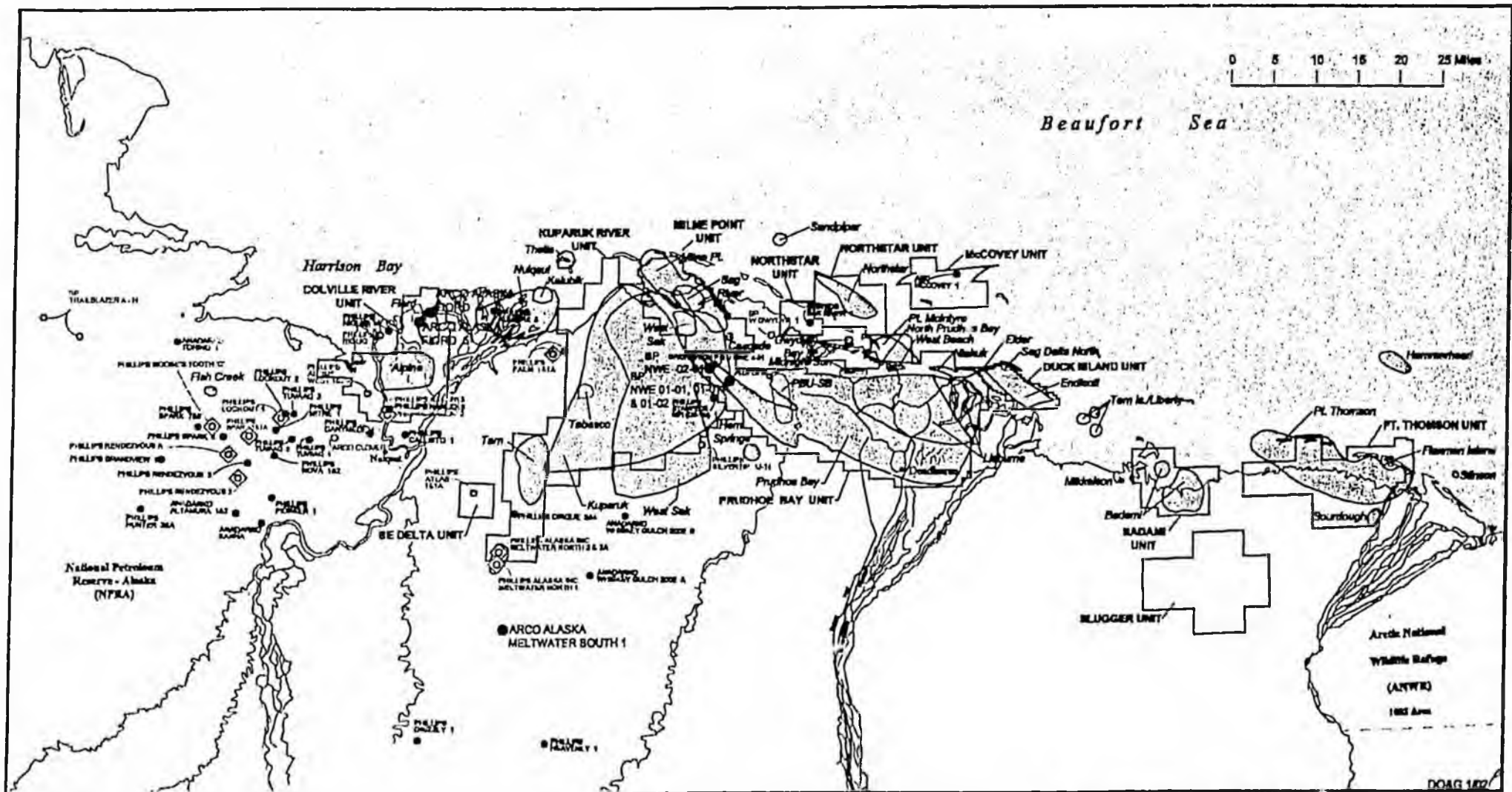


Historic and Projected Alaska Oil Production

1975 - 2022



