

ALASKA LEGISLATURE COMPILED FILES 1901-1902

1858

HRES

SB 732

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SB 794

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possession and extraction of all minerals . . . lying within the boundaries of his lease." AS 38.05.205(a). But prior to the issuance of a lease, "minerals may not be mined and marketed or used . . . except for a limited amount necessary for sampling or testing." AS 38.05.205(a). The law also provides for certain terms and conditions to be included in a mineral lease. AS 38.05.205.

The next question is, to what lands do each of these methods apply. AS 38.05.185(a) states that "the director, with the approval of the commissioner, shall determine those lands from which mineral deposits may be mined only under lease and . . . those lands which shall be closed to mining." This authority must be read in conjunction with the strictures of 6(i) of the Statehood Act: namely, that mineral deposits in 6(a) and 6(b) lands may only be mined pursuant to a lease. Thus, for 6(a) or 6(b) lands, the director's only option is to allow mining by lease or to close those lands to mining.

The director's discretion under AS 38.05.185(a) is further limited by AS 38.05.250, which provides that mineral deposits in tide or submerged lands may be prospected for by permit and extracted pursuant to a competitive or non-competitive lease. Other lands, pursuant to AS 38.05.185(a), may either be closed to mining, mined by lease only or mined

pursuant to a mineral claim. */

One other distinction between leases and claims is whether annual labor is required. For state land, it is only mining claims, and not leases, which require annual labor for continued validity. Mineral leases, on the other hand, require only discovery, location, and filing to establish the prior right to the lease. AS 38.05.205. In fact, prior to a lease being issued, AS 38.05.205 would prevent extracting minerals.

AS 38.05.205(b), which provides that leasehold locations will accrue an annual rental of \$200, against which labor may be credited whether or not the location is actually under lease, does not indicate to the contrary. We believe that this section contemplates payment being due upon award of the lease, and that a claimant need not make payment or do any work until issuance of the lease. In part, the scheme set up by AS 38.05.205(a) compels this result. After a location has been recorded (thus perfecting

*/ Provisions of other statutes dealing with particular categories of non 6(a) and (b) lands must also be consulted. E.g., AS 38.05.030(a) concerning leasing of university lands.

the prior right to a lease), the potential lessee has only 90 days in which to file his lease application with the director after receiving the application from the department. Thus the only source of delay during which a yearly rental would be due would be the time taken by the department in identifying the location, determining the correctness of the filing, determining if the lands were open to leasing, and complying with applicable notice requirements. Until the department responded, the locator would have no justification for assuming he had any claim or lease upon which he could prudently make improvements. Therefore, an initially valid location is sufficient to vest a locator with a prior right to a mining lease without performance of annual labor.

In summary, under existing law the only means by which a mining lease may be acquired is by discovery, location, and filing under either state (AS 38) or federal (AS 27) procedures. A discovery and appropriation automatically leads to the issuance of a mining lease. This approach forecloses competitive leasing. This scheme is similar to the mandatory leasing systems of a number of Western States. E.g. Arizona, (ARS § 27-231 - 238); Colorado, (Colorado Revised Statutes Annotated, §36-1-140); and Oregon, (ORS § 273-551, 517.420). We are also of the opinion that non-competitive leasing is constitutionally preferred in Alaska.

Article VIII, section 11 of the Alaska Constitution provides that

Discovery and appropriation shall be the basis for establishing a right in . . . [locatable minerals]. Prior discovery, location, and filing as prescribed by law, shall establish a prior right to these minerals and also a prior right to . . . leases.

Although there may be some instances where competitive leasing may be allowable, such as when a mining lease is forfeited or returned to the state, the language Article VIII section 11 indicates that non-competitive leasing of valuable minerals is at least constitutionally preferred, if not required. Since there is no statutory authorization for competitive leasing of locatable minerals, however, we do not need to decide that question at this time.

C CLAIMS LOCATED AFTER STATE SELECTION BUT PRIOR TO TENTATIVE APPROVAL WILL BE VALID UNDER STATE LAW ONLY UPON THE STATE RECEIVING TENTATIVE APPROVAL AND SUBJECT TO PATENT OR CLASSIFICATION OF THE LANDS.

One problem that has arisen since statehood is based on the delay between state selection and tentative approval. Under 6(g), as previously mentioned, the state

does not have authority to grant or validate mining rights until the state receives tentative approval. Therefore, until the state receives tentative approval, mining operations on these lands are governed by federal law.

A claim located under federal law prior to state selection is unaffected by the state selection. The first proviso in both 6(a) and 6(b) states:

That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the lands so occupied.

On the other hand, federal law prevents a valid location under federal mining law after state-selection by providing that state selection segregates the land from mineral entry. The applicable federal regulation provides:

Lands desired by the State under the regulations of this part will be segregated from all appropriations based upon application for settlement and location, including locations under the mining laws, when the State files its application for selection in the proper office properly describing the lands.

43 CFR 2627.4(b) (emphasis added).

Therefore, locations made between state selection and tentative approval are in a legal no-man's land: they are ineffective under federal law and, until the state receives tentative approval, they are outside the reach of state law.

Recognizing this problem, the state legislature passed an act which provided for recognition of a location made between state selection and tentative approval at the time the state received tentative approval. Section 11 chapter 123, SLA 1961 provided:

Locations made on lands which have been selected from federal lands and which were made in accordance with this article will constitute valid mining claims, mining leasehold locations, or prospecting site locations at the time Alaska receives tentative approval of its selection. Such locations shall be subject to the provisions of said tentative approval and to land classification by the state after such tentative approval. Extraction of minerals prior to classification of the land and receipt of patent by the State shall be at the risk of the locator.

With subsequent amendments, discussed later, this section is now AS 38.05.275.

James A. Williams, Director of the Alaska State Division of Mines and Minerals, summarized the scheme in a presentation before the Northwest Mining Association Convention, Spokane, Washington, Dec. 1-2, 1961:

Locations made on lands selected by the State but prior to the time the State receives tentative approval of the selection

from BLM are made at the locator's risk. When the State receives tentative approval of its land selection, the locations will become valid and the State may issue conditional mining leases, subject to conditions of the tentative approval and land classification by the State. These rights will be lost, or partly lost, in the event the State does not eventually receive title or patent to all or part of the lands. A claim holder on Federal public domain cannot lose his mineral rights through State land selection, because the State cannot select land included within valid mining claims.

Similar statements, particularly emphasizing that locations made between selection and tentative approval are at the locator's risk, have consistently appeared in mining handbooks issued by the state.

Section 11, chapter 163, SLA 1961 was extensively amended in 1966. Section 3, ch. 96, SLA 1966 provided,

Mining locations made on state lands, including shorelands, tidelands or submerged lands, or state selected lands, under secs. 185 - 280 of this chapter or in the manner described in AS 27.10.010 - 27.10.240 acquire for the locator mining rights under secs. 185 - 280 of this chapter, subject to existing claims and to any denial of or restriction in the tentative approval of state selection or the patent of the lands to the state. If shorelands, tidelands or submerged lands are included in a mining location or within the projected boundaries of a mining location made in accordance with this section, the locator is required to file a certificate of location with the division of lands

within 90 days following the date of posting the notice of location, in addition to filing a certificate of location as required by Sec. 195 of this chapter. The certificate of location must identify the position of the mining location in the system of rectangular or protracted surveys.

The purpose of this provision was to extend state recognition of claims to claims located under either the federal or state procedures. In a letter to the chairman of the House Resources Committee, Charles F. Herbert, then Deputy Commissioner of the Department of Natural Resources, stated;

In Section 3, we ask the Legislature to meet the problem of acquiring State mining rights to State tidelands and submerged lands that form fractional parts of mining claims staked on adjoining Federal lands. Where a coast line is highly irregular and many indentations and tidal basins exist, it is often most difficult to trace out the boundaries between the Federal lands and the State lands. If this difficulty is not corrected, there could be unending litigation over fractional claims and technically illegal staking.

Section 3 would also protect the prospector who is not aware if the land he stakes is owned by the Federal or State government and would also permit him to stake a Federal claim that might include navigable waters, which, of course, are state-owned.

This letter was printed in the House Journal at the request of the committee. 1966 House Journal at 691-692

(March 23, 1966). These provisions are the current AS 38.05.275. Therefore the state must recognize a claim if it is staked either in accordance with the procedure for either federal lands under AS 27 or for state lands under AS 38.05.185.

But the 1966 amendment, with its extensive rewording, raised another question. The previous legislation recognized the validity of a location at tentative approval, with the phrase "subject to the provisions of said tentative approval and to land classification by the state after such tentative appraisal." The 1966 amendment dropped the emphasized language.

Although an argument could be made to the contrary, this deletion does not prevent the state from closing any lands to mining upon receipt of tentative approval. First, the same amendment that deleted the above language added the provision that a location would only "acquire for the locator mining rights under secs. 185-230 of this chapter" Therefore, by that addition a locator's rights were subject to the provisions of AS 38.05.185 that:

The director, with the approval of the commissioner, shall determine . . . those lands which shall be closed to mining.

By adding the language subjecting the locator's rights to AS 38.05.185-280, the legislature retained the authority of the Department of Natural Resources to close lands to mining.

Second, we can find no indication of legislative intent to achieve a different result. The only expression of intent is contained in the Herbert letter quoted earlier. That letter gives no indication of any intention to take the larger step of eliminating the ability of the state to close lands to mining once it received tentative approval and land management authority.

Third, there was no effort to change the present 11 AAC 86.115, which states:

- (a) Locations made on lands selected by the state prior to the state's receipt of tentative approval for the selection are made at the locator's risk.
- (b) If such locations are made in accordance with this chapter, they constitute valid mining claims, leasehold locations, or prospecting sites upon receipt by the state of tentative approval for the selection from the federal government, subject, however, to the provisions of the tentative approval and to land classification by the State.

This regulation has been in effect since at least 1967. Consequently, contemporaneous administrative practice supports the interpretation allowing closing of lands to mining after receipt of tentative approval. See, generally, 2A Sutherland Statutory Construction, 4th ed., §49, at 228-267.

Therefore, it is our opinion the state may close lands to mining upon receipt of tentative approval, even if there are existing locations made after state selection but prior to tentative approval. */

- D. PUBLIC NOTICE UNDER AS 38.05.305 AND AS 38.05.345 IS REQUIRED PRIOR TO ISSUING A MINING LEASE.

A final question concerns the public notice required prior to granting a mineral lease to a locator, and the timing of that notice. Article VIII, section 10, provides that:

No disposals or leases of state lands, or interest therein, shall be made without prior public notice and other safeguards of the public interest as may be prescribed by law.

*/ In addition, the Department of Natural Resources, with the approval of this department, has previously taken this position in an administrative decision dated December 10, 1973 concerning "Clarence Hershberg, 723 W. 6th Avenue, Anchorage, Alaska Rainy day No. 1, Rainy day No. 2, Rainy day No. 3, Jackson No. 1, Allison No. 1, Placer mining claims." There the department specifically rejected the claim that the state could not close land to mining upon receipt of tentative approval if a location had been made after state selection but prior to tentative approval. In memoranda dated January 17, 1974, April 12, 1974, May 1, 1974, and May 28, 1974, this office concurred in that decision.

This provision by its terms applies to the leasing of a mineral interest in state land. The problem is in identifying the moment the state disposes of its mineral interest.

Even though a valid location in an area open to mining automatically leads to a mining lease, we do not believe that disposal of the mineral interest within the meaning of article VIII, section 10 occurs prior to the issuance of a mining lease. The primary reason for this conclusion is the existence of article VIII, section 11, and the attempt of the delegates to the convention to allow following federal mining law to the extent permitted by the terms of 6(i). See, e.g., 4 Alaska Constitutional Convention 1955-56 Minutes at 2452. Discovery and appropriation is complete upon filing of the notice with the state under both federal and state law. Prior to the filing, the act of location and discovery is unknowable to the state. Thus there could be no "prior public notice" under section 10 if discovery and appropriation gave the miner an immediate right to produce and sell the mineral. But under the federal system, discovery and appropriation, without more, did give the miner an immediate right to mine and sell minerals. The delegates clearly intended that this result could occur if the Statehood Act permitted.

is a result, the interest acquired by discovery and appropriation, even if it gives an automatic right to eventual ownership of a mineral, is not a disposal under article VIII, section 10. Rather, notice prior to the issuance of the mining lease is the constitutional notice required by article VIII, section 10.