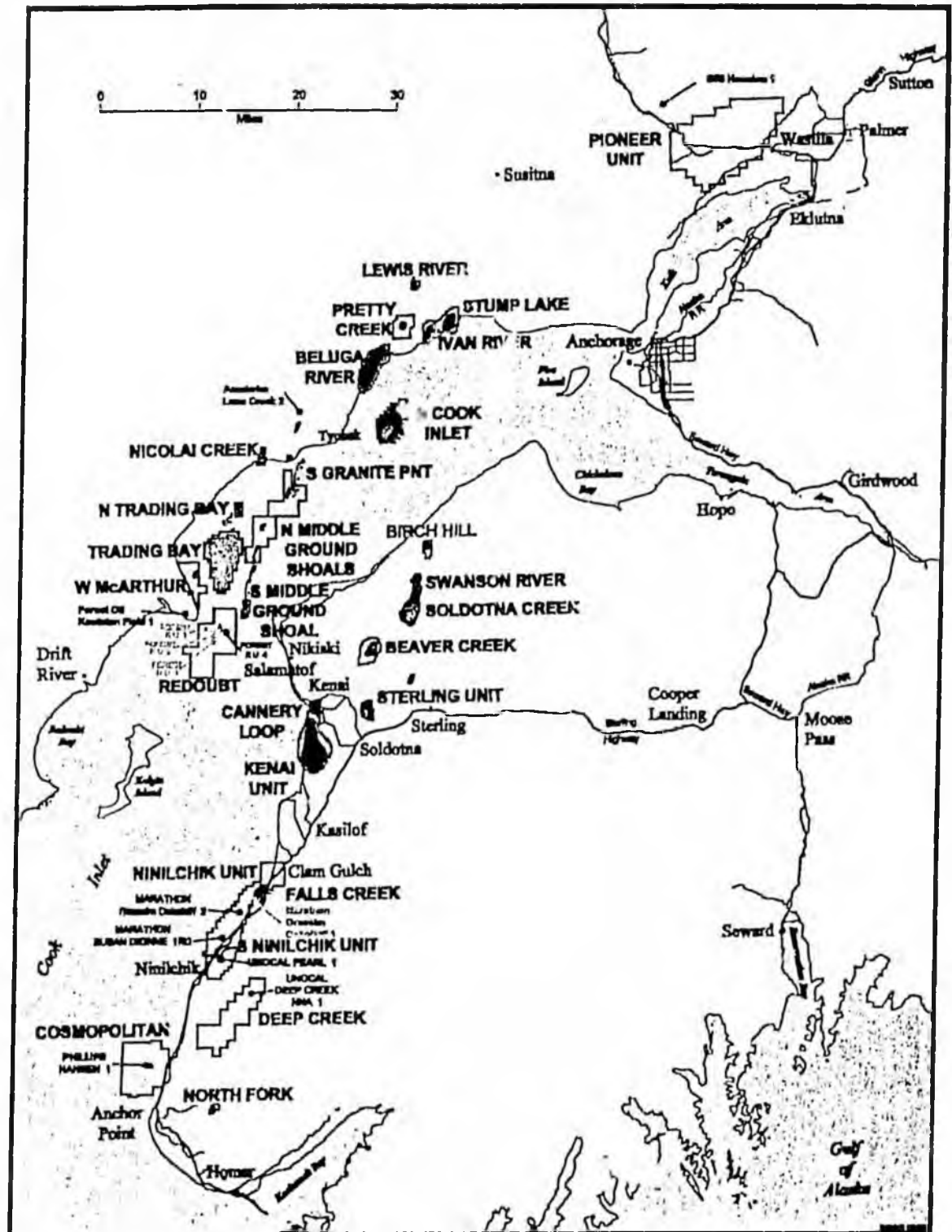
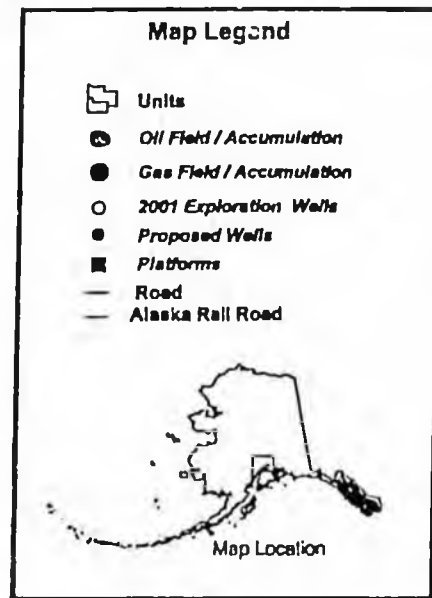
North Slope Oil & Gas Activity and Discoveries 2002



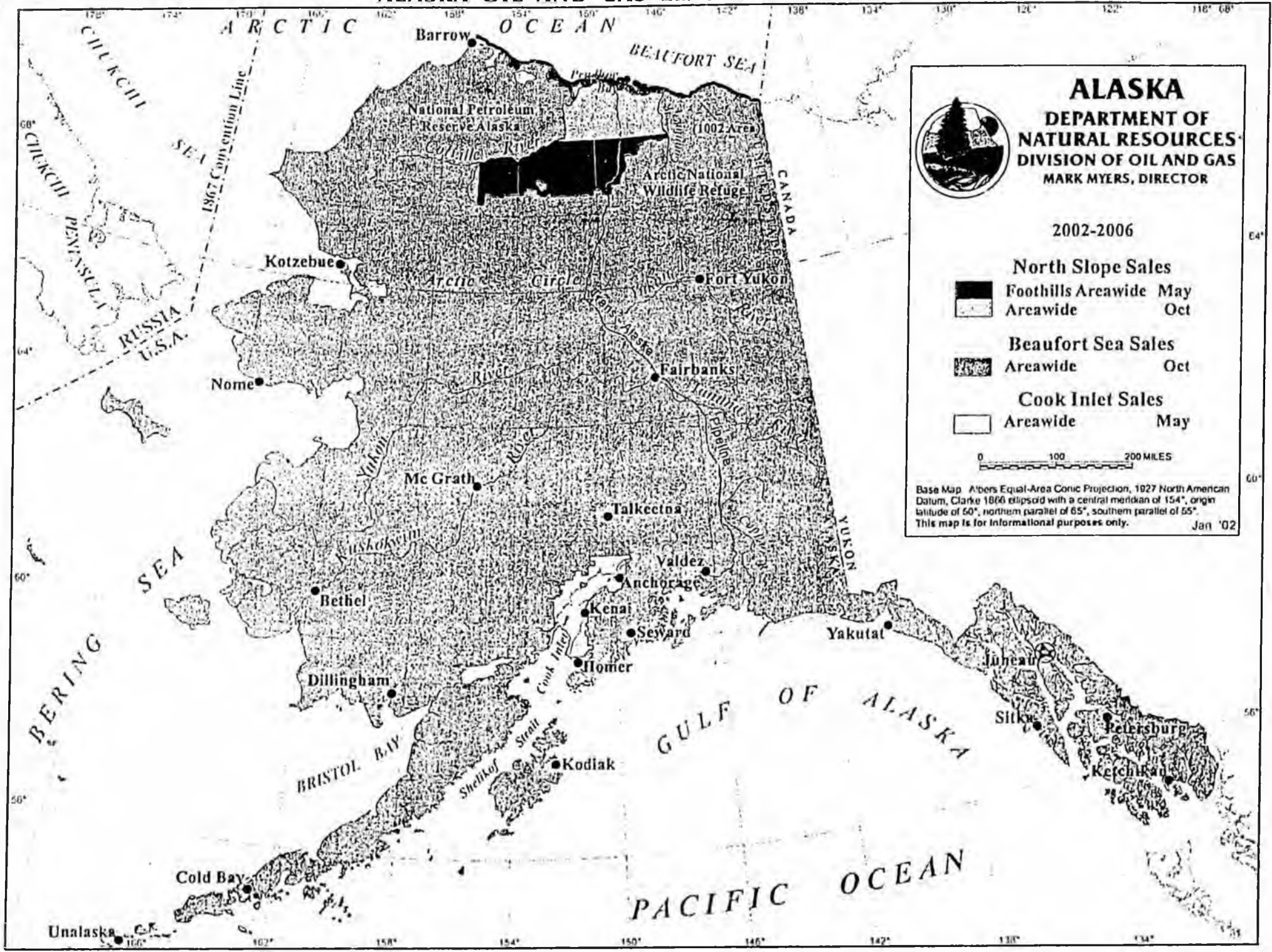

Map Legend

Units	Road
Oil Field / Accumulation	Trans-Alaska Pipeline
2000 Exploration Wells	
2001 Exploration Wells	
2002 Proposed Wells	
Active Wells	
Recent Discoveries	