Pursuant to this mandate, the legislature has enacted two applicable statutes: AS 38.05.305 and AS 38.05.345. AS 38.05.305 states in full:

(a) No land or interest in land within the boundaries or within six linear miles of the boundaries of a general law, home rule or unified municipality, as defined under AS 29, may be classified, reclassified, sold or leased, or otherwise disposed of, including the renewal of a lease entered into after September 22, 1976, unless the following procedures have been complied with:

(1) A notice of the proposed action shall be sent to the governing body of each municipality a boundary of which is within six linear miles of the land involved.

(2) The notice shall be sent at the earliest practicable time but no less than 30 days before the proposed action.

(3) The notice must contain a statement of the proposed action, identifying the land involved and the action proposed in sufficient detail to fairly inform the recipient of the nature of the proposed action. If the land is not surveyed, a legal description need not be used; but the land must be described in sufficient detail to allow the recipient to understand its approximate

size, number of tracts involved, and location. The notice must also contain a statement to the effect that the municipality is invited to comment on the proposed action and that, upon the request of the governing body, chief executive officer, or planning agency, the division will consult with the municipal officials on the proposed action. Any request by a municipality for consultation must include the name of the municipal official to be consulted and be sent no later than 15 days after receipt of the notice by the municipality, and the notice must contain a statement to this effect and name the official and address to which the municipality's request should be sent.

(4) In consulting with the municipal officials, the proposed action and the authority under which it is to be taken shall be explained and the reason for the proposed action shall be given. A public hearing need not be held, but the municipal officials may hold a public hearing or otherwise allow public participation and comment. A hearing held under this paragraph shall be attended by the commissioner of natural resources or his designee.

(5) A municipality having a right to notice or consultation under this section may appeal to the superior court and have set aside any action taken which does not conform to this section. A municipality incorporated or established less than 30 days before the action is taken has no right to notice or consultation under this section.

(b) No land or interest in land outside the boundaries of a general law, home rule, or unified municipality, as defined under AS 29, may be classified, reclassified, sold or leased, or otherwise disposed of,

including the renewal of a lease entered into after September 22, 1976, unless a notice of the proposed action as required by (a)(3) of this section is (1) given to the regional corporation organized under the Alaska Native Claims Settlement Act (85 Stat. 688, 43 U.S.C. secs. 1601-1626), within the boundaries of which the land is located; (2) given to the village corporation organized under the Alaska Native Claims Settlement Act which owns land or has selected federal land which is in the vicinity of the state land to be disposed of; and (3) posted in three public places in a community with 25 or more permanent residents located in the vicinity of the state land to be disposed of. The president of the affected regional corporation or his designee has the same rights of notice, consultation, hearing and appeal as those provided for in (a)(2)-(5) of this section.

(c) When notice is given under (b) of this section, the requirements of § 345 of this chapter relating to notice apply in addition to any other applicable notice requirements. If requested, the director shall hold a hearing within the affected area under (b) of this section. No action proposed by the director which is subject to the notice requirement specified in (b) of this section is final until at least 30 days after the date the notice was published.

(d) Before any sale, lease under AS 38.05.070-38.05.105, or other disposal of state land in the unorganized borough, the commissioner shall consider the effect of the disposal and the effect of the estimated population density that would result from the disposal upon existing traditional uses by residents in the vicinity of the land to be disposed of. The commissioner shall consider any potential conflicts with the traditional uses of the land which

could result from the sale, lease or disposal and, if he finds it necessary, he shall develop a plan to resolve or mitigate the conflicts in a manner consistent with the public interest and the provisions of this chapter.

By their terms, the requirements of 305(a), (b), (c), and (d) apply to mineral leases. See Moore v. State, 553 P.2d 8, 26-27 n. 37 Alaska 1976. A more difficult question is the applicability of AS.38.05.345, which provides:

Notices. (a) Public notice of a sale, lease or other disposal of land or interest in it shall be substantially as follows.

(b) Notice shall be published once a week for four consecutive weeks preceding the time of sale stated in the notice, in newspapers of general circulation in the state and by the electronic media covering the region of the state in which the land is located. If there is no newspaper of general circulation in the vicinity of the land offered for sale, notices shall be posted not later than four weeks before the public auction is to be held in three public places near the land to be sold or leased. The public auction shall be held not less than 45 days after publication of the first notice and not more than five weeks following the last appearance of the published notice.

(c) [deleted]

(d) Where the land involved is adjacent to a body of water or waterway which the department has not previously determined to be navigable or public, or not navigable or public, the notice shall state that such a determination is to be made.

(e) The director shall publish a public notice of each disposal of state land under the procedures specified in AS 38.05.057 and AS 38.08 in newspapers of general circulation in the state and by the electronic media covering the region of the state in which the land is located. The notice shall be published once each week for four consecutive weeks before the beginning date of an application period.

(f) If there is no newspaper of general circulation in the general vicinity of land offered for disposal, notices required by (e) of this section shall be posted not later than four weeks before the land is offered in three public places near the land.

(g) A notice under this section shall contain

(1) a description of the land sufficient for identification by the public;

(2) the date of the auction or the beginning of the application period;

(3) a statement that a purchaser of state land offered is responsible for the construction of access roads and capital improvements that may be required by an authority having platting authority; and

(4) the location and address of places where the public may obtain information concerning the land offered for disposal.

While subsection (a) states that the procedures apply to "all disposals," each of the remaining subsections is clearly intended to operate in situations where the land is offered for auction, (b) and (g), lottery, (e) and (g),

or other competitive public offerings initiated by the state (f). But the statutory leasing system under AS 38.05.205 is not initiated by the state; in fact, if the land is open to mineral discovery, the state has no discretion as to whom it may offer a lease.

Despite this difference, it is our opinion that the provisions of section 345(a) apply; namely, that a disposal under sections 185-280 must "substantially" comply with the procedures in section 345. Therefore, the publishing requirements of (b) must be followed to the extent they apply even though no auction is contemplated.

Although Section 345(b) appears to apply to mineral leases, sections (e) and (f) do not. Subsection (f) applies only if subsection (e) applies, and subsection (e) applies to lottery and homesite disposals under AS 38.05.057 and AS 38.08. Similarly, it also appears that subsection (d), which requires a statement in the notice of determinations for adjacent navigable or public waters, would apply to disposals of the surface estate, not to subsurface interests. Similarly, sections (g)(2) and (3) also do not appear to apply.

If the proposed lease is within the boundaries, or within six miles of the boundaries, of a general-law, home-rule, or unified municipality, the requirements of AS 38.05.305(a)(1)-(5) must be followed; for other land, the requirements of section 305(b) apply, which track the requirements of (a)(2)-(5). In addition, the commissioner must

consider the matters set forth in AS 38.05.305(d) when the leasehold is in an unorganized borough.

IV CONCLUSION

Therefore, for the reasons stated in this opinion, we conclude that

1. the state may not issue a patent to mineral interests in 6(a) or 6(b) lands;

2. the state may only dispose of mineral deposits in 6(a) and 6(b) lands by lease;

3. the constitutionally preferred method is non-competitive leasing based on discovery and location;

4. the annual labor requirements do not apply to locations leading to a lease;

5. a location is valid if it follows either the federal, AS 27, or state, AS 38.05.185 - 280, procedures;

6. a location made after selection but prior to tentative approval is outside state law and at the locator's risk;

7. a location made after state selection but before tentative approval will be recognized by the state upon receipt of tentative approval, subject to: (1) conditions of tentative approval, (2) eventual receipt of patent, and (3) possible closure of the lands to mining upon receipt of tentative approval; and

8. public notice under AS 38.05.305 and AS 38.05.345 must be given prior to issuing a mineral lease.

AS38.05.185 DOCUMENT= 1 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.185.

CATCH LINE

GENERALLY.

TEXT (A) THE ACQUISITION AND CONTINUANCE OF RIGHTS IN AND TO DEPOSITS ON STATE LANDS OF MINERALS WHICH ON JANUARY 3, 1959, WERE SUBJECT TO LOCATION UNDER THE MINING LAWS OF THE UNITED STATES SHALL BE GOVERNED BY AS 38.05.185 - 38.05.280. NOTHING IN AS 38.05.185 38.05.280 AFFECTS THE LAW PERTAINING TO THE ACQUISITION OF RIGHTS TO MINERAL DEPOSITS OWNED BY ANY OTHER PERSON OR GOVERNMENT. THE DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER, SHALL DETERMINE THOSE LANDS FROM WHICH MINERAL DEPOSITS MAY BE MINED ONLY UNDER LEASE, AND, SUBJECT TO THE LIMITATIONS OF AS 38.05.300, THOSE LANDS WHICH SHALL BE CLOSED TO MINING. STATE LAND MAY NOT BE CLOSED TO MINING OR MINERAL LOCATION UNLESS THE COMMISSIONER MAKES A FINDING THAT MINING WOULD BE INCOMPATIBLE WITH SIGNIFICANT SURFACE USES ON THE STATE LAND. STATE LAND MAY NOT BE RESTRICTED TO MINING UNDER LEASE UNLESS THE COMMISSIONER DETERMINES THAT POTENTIAL USE CONFLICTS ON THE STATE LAND REQUIRE THAT MINING BE ALLOWED ONLY UNDER WRITTEN LEASES ISSUED UNDER AS 38.05.205 OR THE COMMISSIONER HAS DETERMINED THAT THE LAND WAS MINERAL IN CHARACTER AT THE TIME OF STATE SELECTION. THE DETERMINATIONS REQUIRED UNDER THIS SUBSECTION SHALL BE MADE IN COMPLIANCE WITH LAND CLASSIFICATION ORDERS AND LAND USE PLANS DEVELOPED UNDER AS 38.05.300.

(B) THE FAILURE ON THE PART OF A MINING LESSEE OR A LOCATOR TO COMPLY STRICTLY WITH AS 38.05.185 38.05.280 AND REGULATIONS ADOPTED UNDER IT DOES NOT INVALIDATE HIS RIGHTS IF IT APPEARS TO THE SATISFACTION OF THE COMMISSIONER THAT THE LOCATOR COMPLIED AS NEARLY AS POSSIBLE UNDER THE CIRCUMSTANCES OF THE CASE, AND THAT NO CONFLICTING RIGHTS ARE ASSERTED BY ANY OTHER PERSON. UNLESS OTHERWISE PROVIDED, THE USAGES AND INTERPRETATIONS APPLICABLE TO THE MINING LAWS OF THE UNITED STATES AS SUPPLEMENTED BY STATE LAW APPLY TO AS 38.05.185 - 38.05.280.

HISTORY (SEC. 1 ART 1X CH 169 SLA 1959; AM SEC. 19 CH 61 SLA 1960; AM SEC. 1 CH 123 SLA 1961; AM SEC. 1 CH 108 SLA 1981)

AS38.05.190 DOCUMENT= 2 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.190.

CATCH LINE

QUALIFICATIONS.

TEXT (A) THE RIGHT TO ACQUIRE EXPLORATION AND MINING RIGHTS UNDER

SECS. 185 - 280 OF THIS CHAPTER MAY BE ACQUIRED OR HELD ONLY BY

(1) CITIZENS OF THE UNITED STATES AT LEAST 19 YEARS OF AGE;

(2) LEGAL GUARDIANS OR TRUSTEES OF CITIZENS OF THE UNITED STATES UNDER 19 YEARS OF AGE ON BEHALF OF SUCH CITIZENS;

(3) PERSONS AT LEAST 19 YEARS OF AGE WHO HAVE DECLARED THEIR INTENTION TO BECOME CITIZENS OF THE UNITED STATES;

(4) ALIENS AT LEAST 19 YEARS OF AGE IF THE LAWS OF THEIR COUNTRY GRANT LIKE PRIVILEGES TO CITIZENS OF THE UNITED STATES;

(5) ASSOCIATIONS OF SUCH PERSONS;

(6) CORPORATIONS ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY OF THE UNITED STATES AND QUALIFIED TO DO BUSINESS IN THIS STATE, EXCEPT THAT IF MORE THAN 50 PER CENT OF THE STOCK OF A CORPORATION IS OWNED OR CONTROLLED BY ALIENS WHO ARE NOT QUALIFIED, THE CORPORATION IS NOT QUALIFIED TO ACQUIRE OR HOLD SUCH RIGHTS.