Cook Inlet Oil & Gas Activity January 2002



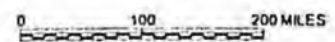
ALASKA OIL AND GAS LEASING PROGRAM

ALASKA
DEPARTMENT OF
NATURAL RESOURCES
DIVISION OF OIL AND GAS
 MARK MYERS, DIRECTOR

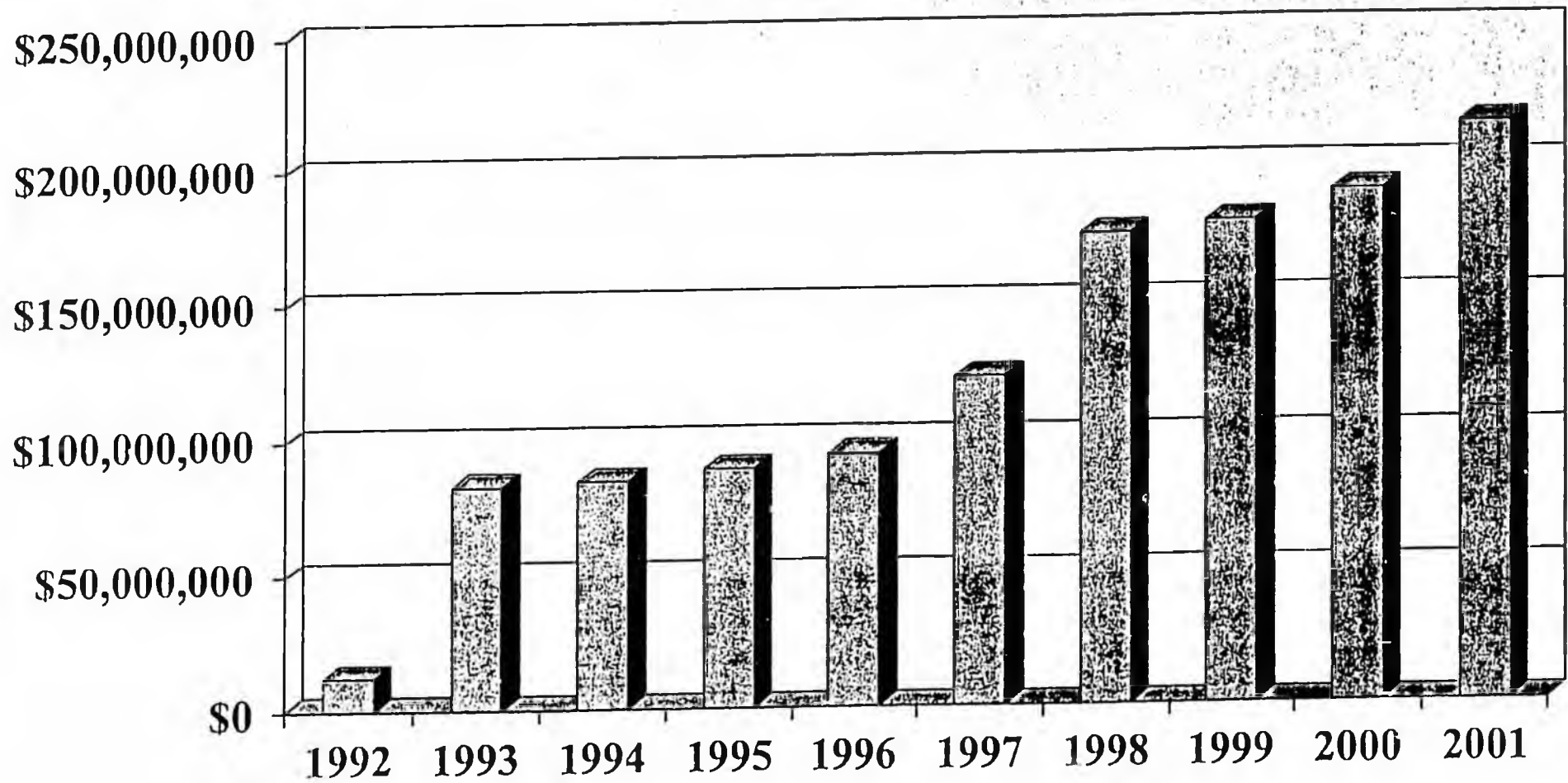
2002-2006

-  North Slope Sales
-  Foothills Areawide May
-  Areawide Oct
-  Beaufort Sea Sales
-  Areawide Oct
-  Cook Inlet Sales
-  Areawide May



Base Map: Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 154°, origin latitude of 60°, northern parallel of 65°, southern parallel of 55°.
 This map is for informational purposes only. Jan '02

Cumulative Bonus Bids



2001 Areawide Lease Sales

Total Acres Leased = 1.6 Million

Total Bonus Bids = \$24.5 Million

North Slope Foothills

- Area's First Lease Sale
- Largest State Sale Ever
- 8 Bidding Groups
- 978,560 Acres Leased
- \$10.7 Million in Bonus Bids

North Slope

- 16 Bidding Groups (Shell returns after 13 yrs)
- 469,760 Acres Leased
- \$7.4 Million in Bonus Bids

Cook Inlet*

- 6 Bidding Groups
 - 102,523 Acres Leased
 - \$928,085 in Bonus Bids
- (* Final Results)