(B) IF AN UNQUALIFIED PERSON ACQUIRES AN INTEREST IN EXPLORATION OR MINING RIGHTS BY OPERATION OF LAW, HE SHALL BE ALLOWED TWO YEARS IN WHICH TO BECOME QUALIFIED OR TO DISPOSE OF HIS INTEREST TO A QUALIFIED PERSON.

HISTORY (SEC. 2 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961)

AS38.05.195 DOCUMENT# 3 OF 20

HEADINGS TITLE 38.

PUBLIC LANDS.

CHAPTER 05.

ALASKA LAND AC.

ARTICLE 7.

MINING RIGHTS.

CITATION SEC. 38.05.195.

CATCH LINE

MINING CLAIMS.

TEXT RIGHTS TO DEPOSITS OF MINERALS SUBJECT TO SECS. 185 - 280 OF THIS CHAPTER IN OR ON STATE LANDS WHICH ARE OPEN TO CLAIM STAKING MAY BE ACQUIRED BY DISCOVERY, LOCATION AND FILING AS PRESCRIBED IN SECS. 185 - 280 OF THIS CHAPTER. THE LOCATOR HAS THE EXCLUSIVE RIGHT OF POSSESSION AND EXTRACTION OF ALL SUCH MINERALS LYING WITHIN THE BOUNDARIES OF HIS CLAIM. A LOCATION MAY NOT EXCEED 1,320 FEET IN ITS LONGEST DIMENSION, AND ITS BOUNDARIES SHALL RUN IN THE FOUR CARDINAL DIRECTIONS. A LOCATION SHALL BE DISTINCTLY MARKED ON THE GROUND IN THE MANNER PRESCRIBED BY THE COMMISSIONER AND A NOTICE OF LOCATION SHALL BE POSTED ON THE CLAIM IN THE MANNER AND CONTAINING THE INFORMATION REQUIRED BY THE COMMISSIONER. WITHIN 90 DAYS AFTER THE DATE OF POSTING THE NOTICE OF LOCATION ON THE CLAIM, THE LOCATOR SHALL FILE FOR RECORD IN THE RECORDING DISTRICT WHERE THE CLAIM IS LOCATED A CERTIFICATE OF LOCATION. THE CERTIFICATE OF LOCATION SHALL CONTAIN THE INFORMATION REQUIRED BY THE COMMISSIONER. LOCATIONS MAY BE AMENDED IN THE MANNER AND WITH THE EFFECT PRESCRIBED IN SEC. 200 OF THIS CHAPTER. ANNUAL LABOR SHALL BE PERFORMED AND STATEMENTS OF ANNUAL LABOR RECORDED AS PRESCRIBED IN SECS. 210 - 245 OF THIS CHAPTER.

HISTORY (SEC. 3 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961)

AS38.05.200 DOCUMENT# 4 OF 20

HEADINGS TITLE 38.

PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.200.
CATCH LINE

CHANGES IN LOCATIONS AND AMENDED NOTICES.

TEXT NOTICES MAY BE AMENDED AT ANY TIME AND MONUMENTS CHANGED TO CORRESPOND WITH THE AMENDED LOCATION BUT NO CHANGE MAY BE MADE WHICH INTERFERES WITH THE RIGHTS OF OTHERS. WHENEVER MONUMENTS ARE CHANGED OR AN ERROR IS MADE IN THE NOTICE OR IN THE CERTIFICATE OF LOCATION, AN AMENDED CERTIFICATE OF LOCATION SHALL BE FILED FOR RECORD IN THE SAME MANNER AND WITH THE SAME EFFECT AS THE ORIGINAL CERTIFICATE.

HISTORY (SEC. 47-3-34 ACLA 1949)
AS38.05.205 DOCUMENT= 5 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.205.
CATCH LINE

MINING LEASING.

TEXT (A) PRIOR DISCOVERY, LOCATION AND FILING SHALL INITIATE PRIOR RIGHTS TO MINERAL DEPOSITS SUBJECT TO AS 38.05.185 - 38.05.280 IN OR ON STATE LANDS, OTHER THAN SUBMERGED LANDS, WHICH ARE OPEN TO MINING LEASING. LOCATIONS SHALL BE MADE AND CERTIFICATES OF LOCATION RECORDED IN ACCORDANCE WITH AS 38.05.195. IF THE LOCATED LANDS ARE AVAILABLE ONLY FOR LEASING, THE DIRECTOR SHALL PUBLISH IN A PAPER OF GENERAL CIRCULATION IN THE AREA OF THE LOCATION, NOTICE OF THE FILING OF THE LOCATION AND NOTICE THAT A MINERAL LEASE WILL BE ISSUED. THE NOTICE MAY BE COMBINED WITH NOTICES OF LOCATIONS EITHER IN THE SAME GENERAL AREA OR STATEWIDE. UNLESS A CONFLICTING LOCATION EXISTS, NO LATER THAN TWO WEEKS AFTER PUBLICATION OF THE NOTICE, AN APPLICATION FORM FOR A MINING LEASE SHALL BE MAILED TO THE LOCATOR BY THE DIRECTOR. A LEASE APPLICATION SHALL BE FILED WITH THE DIRECTOR BY THE LOCATOR WITHIN 90 DAYS AFTER RECEIPT OF THE FORM. IF THE LOCATED LANDS ARE NOT AVAILABLE FOR LEASING, NOTICE SHALL BE GIVEN THE LOCATOR BY THE DIRECTOR AND THE LOCATOR'S PRIOR RIGHTS SHALL TERMINATE. A MINING LESSEE HAS THE EXCLUSIVE RIGHTS OF POSSESSION AND EXTRACTION OF ALL MINERALS SUBJECT TO AS 38.05.185 - 38.05.280 LYING WITHIN THE BOUNDARIES OF HIS LEASE OR LOCATION. MINING LEASES MAY BE ISSUED FOR ONE LOCATION OR FOR A GROUP OF CONTIGUOUS LOCATIONS HELD IN COMMON. MINERALS MAY NOT BE MINED AND MARKETED OR USED UNTIL A LEASE IS ISSUED, EXCEPT FOR LIMITED AMOUNTS NECESSARY FOR SAMPLING OR TESTING.

(B) BEGINNING ON THE DATE ESTABLISHED BY THE COMMISSIONER UNDER AS 38.05.210 THERE SHALL ACCRUE AN ANNUAL RENTAL FOR EACH LEASEHOLD LOCATION OR PORTION THEREOF WHETHER OR NOT UNDER LEASE, NOT LESS THAN THE VALUE OF ANNUAL LABOR IMPROVEMENTS REQUIRED FOR MINING CLAIMS. THE VALUE OF WORK DONE ON, OR FOR THE BENEFIT OF, THE LEASEHOLD IN COMPLIANCE WITH AS 38.05.210 MAY BE CREDITED

AGAINST THE RENTAL.

(C) A MINING LEASE SHALL BE FOR ANY PERIOD UP TO 55 YEARS, AND THE LESSEE HAS A RIGHT TO A NEW LEASE AT THE END OF EACH LEASE PERIOD. THE COMMISSIONER MAY MAKE REASONABLE ADJUSTMENTS OF THE RENTAL RATE AT THE END OF EACH 20 YEAR PERIOD, BASED UPON CHANGED CONDITIONS IN PRODUCTION COSTS AND MARKETS. A VALID MINING CLAIM LOCATED AND HELD UNDER AS 38.05.195 MAY BE CONVERTED TO A LEASE AT ANY TIME UPON APPLICATION BY THE OWNER, AND ISSUANCE BY THE DIRECTOR. NO RIGHTS GRANTED BY A MINING LEASE MAY BE EXERCISED UNTIL THE LEASE HAS BEEN FILED FOR RECORD IN THE RECORDING DISTRICT WHERE THE LAND IS LOCATED.

HISTORY. (SEC. 4 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961; AM SEC. 2 CH 108 SLA 1981)

AS38.05.210 DOCUMENT= 6 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT. .
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.210.

CATCH LINE

ANNUAL LABOR.

TEXT LABOR SHALL BE PERFORMED OR IMPROVEMENTS MADE ANNUALLY ON OR FOR THE BENEFIT OR DEVELOPMENT OF EACH MINING CLAIM ON STATE LAND EXCEPT THAT WHERE ADJACENT CLAIMS ARE HELD IN COMMON, THE EXPENDITURE MAY BE MADE ON ANY ONE CLAIM. THE COMMISSIONER SHALL ESTABLISH THE DATE OF THE COMMENCEMENT OF THE YEAR DURING WHICH THE LABOR OR IMPROVEMENTS ARE TO BE PERFORMED. LABOR SHALL BE PERFORMED AT THE ANNUAL RATE OF \$200 PER CLAIM. IF MORE WORK IS PERFORMED THAN IS REQUIRED BY THIS SECTION TO BE PERFORMED IN ANY ONE YEAR, THE EXCESS WORK UP TO A VALUE OF \$800 MAY BE APPLIED AGAINST LABOR REQUIRED TO BE DONE DURING THE SUBSEQUENT YEAR OR YEARS. SECTIONS 240 AND 280 OF THIS CHAPTER APPLY TO THIS SECTION. DURING THE YEAR IN WHICH THE PERFORMANCE OF ANNUAL LABOR IS REQUIRED OR WITHIN 90 DAYS AFTER THE CLOSE OF THAT YEAR, THE OWNER OF THE MINING CLAIM OR SOME OTHER PERSON HAVING KNOWLEDGE OF THE FACTS SHALL FILE FOR RECORD WITH THE RECORDER OF THE DISTRICT IN WHICH THE CLAIM IS LOCATED A SIGNED STATEMENT SETTING OUT THE INFORMATION, AS MAY BE REQUIRED BY THE COMMISSIONER, CONCERNING THE ANNUAL LABOR OF THE PRECEDING YEAR AND ANY LABOR IN EXCESS OF THAT REQUIRED FOR THE PRECEDING YEAR. THE STATEMENT, PROPERLY FILED, IS PRIMA FACIE EVIDENCE OF THE PERFORMANCE OF THE LABOR. THE FAILURE OF ANY ONE OF SEVERAL OWNERS TO CONTRIBUTE HIS PORTION OF THE EXPENDITURES REQUIRED FOR ANNUAL LABOR SHALL BE TREATED IN ACCORDANCE WITH SECS. 215 - 235 OF THIS CHAPTER.

HISTORY (SEC. 5 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961; AM SEC. 1 CH 88 SLA 1970)

AS38.05.215 DOCUMENT= 7 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.215.
CATCH LINE

TEXT NOTICE TO CO-OWNERS TO CONTRIBUTE TO COST OF ANNUAL LABOR OR IMPROVEMENTS AND FORFEITURE FOR FAILURE TO CONTRIBUTE.
IF ONE OF SEVERAL CO-OWNERS FAILS TO CONTRIBUTE HIS PROPORTION OF THE EXPENDITURES REQUIRED FOR ANNUAL LABOR, THE CO-OWNERS WHO HAVE PERFORMED THE LABOR OR MADE THE IMPROVEMENTS MAY, AT THE EXPIRATION OF THE ANNUAL LABOR YEAR, GIVE THE DELINQUENT CO-OWNER PERSONAL NOTICE IN WRITING, OR NOTICE BY PUBLICATION IN THE NEWSPAPER PUBLISHED NEAREST THE CLAIM FOR AT LEAST ONCE A WEEK FOR 90 DAYS, AND, IF AT THE EXPIRATION OF 90 DAYS AFTER THE SERVICE OF THE NOTICE IN WRITING, OR 90 DAYS AFTER THE COMPLETION OF THE PUBLICATION THE DELINQUENT FAILS OR REFUSES TO CONTRIBUTE HIS PROPORTION OF THE REQUIRED EXPENDITURES, HIS INTEREST IN THE CLAIM IS FORFEITED TO HIS CO-OWNERS WHO HAVE MADE THE EXPENDITURES.