Beaufort Sea

- 7 Bidding Groups
- 60,800 Acres Leased
- \$5.4 Million in Bonus Bids

Exploration Licensing

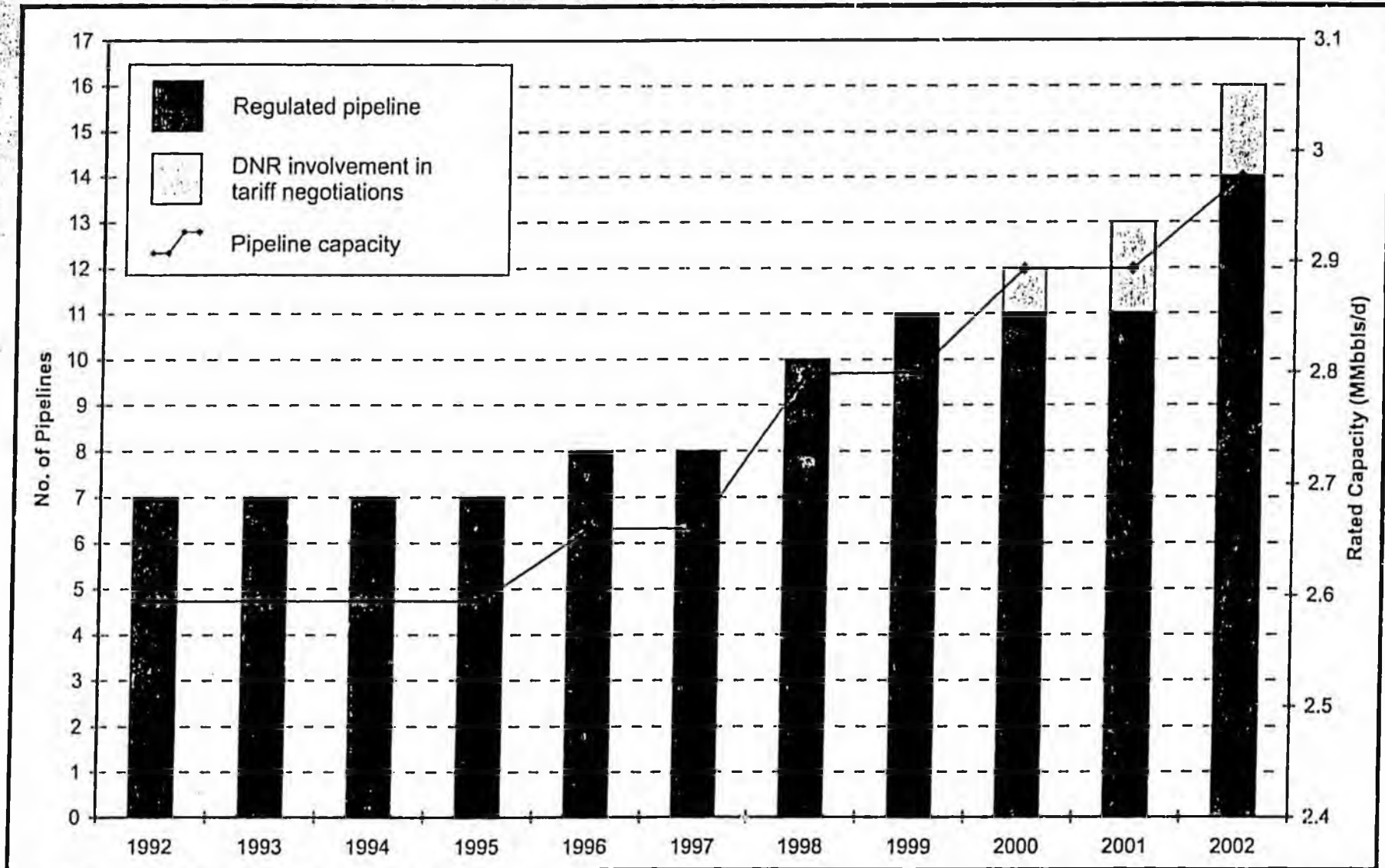
Proposed – Susitna Valley

- Forest Oil Corp. submitted two proposals
- 873,600 Total Acres, located west of Susitna R.
- Total Exploration Commitment over \$5 Million
- Final Finding and Decision – February 2002

Proposed – Nenana Basin

- Andex Resources submitted only proposal
- 499,800 Acres, located north and west of Nenana
- Exploration Commitment = \$2.5 Million
- Preliminary Finding – February 2002
- Final Finding and Decision – Late Summer 2002