HISTORY (SEC. 47-3-56 ALA 1949)
AS38.05.220 DOCUMENT= 8 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.220.
CATCH LINE

TEXT RECORDING THE NOTICE TO CONTRIBUTE AND AFFIDAVITS.
(A) WITHIN 120 DAYS AFTER PERSONAL SERVICE, OR WITHIN 120 DAYS AFTER THE COMPLETION OF PUBLICATION OF THE NOTICE PROVIDED FOR IN SEC. 215 OF THIS CHAPTER, THE CO-OWNER WHO CLAIMS THE FORFEITURE SHALL FILE FOR RECORD IN THE OFFICE OF THE RECORDER OF THE RECORDING DISTRICT IN WHICH THE CLAIM IS LOCATED A COPY OF THE NOTICE WITH THE FOLLOWING AFFIDAVITS ATTACHED:

(1) AN AFFIDAVIT OF THE PERSON SERVING THE NOTICE GIVING THE TIME, PLACE AND MANNER OF SERVICE AND BY WHOM AND UPON WHOM THE SERVICE WAS MADE OR, IF SERVICE WAS MADE BY PUBLICATION IN A NEWSPAPER, AN AFFIDAVIT OF THE EDITOR, PUBLISHER, PRINTER OR FOREMAN OF THE NEWSPAPER GIVING THE NAME OF THE NEWSPAPER, THE PLACE WHERE, AND THE TIME DURING WHICH THE NOTICE WAS PUBLISHED AND THE NUMBER OF INSERTIONS;

(2) AN AFFIDAVIT OF THE CO-OWNER WHO CLAIMS THE FORFEITURE STATING THAT NEITHER THE DELINQUENT CO-OWNER NOR ANY PERSON ACTING FOR HIM HAS PAID OR TENDERED TO THE AFFIANT THE DELINQUENT'S PROPORTION OF THE EXPENDITURES FOR ANNUAL LABOR OR IMPROVEMENTS.

(B) THE RECORD OF THE NOTICE AND AFFIDAVITS OR A CERTIFIED COPY OF IT IS PRIMA FACIE EVIDENCE OF THE FACTS CONTAINED IN IT.

HISTORY (SEC. 47-3-57 ALA 1949)
AS38.05.225 DOCUMENT= 9 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.225.

CATCH LINE

LIENHOLDER MAY PERFORM THE ANNUAL LABOR.

TEXT A PERSON WHO HOLDS A CLAIM TO OR LIEN UPON AN UNPATENTED MINING CLAIM UNDER A CERTIFICATE OF SALE, MORTGAGE, ATTACHMENT, LEVY, JUDGMENT, OR OTHER LIEN MAY, WHEN NECESSARY FOR THE PROTECTION OF HIS LIEN OR CLAIM, GO UPON THE MINING CLAIM AND PERFORM OR CAUSE TO BE PERFORMED THE ANNUAL LABOR REQUIRED BY LAW TO PREVENT FORFEITURE. BEFORE PERFORMING THE LABOR HE SHALL MAIL A WRITTEN NOTICE OF HIS INTENTION TO PERFORM THE ANNUAL LABOR ON THE CLAIM TO THE OWNER OF THE CLAIM AT HIS LAST KNOWN ADDRESS.

HISTORY (SEC. 47-3-58 ACLA 1949)
AS38.05.230 DOCUMENT= 10 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.230.

CATCH LINE

LIEN FOR PERFORMANCE OF ANNUAL LABOR.

TEXT (A) THE PERSON PERFORMING OR CAUSING TO BE PERFORMED ANNUAL LABOR UPON AN UNPATENTED MINING CLAIM AS PROVIDED IN SEC. 225 OF THIS CHAPTER SHALL HAVE A LIEN UPON THE CLAIM FOR THE ASSESSMENT WORK, INCLUDING THE REASONABLE COST OF TRANSPORTATION TO AND FROM THE CLAIM INCURRED IN DOING THE WORK. THE LIEN IS ENFORCED EITHER AS IN OTHER SUITS FOR THE FORECLOSURE OF LIENS UPON REAL PROPERTY OR AS SUPPLEMENTAL ACCRUING COSTS IN AN ACTION, IF ANY, THEN PENDING IN WHICH THE CLAIM HAS BEEN LEVIED UPON BY ATTACHMENT, EXECUTION OR OTHER COURT PROCESS.

(B) A PERSON CLAIMING A LIEN UNDER THIS SECTION SHALL, WITHIN 90 DAYS AFTER THE COMPLETION OF THE ANNUAL LABOR FOR WHICH THE LIEN IS CLAIMED, FILE FOR RECORD IN THE OFFICE OF THE RECORDER OF THE RECORDING DISTRICT IN WHICH THE PROPERTY ON WHICH THE LIEN IS CLAIMED IS SITUATED HIS NOTICE OF CLAIM OF LIEN, VERIFIED BY HIS OATH OR THAT OF SOME OTHER PERSON HAVING KNOWLEDGE OF THE FACTS, AND STATING THE NAME OF THE OWNER OR REPUTED OWNER OF THE PROPERTY, THE AMOUNT OF THE CLAIM, THE TIME OF THE PERFORMANCE OF THE ANNUAL LABOR FOR WHICH THE LIEN IS CLAIMED, THE NATURE OF THE LABOR DONE OR IMPROVEMENTS MADE, AND THE AMOUNT OF THE CLAIM, INCLUDING COSTS OF TRANSPORTATION, AFTER DEDUCTING ALL JUST CREDITS AND OFFSETS.

(C) AN INDEPENDENT SUIT OR ACTION BROUGHT TO ENFORCE A LIEN UNDER THIS SECTION SHALL BE COMMENCED WITHIN SIX MONTHS AFTER THE FILING FOR RECORD OF THE NOTICE OF CLAIM OF LIEN.

HISTORY (SEC. 47-3-59 ACLA 1949)
AS38.05.235 DOCUMENT= 11 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.235.

CATCH LINE

LIEN FOR ANNUAL LABOR IS INDEPENDENT OF OTHER LIENS.

THE EXERCISE FOR THE PERFORMANCE OF ANNUAL LABOR, BY SEC. 230 OF THIS CHAPTER, IF THE WORK IS DONE IN GOOD FAITH AND NECESSARILY FOR THE PROTECTION EITHER OF POSSESSION UNDER A CERTIFICATE OF SALE OR OF AN ATTACHMENT, LEVY, MORTGAGE, JUDGMENT OR OTHER LIEN, REMAINS IN EFFECT NOTWITHSTANDING THE CONTEMPORANEOUS OR SUBSEQUENT VACATION, DISSOLUTION, OR SETTING ASIDE OF, OR REDEMPTION FROM, THE CERTIFICATE OF SALE, ATTACHMENT, LEVY, MORTGAGE, JUDGMENT OR OTHER LIEN.

HISTORY (SEC. 47-3-60 ACLA 1949)
AS38.05.240 DOCUMENT= 12 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.240.

CATCH LINE

LABOR DEFINED FOR SECS. 210 - 235 OF THIS CHAPTER.

TEXT THE TERM "LABOR" WHERE USED IN SECS. 210 - 235 OF THIS CHAPTER INCLUDES, WITHOUT BEING LIMITED TO, GEOLOGICAL, GEOCHEMICAL, GEOPHYSICAL, AND AIRBORNE SURVEYS CONDUCTED BY QUALIFIED EXPERTS AND VERIFIED BY A DETAILED REPORT FILED IN THE RECORDING DISTRICT OFFICE IN WHICH THE CLAIM IS LOCATED WHICH SETS OUT FULLY (1) THE LOCATION OF THE WORK PERFORMED IN RELATION TO THE POINT OF DISCOVERY AND BOUNDARIES OF THE CLAIM, (2) THE NATURE, EXTENT, AND COST THEREOF, AND (3) THE NAME, ADDRESS, AND PROFESSIONAL BACKGROUND OF THE PERSON OR PERSONS CONDUCTING THE WORK. BASIC SURVEY FINDS SHALL BE FILED IN THE CENTRAL RECORDING OFFICE OF THE DEPARTMENT OF NATURAL RESOURCES, BUT KEPT CONFIDENTIAL AND RELEASED ONLY IF THE CLAIM OR PROSPECTING SITE LAPSES. THE COMMISSIONER, BY REGULATION, SHALL DEFINE THE NATURE OF ACCEPTABLE SURVEY WORK AND THE QUALIFICATIONS OF A PERSON COMPETENT TO PERFORM THIS WORK. THE AIRBORNE SURVEYS, HOWEVER, MAY NOT BE APPLIED AS LABOR FOR MORE THAN TWO CONSECUTIVE YEARS OR FOR MORE THAN A TOTAL OF FIVE YEARS ON ANY ONE MINING CLAIM, AND EACH OF THOSE SURVEYS SHALL BE NONREPETITIVE OF ANY PREVIOUS SURVEY ON THE SAME CLAIM.

HISTORY (SEC. 47-3-61 ACLA 1949; ADDED BY SEC. 1 CH 67 SLA 1960; AM SEC. 2 CH 88 SLA 1970)

AS38.05.245 DOCUMENT= 13 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.245.

CATCH LINE

PROSPECTING SITES.

TEXT (A) BEFORE THE DISCOVERY OF VALUABLE MINERALS, AN EXCLUSIVE RIGHT TO PROSPECT BY GEOPHYSICAL, GEOCHEMICAL AND SIMILAR METHODS MAY BE ACQUIRED BY MARKING BOUNDARIES AND POSTING A NOTICE OF LOCATION OF A PROSPECTING SITE IN A MANNER AND CONTAINING SUCH INFORMATION AS THE COMMISSIONER REQUIRES. A PROSPECTING SITE MAY NOT EXCEED 2,640 FEET IN ITS LONGEST DIMENSION AND ITS BOUNDARIES

SHALL RUN IN THE FOUR CARDINAL DIRECTIONS. A CERTIFICATE OF LOCATION SHALL BE FILED FOR RECORD IN THE RECORDING DISTRICT WHERE THE PROSPECTING SITE IS LOCATED WITHIN 90 DAYS AFTER POSTING THE NOTICE OF LOCATION, AND A COPY OF THE CERTIFICATE SHALL ALSO BE MAILED TO THE DIRECTOR WITHIN THE 90 DAY PERIOD. THE LOCATOR OF A PROSPECTING SITE HAS THE EXCLUSIVE RIGHT TO STAKE MINING CLAIMS OR LEASEHOLD LOCATIONS WITHIN THE BOUNDARIES OF HIS SITE.

(B) NO PROSPECTING SITE LOCATION MAY INCLUDE WITHIN ITS EXTERIOR BOUNDARIES, NOR SHALL ITS BOUNDARIES BE COINCIDENT WITH MORE THAN ONE BOUNDARY OF ANY MINING CLAIM, MINING LEASEHOLD LOCATION, OR LAND UNDER A MINING LEASE, UNLESS THE LOCATOR OF THE PROSPECTING SITE IS ALSO THE OWNER, OPTIONEE OR LESSEE OF SAID MINING PROPERTY. IF SUCH MINING PROPERTY OR AREA IS SO INCLUDED OR BOUNDED, THE PROSPECTING SITE IS VOID.

(C) NO PERSON MAY LOCATE MORE THAN SIX PROSPECTING SITES IN ONE CALENDAR YEAR IN ONE RECORDING DISTRICT. A PROSPECTING SITE REMAINS IN EFFECT FOR ONE YEAR AFTER THE NOTICE OF LOCATION IS POSTED AND MAY, AT THE DISCRETION OF THE DIRECTOR, BE EXTENDED FOR ONE YEAR PERIODS. DURING EACH YEAR, WORK OF A TYPE COMPATIBLE WITH THE PURPOSE OF THIS SECTION AND ACCEPTABLE TO THE DIRECTOR SHALL BE DONE. THE MINIMUM EXPENDITURE FOR THE WORK SHALL BE ESTABLISHED BY THE COMMISSIONER UNIFORMLY FOR ALL PROSPECTING SITES. WHERE ADJACENT PROSPECTING SITES ARE HELD IN COMMON THE EXPENDITURE MAY BE MADE ON ANY ONE OR MORE LOCATIONS. IF A PROSPECTING SITE EXPIRES, NEITHER THE LOCATOR NOR HIS SUCCESSOR IN INTEREST MAY AGAIN LOCATE THE SAME PROSPECTING SITE OR ANY PORTION OF IT, AS A PROSPECTING SITE, FOR A PERIOD OF TWO YEARS FOLLOWING THE DATE OF EXPIRATION OR ABANDONMENT; NOR MAY HE, DURING THE TWO YEARS, EITHER DIRECTLY OR INDIRECTLY, OBTAIN A BENEFICIAL INTEREST IN THE SAME PROSPECTING SITE OR A PORTION OF IT.