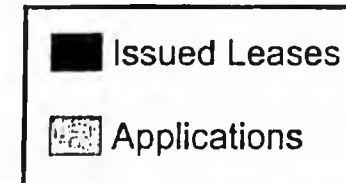
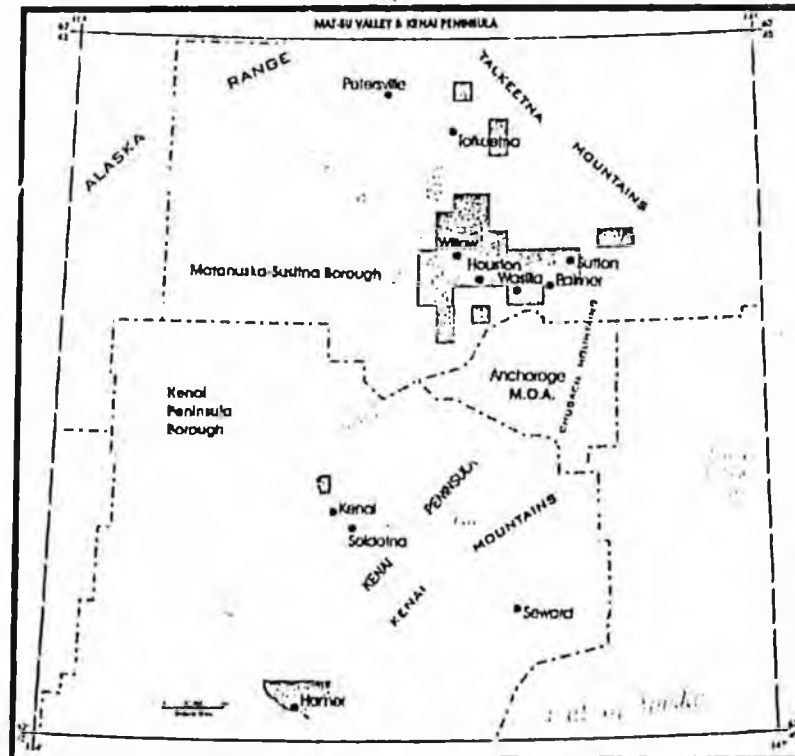
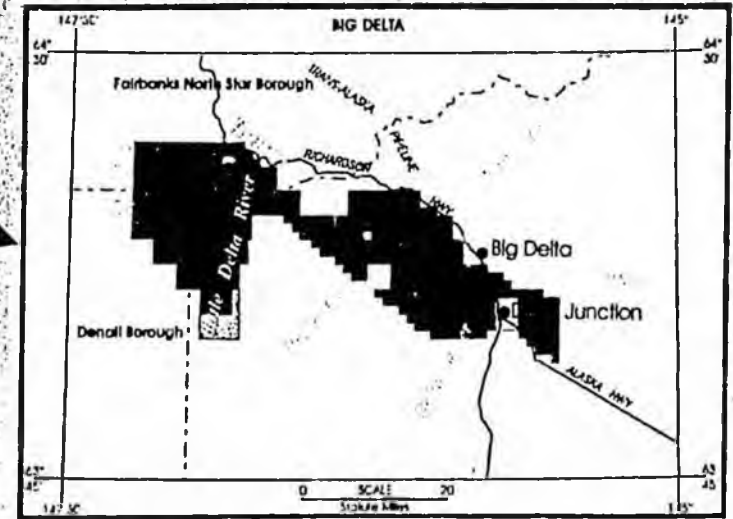
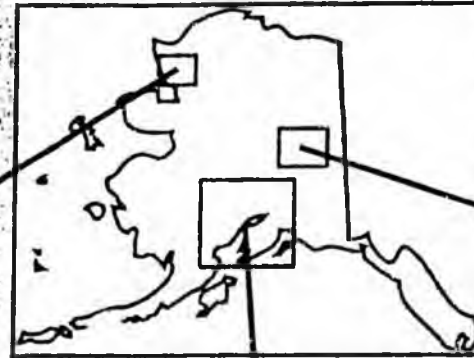