HISTORY (SEC. 6 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961)

AS 38.05.250 DOCUMENT# 14 OF 20

HEADINGS TITLE 38.

PUBLIC LANDS.

CHAPTER 05.

ALASKA LAND ACT.

ARTICLE 7.

MINING RIGHTS.

CITATION SEC. 38.05.250.

CATCH LINE

TIDE AND SUBMERGED LANDS.

TEXT

(A) THE EXCLUSIVE RIGHT TO PROSPECT FOR DEPOSITS OF MINERALS SUBJECT TO SECS. 185 - 275 OF THIS CHAPTER IN OR ON TIDE AND SUBMERGED STATE LANDS MAY BE GRANTED BY A PERMIT ISSUED BY THE DIRECTOR. PERMITS SHALL BE GRANTED TO THE FIRST QUALIFIED APPLICANT. NO PERMIT MAY INCLUDE AN AREA LARGER THAN 2,560 ACRES, SUBJECT TO THE RULE OF APPROXIMATION. LANDS SUBJECT TO A PROSPECTING PERMIT SHALL BE AS COMPACT IN FORM AS POSSIBLE TAKING INTO CONSIDERATION THE AREA INVOLVED. THE TERM OF THE PERMIT SHALL BE 10 YEARS. PROSPECTING PERMITS SHALL BE CONDITIONED UPON PAYMENT OF RENTAL AGAINST WHICH CREDIT SHALL BE GIVEN FOR USEFUL EXPENDITURES ON LAND COVERED BY THE PERMIT OR GROUP OF CONTIGUOUS PERMITS UNDER COMMON OWNERSHIP OR ASSIGNMENT. THE RENTAL SHALL BE \$1 PER ACRE FOR THE FIRST TWO-YEAR PERIOD OF THE PERMIT.

PAYABLE AT THE END OF THE PERIOD, AND \$1 PER ACRE FOR EACH YEAR THEREAFTER, PAYABLE AT THE END OF EACH YEAR. NO MINERALS FROM LANDS UNDER A PROSPECTING PERMIT MAY BE MINED AND MARKETED OR USED, EXCEPT FOR LIMITED AMOUNTS NECESSARY FOR SAMPLING OR TESTING.

(B) UPON DISCOVERY, THE RIGHT TO POSSESS AND EXTRACT THE MINERALS MAY BE ACQUIRED BY NONCOMPETITIVE LEASE. A NONCOMPETITIVE LEASE SHALL BE GRANTED TO A HOLDER OF A PROSPECTING PERMIT FOR SO MUCH OF THE LAND SUBJECT TO THE PERMIT AS IS SHOWN TO THE SATISFACTION OF THE DIRECTOR TO CONTAIN WORKABLE MINERAL DEPOSITS. SUBMERGED LANDS CONTAINING KNOWN DEPOSITS OF MINERALS SUBJECT TO SECS. 185 - 275 OF THIS CHAPTER MAY, IN THE DISCRETION OF THE DIRECTOR, BE OFFERED BY COMPETITIVE BID. THESE LANDS SHALL BE LEASED TO THE RESPONSIBLE QUALIFIED PERSON OFFERING THE HIGHEST AMOUNT OF CASH BONUS.

(C) LEASES FOR SUBMERGED LANDS SHALL BE CONDITIONED UPON PAYMENT OF AN ANNUAL RENTAL OF \$1 AN ACRE. EXPENDITURES ON OR FOR THE BENEFIT OF THE LEASEHOLD MAY BE CREDITED AGAINST THE RENTAL. RENT SHALL BE PAID OR A STATEMENT OF ANNUAL LABOR SHALL BE FILED WITHIN 90 DAYS AFTER EACH ANNIVERSARY DATE OF THE LEASE. ALL SUBMERGED LAND MINING LEASES SHALL BE FOR A PERIOD OF UP TO 55 YEARS, AND THE LESSEE HAS A RIGHT TO A NEW LEASE AT THE END OF EACH LEASE PERIOD. THE COMMISSIONER MAY MAKE REASONABLE ADJUSTMENTS OF THE RENTAL RATE AT THE END OF EACH 20 YEAR PERIOD, BASED UPON CHANGED CONDITIONS IN PRODUCTION COSTS AND MARKET.

HISTORY (SEC. 7 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961; AM SEC. 1 CH 96 SLA 1966)

AS38.05.255 DOCUMENT# 15 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.255.

CATCH LINE

SURFACE USE.

TEXT SURFACE USES OF LAND OR WATERS INCLUDED WITHIN MINING PROPERTIES BY OWNERS OF THOSE PROPERTIES SHALL BE LIMITED TO THOSE NECESSARY FOR THE PROSPECTING FOR, EXTRACTION OF, OR BASIC PROCESSING OF MINERAL DEPOSITS AND SHALL BE SUBJECT TO REASONABLE CONCURRENT USES. PERMITS FOR MILLSITES AND TAILINGS DISPOSAL MAY BE GRANTED BY THE DIRECTOR. THE PERMITS SHALL BE CONDITIONED UPON PAYMENT OF A REASONABLE CHARGE FOR THE USE AND CONTINUANCE OF THE LIMITED USE. TIMBER FROM LANDS OPEN TO MINING WITHOUT LEASE, EXCEPT TIMBERLANDS, MAY BE USED BY A MINING CLAIMANT OR PROSPECTING SITE LOCATOR FOR THE MINING OR DEVELOPMENT OF HIS LOCATION OR ADJACENT CLAIMS UNDER COMMON OWNERSHIP. ON OTHER LANDS, TIMBER MAY BE ACQUIRED AS PROVIDED ELSEWHERE IN THIS CHAPTER. USE OF WATER SHALL BE MADE IN ACCORDANCE WITH SEC. 260 OF THIS CHAPTER AND RULES AND REGULATIONS ADOPTED UNDER IT OR IN ACCORDANCE WITH ANY LAW AMENDING OR SUPERSEDING THAT SECTION.

HISTORY (SEC. 8 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961)

AS38.05.260 DOCUMENT# 16 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.

CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.260.

CATCH LINE

WATER RIGHTS WHERE CLAIM INCLUDES BOTH BANKS OF A STREAM.

TEXT REPEALED BY SEC. 2 CH 50 SLA 1966.

AS38.05.265 DOCUMENT= 17 OF 20

HEADINGS TITLE 38.

PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.265.

CATCH LINE

ABANDONMENT.

TEXT FAILURE TO (1) PROPERLY FILE FOR RECORD A CERTIFICATE OF LOCATION OR A STATEMENT OF ANNUAL LABOR, OR (2) FILE WITH THE DIRECTOR WITHIN THE TIME PRESCRIBED A LEASE APPLICATION OR A COPY OF A PROSPECTING SITE LOCATION CERTIFICATE, OR (3) PAY RENTAL OR RECEIVE CREDIT FOR RENTAL, OR (4) KEEP LOCATION BOUNDARIES CLEARLY MARKED, ALL AS REQUIRED BY SECS. 185 - 280 OF THIS CHAPTER AND BY REGULATIONS ADOPTED UNDER THESE SECTIONS, CONSTITUTES ABANDONMENT OF ALL RIGHTS ACQUIRED UNDER THE MINING LEASE, LOCATION, OR SITE INVOLVED, AND IT IS SUBJECT TO RELOCATION BY OTHERS. IF A LOCATION IS NOT RELOCATED BY ANOTHER PERSON WITH ONE YEAR AFTER SUCH FAILURE, OR, IN THE CASE OF A PROSPECTING SITE, TWO YEARS, THE LOCATOR OR CLAIMANT OF THE ABANDONED LOCATION, OR HIS SUCCESSOR IN INTEREST, MAY RETURN TO RELOCATE IT AS THOUGH IT HAD NEVER BEEN LOCATED. A STATEMENT OF ANNUAL LABOR WHICH DOES NOT ACCURATELY SET OUT THE ESSENTIAL FACTS IS VOID AND OF NO EFFECT.

HISTORY (SEC. 9 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961)

AS38.05.270 DOCUMENT= 18 OF 20

HEADINGS TITLE 38.

PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.270.

CATCH LINE

TRANSFERS.

TEXT THE SALE, LEASE OR OTHER TRANSFER OF MINING PROPERTY OR INTEREST IN MINING PROPERTY SHALL BE RECORDED OR SHALL BE APPROVED BY THE DIRECTOR IN COMPLIANCE WITH SUCH REGULATIONS AS THE COMMISSIONER MAY ADOPT. THE HEIRS AND ASSIGNS OF MINING PROPERTY OR INTEREST IN MINING PROPERTY HAVE THE SAME RIGHTS AND DUTIES AS THEIR PREDECESSORS.

HISTORY (SEC. 10 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961)

AS38.05.275 DOCUMENT= 19 OF 20

HEADINGS TITLE 38.

PUBLIC LANDS.
CHAPTER 05.

ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.275.
CATCH LINE

RECOGNITION OF LOCATIONS.

TEXT MINING LOCATIONS MADE ON STATE LANDS, INCLUDING SHORELANDS, TIDELANDS OR SUBMERGED LANDS, OR STATE SELECTED LANDS, UNDER SECS. 185 - 280 OF THIS CHAPTER OR IN THE MANNER DESCRIBED IN AS 27.10.010 - 27.10.240 ACQUIRE FOR THE LOCATOR MINING RIGHTS UNDER SECS. 185 - 280 OF THIS CHAPTER, SUBJECT TO EXISTING CLAIMS AND TO ANY DENIAL OF OR RESTRICTION IN THE TENTATIVE APPROVAL OF STATE SELECTION OF THE PATENT OF THE LANDS TO THE STATE. IF SHORELANDS, TIDELANDS OR SUBMERGED LANDS ARE INCLUDED IN A MINING LOCATION OR WITHIN THE PROJECTED BOUNDARIES OF A MINING LOCATION MADE IN ACCORDANCE WITH THIS SECTION, THE LOCATOR IS REQUIRED TO FILE A CERTIFICATE OF LOCATION WITH THE DIVISION OF LANDS WITHIN 90 DAYS FOLLOWING THE DATE OF POSTING THE NOTICE OF LOCATION, IN ADDITION TO FILING A CERTIFICATE OF LOCATION AS REQUIRED BY SEC 195 OF THIS CHAPTER. THE CERTIFICATE OF LOCATION MUST IDENTIFY THE POSITION OF THE MINING LOCATION IN THE SYSTEM OF RECTANGULAR OR PROTRACTED SURVEYS.

HISTORY (SEC. 11 ART IX CH 169 SLA 1959; AM SEC. 1 CH 123 SLA 1961; AM SEC. 3 CH 96 SLA 1966)

AS38.05.200 DOCUMENT# 20 OF 20

HEADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 7.
MINING RIGHTS.

CITATION SEC. 38.05.280.
CATCH LINE

DEFINITIONS.

TEXT IN SECS. 210 - 240 OF THIS CHAPTER

(1) "GEOCHEMICAL SURVEYS" MEANS SURVEYS ON THE GROUND FOR MINERAL DEPOSITS BY THE PROPER APPLICATION OF THE PRINCIPLES AND TECHNIQUES OF THE SCIENCE OF CHEMISTRY AS THEY RELATE TO THE SEARCH FOR AND DISCOVERY OF MINERAL DEPOSITS;

(2) "GEOLOGICAL SURVEYS" MEANS SURVEYS ON THE GROUND FOR MINERAL DEPOSITS BY THE PROPER APPLICATION OF THE PRINCIPLES AND TECHNIQUES OF THE SCIENCE OF GEOLOGY AS THEY RELATE TO THE SEARCH FOR AND DISCOVERY OF MINERAL DEPOSITS;

(3) "GEOPHYSICAL SURVEYS" MEANS SURVEYS ON THE GROUND FOR MINERAL DEPOSITS THROUGH THE EMPLOYMENT OF GENERALLY RECOGNIZED EQUIPMENT AND METHODS FOR MEASURING PHYSICAL DIFFERENCES BETWEEN ROCK TYPES OR DISCONTINUANCES IN GEOLOGICAL FORMATIONS;

(4) "QUALIFIED EXPERT" MEANS AN INDIVIDUAL QUALIFIED BY EDUCATION OR EXPERIENCE TO CONDUCT GEOLOGICAL, GEOCHEMICAL OR GEOPHYSICAL SURVEYS, AS THE CASE MAY BE;

(5) "AIRBORNE SURVEY" MEANS A SURVEY FROM THE AIR FOR MINERAL DEPOSITS BY THE PROPER APPLICATION OF MAGNETOMETERS, ELECTROMAGNETIC INPUT SYSTEMS, INFRARED DETECTORS, SIDE-LOOKING RADAR, VERTICAL AND PANORAMIC CAMERAS AND OTHER DEVICES AS THEY RELATE TO THE SEARCH FOR AND DISCOVERY OF

MINERAL DEPOSITS.