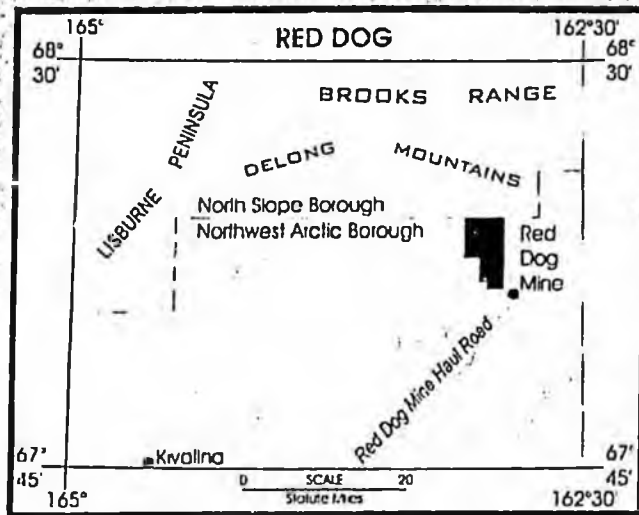
Alaska Regulated Pipelines



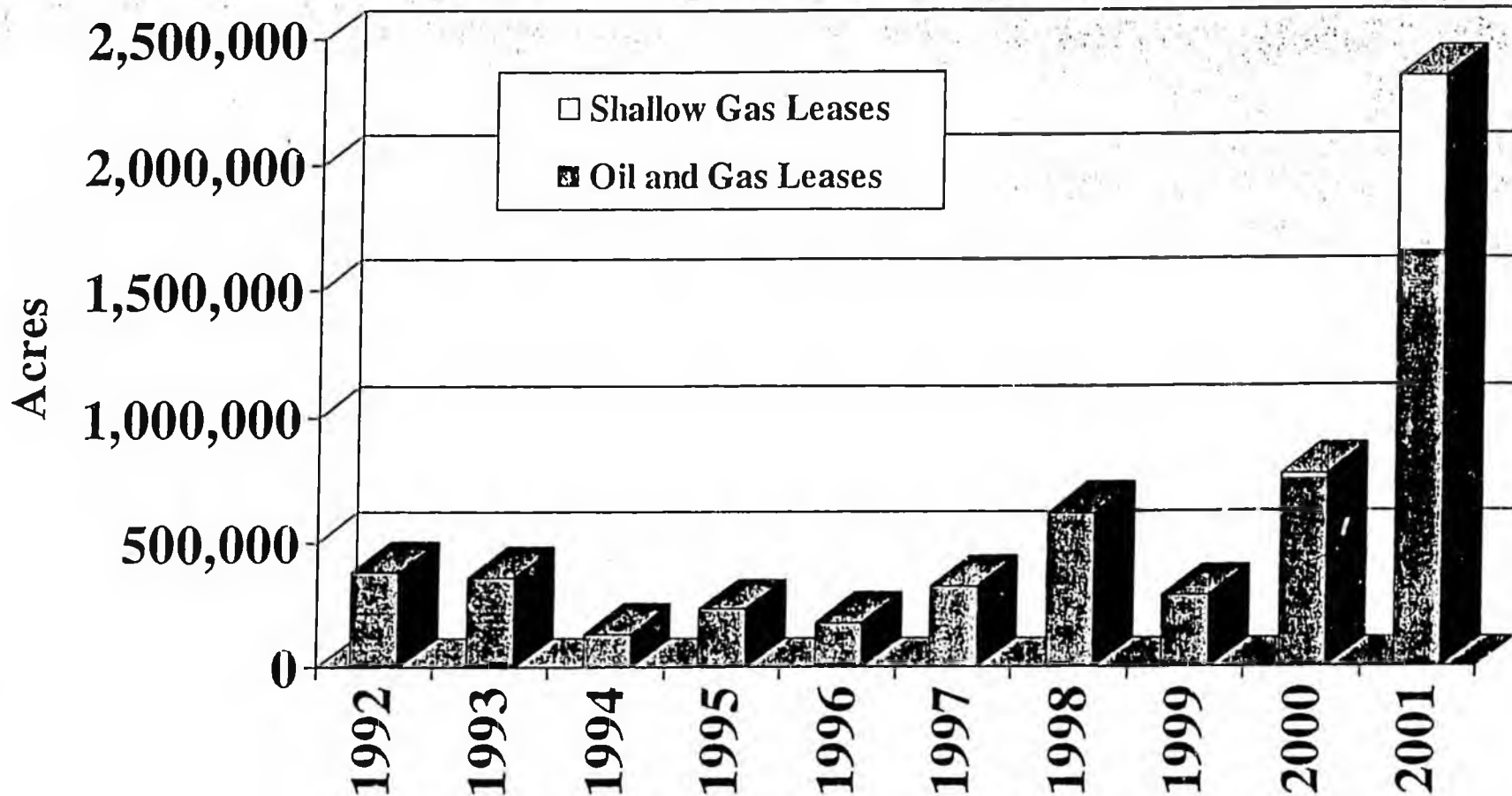
Source: Division of Oil and Gas, January 2002