HISTORY (SEC. 47-3-62 ACLA 1949; ADDED BY SEC. 1 CH 67 SLA 1960; AM SEC.
3 CH 88 SLA 1970)

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

CHANGES TITLE 43.
REVENUE AND TAXATION.
CHAPTER 65.
MINING LICENSE TAX.
SECTION 43.65.010.

LINE MINING LICENSE.

(A) A PERSON PROSECUTING OR ATTEMPTING TO PROSECUTE, OR ENGAGING IN THE BUSINESS OF MINING IN THE STATE SHALL OBTAIN A LICENSE FROM THE DEPARTMENT OF REVENUE. ALL NEW MINING OPERATIONS ARE EXEMPT FROM THE TAX LEVIED BY AS 43.65.010 - 43.65.060 FOR THREE AND ONE-HALF YEARS AFTER PRODUCTION BEGINS. THE TAX EXEMPTION GRANTED TO NEW MINING OPERATIONS DOES NOT EXTEND OR APPLY TO THE MINING OF SAND AND GRAVEL.

(B) THE DEPARTMENT OF NATURAL RESOURCES SHALL CERTIFY TO THE DEPARTMENT OF REVENUE THE DATE UPON WHICH PRODUCTION BEGINS, AND THE DEPARTMENT OF REVENUE SHALL ISSUE A CERTIFICATE OF EXEMPTION TO THE PRODUCER ACCORDINGLY.

(C) THE LICENSE TAX ON MINING IS AS FOLLOWS: UPON THE NET INCOME OF THE TAXPAYER FROM THE PROPERTY IN THE STATE, COMPUTED WITH ALLOWABLE DEPLETION, PLUS ROYALTY RECEIVED IN CONNECTION WITH MINING PROPERTY IN THE STATE.

OVER \$40,000 AND NOT OVER \$50,000	3 PER CENT
OVER \$50,000 AND NOT OVER \$100,000	\$1,500 PLUS 5 PER CENT OF THE EXCESS OVER \$50,000
OVER \$100,000	\$4,000 PLUS 7 PER CENT OF THE EXCESS OVER \$100,000

(D) WHERE MINING OPERATIONS ARE CONDUCTED IN TWO OR MORE PLACES BY ONE PERSON THE OPERATIONS ARE CONSIDERED A SINGLE MINING OPERATION AND THE TAX UNDER AS 43.65.010 - 43.65.060 IS COMPUTED UPON THE AGGREGATE INCOME DERIVED FROM ALL THE MINING OPERATIONS. THE LESSOR OF A MINE OPERATED UNDER A LEASE IS CONSIDERED TO BE ENGAGED IN MINING WITHIN AS 43.65.010 - 43.65.060, AND THE ROYALTIES RECEIVED BY HIM ARE CONSIDERED TO BE THE NET INCOME OF HIS MINING OPERATIONS. IF THE LESSOR RECEIVES ROYALTIES FROM MORE THAN ONE MINE OR MINING OPERATION, THE TAX PAYABLE UNDER AS 43.65.010 - 43.65.060 BY THE LESSOR IS COMPUTED UPON THE AGGREGATE ROYALTIES RECEIVED BY THE LESSOR FROM ALL THE MINES OR MINING OPERATIONS AS THOUGH THEY WERE A SINGLE MINING OPERATION.

(E) THE ALLOWANCE FOR DEPLETION INCLUDED AS AN ALLOWABLE DEDUCTION FROM GROSS INCOME IS A PERCENTAGE OF THE GROSS INCOME FROM THE PROPERTY DURING THE TAXABLE YEAR, EXCLUDING FROM THE GROSS INCOME AN AMOUNT EQUAL TO THE RENTS OR ROYALTIES PAID BY THE TAXPAYER IN RESPECT TO THE PROPERTY, AS FOLLOWS: (1) COAL MINES; 10 PER CENT; (2) METAL MINES, FLUORSPAR, FLAKE GRAPHITE, VERMICULITE, BERYL, FELDSPAR, MICA, TALC, LEPIDOLITE, SPODUMENE, VARITE, BALL AND SAGGER CLAY, OR ROCK ASPHALT MINES AND POTASH MINES OR DEPOSITS: 15 PER CENT; AND (3) SULPHUR MINES OR DEPOSITS: 23 PER CENT.

(F) THE ALLOWANCE FOR DEPLETION MAY NOT EXCEED 50 PER CENT

S B

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FOREST LAND AND WATER MANAGEMENT
POLICY AND PROCEDURE MANUAL

CHAPTER

⁵¹²²
~~2182~~ Permits

SECTION

5 Trapping Cabin Construction Permits

5/1/81

- 1.1 This section applies to permits authorizing the construction and occupancy of trapping cabins on state lands pursuant to AS 38.95.080 and 11 AAC 94.

POLICY AND PROCEDURE MANUAL

CHAPTER ~~2182~~ 5122

SECTION 5

PAGE 2 of 4

5/1/81

- 2.1 In this section, "occupancy" means the use of a cabin for purposes normally associated with trapping furbearers. It does not mean residency or the use of the cabin for non-trapping-related activities.
- 2.2 "Vacant, unappropriated, unreserved general grant land" is defined in 11 AAC 94.410(3)(A) and (B).

POLICY AND PROCEDURE MANUAL

CHAPTER 2182 5122

SECTION 5

PAGE 3 of 4

5/1/81

- 3.1 A trapping cabin construction permit does not authorize the use of the cabin site for a residence or for other purposes not directly associated with trapping furbearers.
- 3.2. A trapping cabin construction permit does not constitute a preference for land or for a remote cabin permit. It does not convey ownership rights to the land. It does not constitute waiver of any other state laws regarding trespass, waste or pollution.
- 3.3 A trapping cabin construction permit is issued for a period not to exceed one year. It can be renewed for succeeding one-year terms if continued use and occupancy is established and the applicant continues to meet the qualifications of AS 38.95.080, and if it is determined to be in the best interest of the state.
- 3.4 The non-reimbursable filing fee for this type of permit is defined in 11 AAC 94.010 (b). The user fee is \$10 for a term of the permit.
- 3.5 A trapping cabin construction permit is revokable immediately for violation of applicable statutes, regulations or stipulations of the permit, or if the director determines that continuance of the construction or occupancy of the cabin poses a threat to public safety or welfare. The permit is revocable without cause upon a thirty day notice.

4.1 The procedure for issuing trapping cabin construction permits is the same as that for land use permits (Chapter 2182, Section 1, part 4.1) with the following exceptions:

- A. Before an application is accepted, it must be determined that the application includes those items required by 11 AAC 94.010, that the land under application is vacant, unappropriated, unreserved general grant land, and that the cabin site is not located within two miles of an existing trapping cabin or site or within ten miles of a road.
- B. A receipt for the filing fee and permit fee is given or sent to the applicant and the application is numbered. The fees are sent to accounting.
- C. The permit fee is refunded if the permit is not issued.

4.2 The procedures for renewing a trapping cabin construction permit are as follows:

- A. Prior to the expiration of the permit, the applicant sends a letter to the issuing office stating his interest in renewing the permit and submits a \$10 user fee. This letter must be accompanied by a copy of the permittee's current trapping license and evidence of past use of the trapline (i.e., fur sale receipts).
- B. The district or area office gives or sends the applicant a receipt for the user fee. The fee is then sent to accounting.
- C. Land status is checked as in 4.1 A. above and, if appropriate, other agencies are afforded an opportunity to review the renewal request.
- D. The decision to deny or approve the renewal request is made by the director or his delegate.
- E. If approved, a copy of the renewal permit and stipulations is sent to the applicant for signature as stated in Chapter 2182, Section 1, part 4.1. The tickler file cards are updated.
- F. If denied, the director or his delegate sends the applicant a certified letter (return receipt requested) explaining the reason for the decision, and reimburses the applicant for the permit fee.

4.1 Following is the procedure for issuance of land use permits (other than for generally permitted activities):

- A. The application is received at the district or the area office and reviewed for accuracy and completeness.
- B. Land status is checked for state ownership and for any reservations or prohibited uses and to determine if the area is subject to coastal zone regulations. The application will be rejected if the existing classification is inconsistent with the proposed use. The land need not be classified if it is unclassified at the time of application.
- C. If the application is for use of lands under the jurisdiction of another agency (i.e. parks, sanctuaries, or IIMA's) it is forwarded to the appropriate agency for action and the applicant is notified.
- D. The application if proper is then given a number such as NC-81-004 which would be the fourth permit granted by the Northcentral District in fiscal year 1981. A third letter may be added in the prefix to denote area offices, i.e., SCC would denote the Copper River Area of the Southcentral District. It is then filed in a permit file which is kept by township, range, and section with a cross index to the name of the applicant.
- E. Any proposed use which may be potentially damaging to the environment or hazardous to the health, safety or welfare of the public must be carefully reviewed. Discretion should be used when coordinating with other agencies which, by law or other authority, share jurisdiction over the use. Examples of these types of activities include storage of flammable or explosive materials, activities in zones of suspected geologic hazards, use of a material site for target practice, and activities which may significantly affect anadromous fish habitat.

Review and approval by the appropriate agency is mandatory when the activity applied for is within a game refuge, critical habitat area, coastal district, or other area designated "special use."

In cases where the application is sent to other agencies, the applicant is notified that additional review time will be required. The application is forwarded to the appropriate agency for review with a request for response within 15 working days. If agency review is mandatory, no permit will be issued without concurrence and failure of the agency to respond must be deemed non-concurrence. Where a review is

POLICY AND PROCEDURE MANUAL

CHAPTER 2182 5122

SECTION 1

PAGE 10 of 11 5/1/81

elective, the notice will give the agency fifteen calendar days to respond, and nonresponse will be deemed a nonobjection. If the permit area requested is tideland or the bed of a waterbody declared navigable by federal courts, notice must be given to the upland owner. Comments are reviewed and appropriate special conditions added to the permit.

- F. Where applicable, a finding of consistency with the coastal management program must be made for each permit issued. The consistency determination will be made by the authorized officer.
- G. The permit is either issued, denied or the review period extended within a thirty day period. The permit or application denial is signed by the director or his delegee with any necessary stipulations or conditions.
- H. If the application is denied, the applicant must be informed of the reason for denial. He then has the right first to appeal such denial to the director and subsequently appeal to the commissioner.
- I. If approved, the permit is accepted by the applicant in writing if present or mailed to him by certified mail. The user fee is collected or the bill is mailed with the permit. It is not effective until signed by the applicant and returned to the office issuing the permit, with the user fee and bond or other security if required, and signed by the authorized officer. The applicant's failure to sign and return the permit by the applicant within 30 days of receipt constitutes his rejection of the conditions of the permit.
- J. A copy of the issued and signed permit will be filed in the township permit file kept in the field office and a name and address card filed in the cross-indexed permittee name file.
- K. A tickler file will also be established by the issuing office to give advance warning of scheduled monitoring and the expiration date of all permits. In the future, it may be possible to accomplish steps J and K by automated data processing.
- L. A permit may be revoked or altered by serving notice directly upon the permittee. If the revocation is pursuant to a special use designation per paragraph 2.2 above, the revocation is not effective until 30 days after notice of the designation has been published.
- M. A notice revoking a permit under paragraph 3.3 of this section shall be signed by the director or his delegee. The notice shall be sent by certified mail, return receipt, and

shall be considered delivered when postmarked or when receipted by permittee if delivered by hand.