krb 1/02

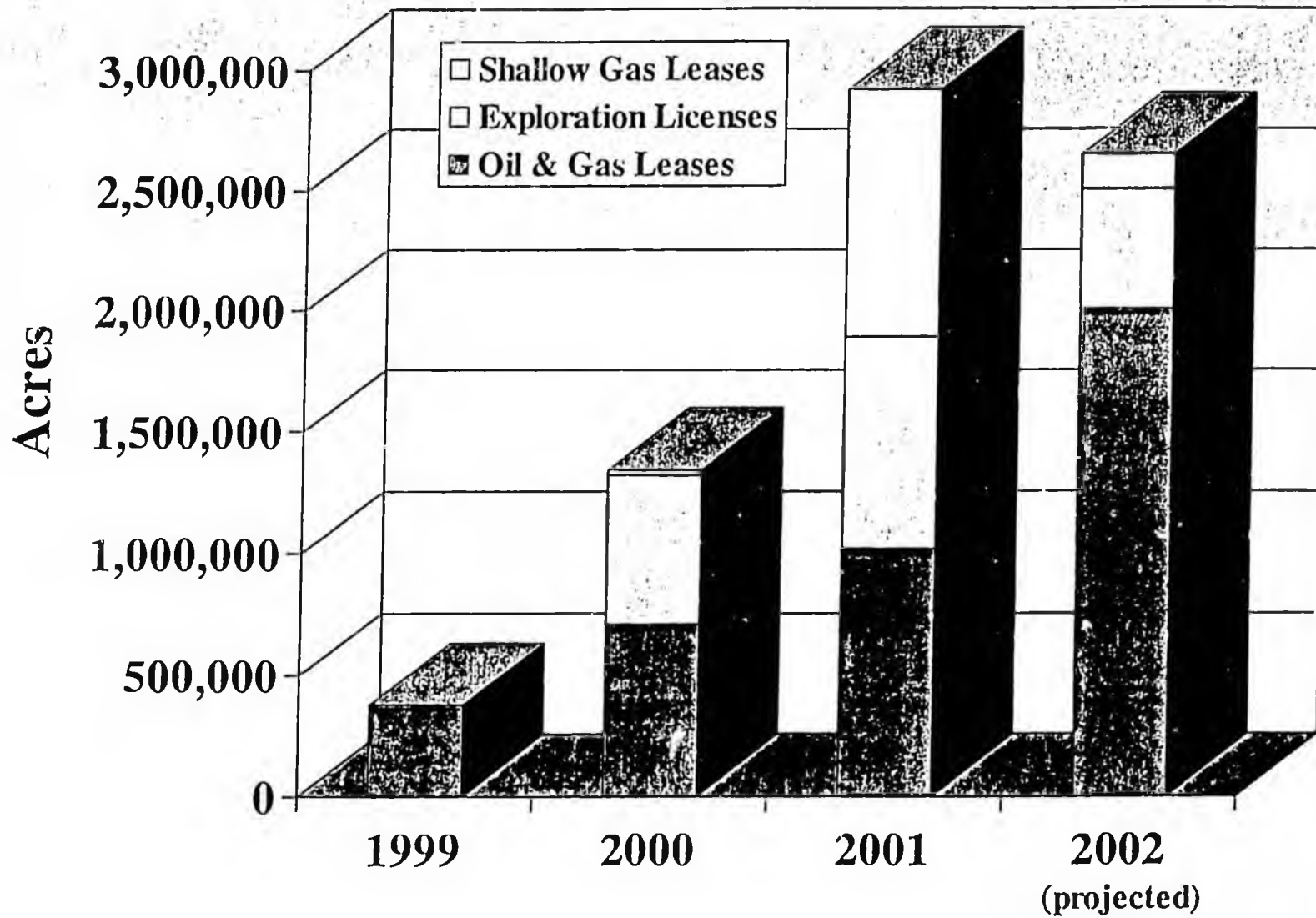
Shallow Natural Gas Leasing Program



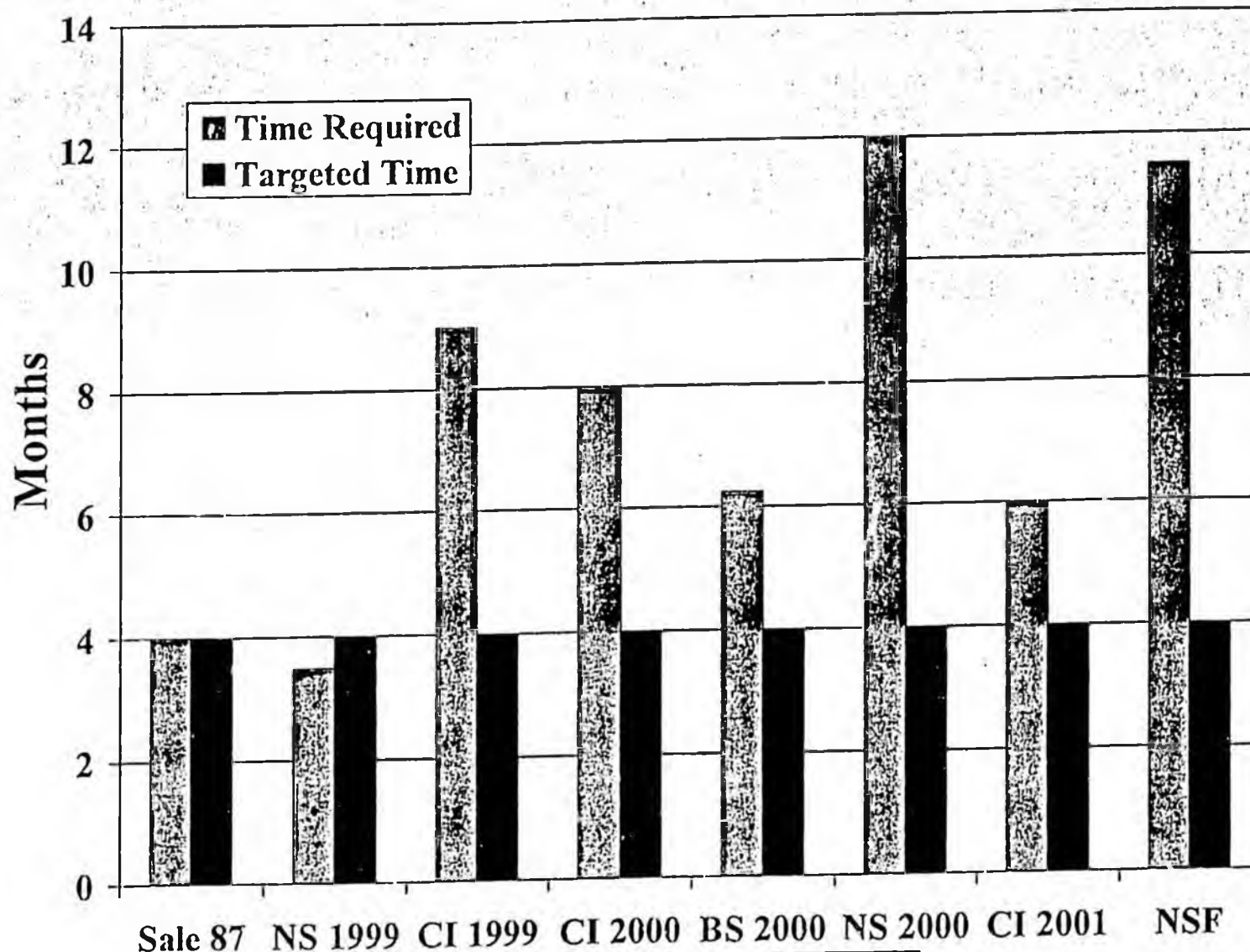
Acres Leased



Title Work



Time Required to Issue a Lease



Sale Legend

BS - Beaufort Sea	CI - Cook Inlet
NS - North Slope	NSF - North Slope Foothills

NSF
2001
(Projected)

Delays in Title = Delays in \$\$

- It Takes up to 1 Year to Issue Leases

- FY 01 Revenue Delayed to FY 02

Balance on Bonus Bids = \$8.9 Million

1st Yr Lease Rentals = \$1.3 Million