- N. Normally, a field inspection must be conducted as a condition of releasing a bond or security. If the inspection indicates that the activity violated the stipulations of the permit, the permittee shall be given an appropriate length of time to take corrective action. If subsequent inspections indicate that the permittee remains in violation, the bond shall be revoked and the monies used to minimize adverse effects.
- O. A permittee may be given up to 30 days to remove any improvements and do site restoration work. At his discretion, the district manager may extend this time period due to adverse weather conditions or other extenuating circumstances. Failure to remove any improvements or to restore the site may result in filing a civil or criminal complaint or both by the Attorney General.

SAMPLE

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FOREST, LAND & WATER MANAGEMENT

LAND USE APPLICATION AND PERMIT

2. APPLICANT

1. PERMIT - For Office Use Only			
<u>Doe, Jane</u>	<u>Smith</u>	<u>NC</u>	<u>81 001</u>
Name (Last)	(First)	(MI)	Received by District Year Number
<u>100 Main St. Anchorage, AK 99501</u>		<u>279</u>	<u>5577</u>
Street/P.O. Box	City	State	Zip Phone

3. LAND LOCATION:

Township 18 N, Range 9 E, Copper R. Meridian, Section 4 Portion NW4
 Other Description 640 LOT 4

4. PROPOSED ACTIVITY: Store dynamite for use in highway construction - stored in a trailer; no additional required; area will be fenced with 8' chain link fence; and signs indicating dangers; no (see below)
 Use extra sheets if necessary

5. SPECIAL STIPULATIONS: (In addition to conditions on reverse side)
Fence must be kept in good repair.

6. DATE OF APPLICATION: May 1 19 81
 7. DATE OF INTENDED USE (not to exceed one year) From 5/30 to 9/1/1981
 8. CONTACT PERSON, if other than applicant: Mike Johnson
 Name
Box 291, TOK AK 99780 685-0001 Foreman
 Address Telephone No. Position/Title

9. Jane A. Doe 5/1/81
 SIGNATURE OF APPLICANT OR AUTHORIZED REPRESENTATIVE Title Date

10. APPLICATION IS Granted Denied Granted as modified
 By William H. Tapeland Active DM 5/15/81
 Division of Forest, Land and Water Management / Title Date

11. BOND IS REQUIRED (See attached bond)

12. SUPPLEMENTAL INFORMATION
smoking, and explosives:

ALASKA
STATE LEGISLATURE

MEMORANDUM

JOHN HANLEY
HOUSE RESOURCES COMMITTEE

4/14/82

RF: REQUEST OF 1:10 P.M.

PER YOUR REQUEST ATTACHED IS BACK GROUND INFORMATION ON:

SB 275

✓ SB 759

SB 525

SB 772

SB 87 - WAS WAIVED BY THE SENATE RESOURCES COMMITTEE



LEGISLATIVE SUMMARY

CSSB 759 (res) "An Act relating to the size of trapping cabins."

Page 1, line 18, deletes "768" and inserts "400" in its place.

Sec. 1: Amends existing law to allow a trapping cabin permittee to construct one cabin of up to 400 square feet in size. Any other cabins constructed under the same permit may not exceed 192 square feet in size.

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

March 8, 1982
1:35 p.m.

Beltz Room
Room 211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

Hearing:

SB 730 An Act establishing the Aleksandr Laranof State Game Refuge.
SB 745 An Act extending the lapse date for the FY 82 appropriation for land disposal surveys.
SB 759 An Act relating to the size of trapping cabins.
SB 832 An Act extending the lapse date for the FY 82 appropriation for the Citizen Advisory Commission.

SB 745

Jeff Havnes, Deputy Commissioner, Department of Natural Resources, explained that this capital appropriation is necessary to continue survey work (\$11 million) and municipal grants (\$2 million).

Senator Fischer asked that SB 832 be heard before any action was taken on SB 745.

SB 832

Senator Fischer stated he would like SB 745 and SB 832 combined since they both amend the same line of the same statute.

Senator Fahrenkamp expressed opposition in consideration of the sponsors.

Senator Mulcahy moved SB 745 and SB 832 with individual recommendations.

Senate Resources Committee
March 8, 1982
Page 2

SB 759

Jeff Haynes stated that the existing statute limits the size of trapping cabins to 192 square feet. DNR feels the increase to 768 square feet that SB 759 would provide is too great. A smaller size would discourage the establishment of a permanent residence on a \$10/year trapping permit.

Senator Fahrenkamp said a Committee Substitute had been prepared that limits the size to 400 square feet.

Senator Eliason disagreed with the size limit, stating that criteria for obtaining a permit limit the cabin's use to trapping.

Senator Gilman moved the adoption of the Committee Substitute for SB 759. He then moved CSSB 759 with individual recommendations.

SB 730

Senator Sturgulewski moved to rescind the Committee's action on SB 730.

Senator Fahrenkamp explained that after action was taken last Friday, the land manager in Kodiak called about a technical error in the bill.

Senator Mulcahy stated that on page 1 line 29, and page 2 line 1, "21" should read "23". He moved the adoption of the Committee Substitute for SB 730. He then moved CSSB 730 with individual recommendations.

The meeting was adjourned at 2:00 p.m.

LEGISLATION SUMMARY

SB 759: " An Act relating to the size of trapping cabins."

Sec. 1: Amends existing law to allow a trapping cabin permittee to construct one cabin of up to 768 square feet in size. Any other cabins constructed under the same permit may not exceed 192 square feet in size.

NOTE: Existing law allows a trapping cabin permittee to construct a specified number of cabins for established traplines, none to exceed 192 square feet in size.

PRIME SPONSOR: Kerttula (by request)

CO-SPONSOR(S): None

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768

COMMITTEE REPORT

HOUSE

FURTHER: Finance

(7)

4/12/82

Date: 4-14-82

Mr. Speaker: (C&RA referral
waived 4/12/82)

The Committee on Resources has had SB 768

"An Act relating to residential loans administered by regional
Native housing authorities; and providing for an effective date."

under consideration and reports it back as follows:

- [] do pass [] do not pass
[] do pass with attached amendments(s)
[X] replace with CS for SB 768 [] same title
[X] new title
and recommends _____
[] AND attaches a "Letter of Intent" [] New Fiscal Note
[] reports it back without recommendation
[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

E. C. Pritchett

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Do NOT
PASS!!

E. C. Pritchett
CHAIRMAN



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

KEN FANNING, CO-CHAIRMAN
ERIC SUTCLIFFE, CO-CHAIRMAN
PCUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

For the past two years the Department of Revenue has administered a loan guarantee program for commercial fish processors. Under the program, the loans had to originate with CFAB which limited the guarantees to processors which were 51% Alaskan owned. The loans were effectively guaranteed for up to 50% of any eventual loss. The funds encumbered by guarantees remained in the state treasury unless there was a default. In that event, after recovering what it could from the collateral, the bank would be reimbursed by the state for 50% of the loss. Last year a \$40 million appropriation was made for loan guarantees, and the Department of Revenue recently received its first notice of default.

CSSB 768

1. Establishes a revolving loan guarantee account. Page 1, line 11.
2. Establishes a 50% guarantee program for 1982 season loans. Page 2, lines 8-22.
 - (a) The program is available to CFAB and other banks. This will enable processors which are less than 51% Alaskan owned to participate. Page 2, lines 14-16.
 - (b) The guarantees apply to costs associated with the 1981 recall and for the purchase and processing of salmon in 1982 (salmon only). Page 1, lines 16-18, and Page 3, line 13.
 - (c) Until July 1, 1982, 20% of the account is reserved for loans to companies which are 51% Alaskan owned. Page 2, lines 24,25.
 - (d) Guarantee limit: \$10 million per borrower. Page 2, line 18.
 - (e) Term of the loan: 1 year. Page 2, line 10.
 - (f) The guarantees are a percentage of the loss, not a percentage of the principal. Page 2, lines 19-22.

3. Establishes a 50% guarantee program for 1983 and subsequent years. Page 3, lines 16-27.

(a) Limited to banks located in the state and to processors which are 51% Alaskan owned. Page 3, lines 24-27.

(b) Term of the loan: 1 year. Page 3, line 18.

(c) Guarantee limit: \$10 million per borrower. Page 2, line 18.

(d) Guarantees are a percentage of the loss, not a percentage of the principal. Page 2, lines 19-22.

4. Repeals the Revolving Loan Fund (AS 45. 91). Page 2, line 28.

5. Amends Chapter 41, SLA 1981.

(a) Increases last year's guarantees from an effective 50% to 70%. Page 4, line 19.

(b) Applies only to canned salmon caught in 1981. Page 4, line 11.

(c) Available only to companies which operate in 1982. Page 4, lines 16-18 & 22.23.

(According to CFAB there are 5 loans which qualify for an increased 1981 guarantee. The combined value of the loans is \$17.5 million. 70% of \$17.5 = \$12.15 million.)



REPRESENTING
THE SOUTHERN ALASKA PENINSULA
THE ALEUTIAN CHAIN
KODIAK ISLAND
AND THE PRIBILOF ISLANDS

Alaska State Legislature

REPRESENTATIVE
ERIC SUTCLIFFE

HOME
P.O. BOX 3
UNALASKA, ALASKA 99685
(907) 581-1455

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4940

SB 768

For the past two years the Department of Revenue has provided a 40% guarantee to banks on loans made to fish processors. Under the existing program, processors can use the loans to purchase fish and to pay processing expenses. In the case of default, the Department of Revenue pays the bank 40% of the outstanding debt. The 1980 and 1981 programs required that all guaranteed loans originate with CFAB. A \$40 million appropriation was made last year for loan guarantees.

This bill establishes a revolving loan guarantee account which, unlike past appropriations, does not lapse into the General Fund. The account would be funded with money left over from last year and a \$100 million appropriation from the "Rainy Day Account". Money encumbered for guarantees does not leave the state treasury unless a loan goes into default. Then the bank collects what it can from the collateral, and if the principal isn't recovered in full, the state pays a percentage of the loss.

This bill establishes a 50% guarantee program for loans made for salmon processing. The program is open to CFAB

and other banking institutions. Until July 1, 1982, \$20 million is reserved for companies which are 51% Alaskan owned. Not more than \$10 million may be guaranteed per borrower. After January 1, 1983, the program will be open only to banks located in the state and to fish processors which are 51% Alaskan owned. The term of the loan is one year.

CSSB 768 also increases the guaranteed portion from 40% to 70% for loans made for canned salmon in 1981.

The revolving loan fund (AS 45.91) is repealed. This fund was established last year but has never been funded.



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

KEN FANNING, CO-CHAIRMAN
ERIC SUTCLIFFE, CO-CHAIRMAN
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

MEMORANDUM

TO: Representative Jack Fuller
Chairman, Rules Committee

FROM: Representative Eric Sutcliffe *ES*
Co-Chairman, Resources Committee

RE: CSSB 768 Fiscal Note

DATE: April 15, 1982

The fiscal impact of CSSB 768 will be addressed in a separate appropriations bill. It is for that reason that the House Resources Committee has not attached a fiscal note to CSSB 768.

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UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

772
Senator Jalmar Kerttula
State Capitol
Pouch F
Juneau, Alaska 99811

Dear Senator Kerttula:

I am sorry that I am unable to come to Juneau to testify personally before your committee concerned with a plant quarantine facility associated with the Plant Materials Center. I support your efforts to establish a quarantine center in Alaska and would like to relate some experiences and offer some observations that may be useful in developing legislation for this purpose.

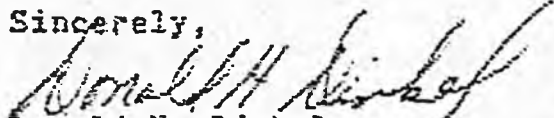
There are many potentially hardy and adapted varieties of food, fibre and ornamental crops available from foreign sources that ought to be tested in Alaska. The other states have had the opportunity of utilizing the genetic resources of the world in developing a more dependable food supply and esthetically satisfying environment. This opportunity existed because of their efforts to import plants prior to the advent of more stringent import regulations and because the federal plant quarantine facilities are more appropriately located from a climate standpoint. The federal plant quarantine facilities are less useful to us in Alaska because of the great difference in photoperiod and climate. Plants from northern sources tend to go into dormancy at longer daylengths which confuses the officials into thinking that they are diseased and therefore they are destroyed before they can be tested in Alaska. This ability to develop hardiness at the longer daylengths is essential for winter survival in the northern latitudes. Since plant material from the northern sources will have the most potential for adaptation to our climate we need a method of importing these for test and possible distribution to users.

Certain plants are more restricted in the import regulations that pertain to them. Members of the rose family are in the most restricted categories. This family contains most of the temperate zone tree fruits and the raspberries and strawberries as well as many ornamental trees and shrubs. The residents of the state are very interested in obtaining the material available in Canada and other northern countries but have been unsuccessful during the last 10 to 15 years. The interest has been so great that I understand that there have been efforts to illegally import these restricted plants. Illegal importation is certainly a much less desirable option for Alaska than is a well run and responsive plant quarantine facility in the state.

The federal officials have been quick to inform us that there are ways to get these materials imported, however we have been largely unsuccessful. The system does seem to work for the people in the rest of the U.S.

I have even been unsuccessful in obtaining plant materials that I know is available at the National Arboretum that I have offered to pay propagation costs on. We need better systems for importing plant material to Alaska.

Sincerely,



Donald H. Dinkel
Professor of Plant Physiology

320 Resources Bldg.

474-7187

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ALASKA
STATE LEGISLATURE
MEMORANDUM

JOHN HANLEY
HOUSE RESOURCES COMMITTEE

4/14/82

RE: REQUEST OF 1:10 P.M.

PER YOUR REQUEST ATTACHED IS BACK GROUND INFORMATION ON:

SB 275

SB 759

SB 525

SB 772

SB 87 - WAS WAIVED BY THE SENATE RESOURCES COMMITTEE



LEGISLATION SUMMARY

SB 772: "An Act making a special appropriation to the Department of Natural Resources for construction of a plant quarantine station at the plant materials center (AS 03.22) operated in cooperation with the Institute of Agricultural Sciences; and providing for an effective date."

Sec. 1: Appropriates \$400,000 from the general fund to the Department of Natural Resources for construction of a plant quarantine station at the plant materials center operated in cooperation with the Institute of Agricultural Sciences.

Sec. 2: The appropriation is a capital project and is subject to relevant existing law, which requires that the funds will not lapse to the general fund, but shall be carried forward to subsequent fiscal years (AS 37.25.020).

Sec. 3: Immediate effective date.

PRIME SPONSOR: Kerttula

CO-SPONSOR(S): Bradley



Alaska State Legislature

SENATE

Resources Committee

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

POUCH V
SENATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Official Business

BETTYE FAHRENKAMP, Chair
VIC FISCHER, Vice-Chairman
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

March 26, 1982
1:40 p.m.

Beltz Room
Room 211 - Capitol

Hearing:

- SB 772 Making a special appropriation to the Department of Natural Resources for construction of a plant quarantine station at the plant material center operated in cooperation with the Institute of Agricultural Sciences.
- SB 803 Establishing the land clearing account in the agricultural revolving loan fund.
- SB 804 Making a continuing appropriation of repayments of the principal and interest on loans made by the Alaska Agriculture Action Council for land clearing to the land clearing account in the agricultural revolving loan fund.
- SB 843 Relating to surface coal mining and the underground effects of underground coal mining.
- SB 697 An Act relating to the Alaska Renewable Resources Corporation.

SB 772

Paul Huppert, Matanuska Valley farmer, explained that a quarantine center is needed at the latitudes of the Matanuska Valley for plants brought in from that latitude. This would require modification of existing facilities at the plant material center, and employment of a person to collect plant material worldwide.

Nick Carnev, Director, Division of Agriculture, Department of Natural Resources, explained that the appropriation would pay for construction of a "screen house". Bud materials would be reproduced inside, with the screen restricting movement of insects, thus inhibiting the spread of disease. The long term fiscal needs are minor, as most of the infrastructure is already in place.

Bob Palmer, Alaska Agriculture Action Council, expressed support for the bill, stating that it was long overdue.

Senator Sturgulewski moved SB 772 with individual recommendations.



MAR 15 1982

UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

School of Agriculture and Land Resources Management
Agricultural Experiment Station

March 10, 1982

The Honorable Bettye Fahrenkamp
Chairman, Senate Committee on Resources
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

This is in response to your request for comments about SB 776 and SB 772.

SB 776. This bill would transfer the Alaska Agricultural Experiment Station from the University of Alaska to the Alaska Department of Natural Resources.

From an operational standpoint, there are major advantages in locating the Agricultural Experiment Station within the University of Alaska, as is now the case, rather than within a state agency. The U.S. Congress recognized the value of close relationships between agricultural experiment stations and universities when it passed the Hatch Act in 1887. The full title of the Hatch Act is "An Act to establish agricultural experiment stations in connection with the colleges established in the several states under the provisions of an act approved July second, eighteen hundred and sixty-two, and of the acts supplementary thereto". The colleges established in the several states were the land grant colleges created by the Morrill Act of 1862.

Specifically, the Hatch Act established a partnership between the federal government and the states and provided continuing federal funds for state agricultural experiment stations. An article in the January 25, 1982, issue of Fortune magazine, entitled "The right remedy for R and D lag", specifically mentioned federal support of agricultural research in the United States as the most successful government subsidy of all time.

Nevertheless, the Hatch Act did not preclude the use of federal Hatch funds for agricultural experiment stations that are established by state legislatures as units separate from land grant universities. In actual practice, however, all state agricultural experiment stations in the United States are

UNIVERSITY OF ALASKA

Page 2

Senator Fahrenkamp

now associated administratively with universities in their respective states. Moreover, Title XII programs of the federal Foreign Assistance Act foster this administrative association in underdeveloped countries to enhance agricultural development in those countries.

An advantage of this arrangement is that agricultural scientists have the opportunity to work with university scientists in related disciplines. This association fosters cooperation among workers in various areas of scientific inquiry and has led to discoveries involving ideas and concepts from agricultural as well as non-agricultural sciences. In addition, it gives agricultural scientists the opportunity to teach in undergraduate and graduate programs and to participate in extension education that transfers new technology to the agricultural community.

These advantages are summarized in the following statement published in 1981 by the Division of Agriculture (including the Resident Instruction, Experiment Station and Extension Sections) of the National Association of State Universities and Land Grant Colleges:

A unique strength of the agricultural colleges of the Division is the interrelationship of teaching, research and public service programs. Generally, staff members work in basic research, and students are the beneficiaries because they are taught by educator-researchers. An integrated academic departmental structure (teaching, research and extension) makes it possible to disseminate practical information not only to students but also to farmers and other practitioners in related fields. The mutually supportive functions of teaching, research and extension strengthen institutional academic programs and provide an excellent environment for students to learn about the interdependency of research and teaching.

Nevertheless, these advantages can be obtained in Alaska only if the staff, research programs and facilities of the Alaska Agricultural Experiment Station are funded according to a plan that will bring the Experiment Station to the level necessary to support Alaska's agricultural development goals. Numerous reviewers and consultants have indicated that the Alaska Agricultural Experiment Station now lacks the capability to provide research that is essential to meet the goal of 500,000 acres of new land in crop production by 1990. A report to the Alaska State Legislature in February, 1982, from the Alaska Agricultural Action Council outlined a plan for the development of the Agricultural Experiment Station.

Although the Alaska State Legislature appropriated over \$112 million for agricultural development since 1977, as outlined in House Research Agency Report 81-5, the University of Alaska budget request for FY 83 contained no new operational increment packages for the Agricultural Experiment Station. In view of the intense competition for new budget increments within the University, I am at a loss to know how the Agricultural Experiment Station can secure funds to provide research essential for the success of current and

UNIVERSITY OF ALASKA

Page, 3

Senator Fahrenkamp

projected state investments in agricultural development. In a number of states, however, the Agricultural Experiment Stations are administratively associated with the land grant universities, but state appropriations for the Experiment Stations are independent of the general university budgets.

SB 772. This bill would appropriate \$400,000 to the Alaska Department of Natural Resources for the construction of a plant quarantine station at the Plant Materials Center near Palmer to be operated in cooperation with the Agricultural Experiment Station. This facility would have important benefits for Alaskan agriculture.

The Plant Materials Center is an integral part of Alaska's agricultural industry. The Center produces foundation seed from new and improved varieties of breeder seed developed by the Agricultural Experiment Station. This work is valuable because it increases seed of new varieties of small grains, grasses and legumes adapted to Alaska, and makes this seed available to seed growers in sufficient quantities for commercial production of certified seed. In addition, the Plant Materials Center also tests seed for growers and farmers to ensure high quality standards in Alaska's seed industry.

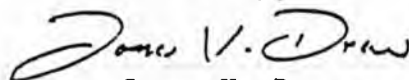
Another major function of the Plant Materials Center is to evaluate and propagate varieties of trees, shrubs, and other plants that are adapted to various uses and conditions in Alaska. Unfortunately, many perennial trees, shrubs and other plants that are propagated asexually and that perform well in states at more southerly latitudes are not adapted to Alaska's soil, climate and day length. In other northern countries such as Canada, the Scandinavian countries and Russia where northern agriculture is more fully developed than in Alaska, superior varieties of these plants have been developed and could have economic value in Alaska.

Plants cannot be brought into the United States, however, without going through a quarantine for as much as two or three years. This quarantine is important to prevent the importing of detrimental insects and plant diseases into the United States. However, federal plant quarantine stations are located in the "Lower 48" and not in Alaska. Consequently, many plant materials developed for superior performance in other northern countries cannot be imported into Alaska because they are not adapted to survive a lengthy quarantine in a more southerly state.

Consequently, a plant quarantine station in Alaska would permit Alaskans to benefit from plant materials developed and selected at northern latitudes, and would save the time and costs required to develop and select similar plant materials in Alaska. In addition, a plant quarantine station in Alaska would provide a means for the Agricultural Experiment Station to obtain plant materials from northern countries to incorporate in its research program.

In summary, a plant quarantine station at the Plant Materials Center would be a major benefit for Alaskan agriculture.

Sincerely,



James V. Drew
Dean and Director

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SR 772
 Title Quarantine Facility
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected DNR
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (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 83	FY 84	FY 85	FY 86		
	FY83	FY84	FY85	FY86	FY 85	FY 86
100 PERSONAL SERVICES	34.8	34.8	34.8	34.8		
200 TRAVEL	11.4	9.4	9.4	9.4		
300 CONTRACTUAL	13.8	13.8	13.8	13.8		
400 COMMODITIES	5.0	5.0	5.0	5.0		
500 EQUIPMENT	35.0	6.0	6.0	2.0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	150.0	119.0	119.0	115.0		

FUNDING (Thousands of Dollars)

	150.0	119.0	119.0	115.0		
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

To operate properly and to be accredited the Center will need a reasearch pathologist at U of A, Ag Experiment Station. Estimated cost for one professional man/year is \$130.0. The Quarantine Station would need the services of such a person for 1/3 of the year. The costs for this service, a necessity of approval by USDA, are not included in either this fiscal note or the 5 page project report.

IV. DATE 2/24/82 PREPARED BY [Signature]
 AGENCY DNR
 PHONE 376-3276



Agricultural Experiment Station
Palmer Research Center
Box AE
Palmer, Alaska 99645

UNIVERSITY OF ALASKA

March 1, 1982

The Honorable Senator B. Fahrenkamp
Pouch V
Juneau, Alaska

Dear Senator:

I have been asked to prepare a fiscal note for the proposed Plant Quarantine Station legislation S.B. 772. It is my understanding that the \$400,000 proposed in the bill would be for the capital improvements of a modest facility located within a buffer zone from agriculturally developable areas of at least 100 acres.

To operate the facility in a manner that would meet the federal criteria for such a facility the staff, the facility, and the procedures would have to be approved by APHIS (Animal and Plant Health Inspection Service). They have expressed a willingness to work with the state in developing a program.

It is anticipated that a high priced virologist, plant pathologist would be working about one-third time on plant pathology research in the state in connection with the Agricultural Experiment Station.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sigmund H. Restad".

Sigmund H. Restad
Assistant Director

cc: Senator Jalmar Kerttula

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 772
Title Establishing a Plant Quarantine Station in Alaska
Requested by Senator Bertello Date _____

II. FISCAL DETAIL

Agency Affected University of Alaska - Agricultural Experiment Station
Program Category Affected 1 - Agricultural Research Horticultural and
BRU, Program, or Subprogram(s) Affected Plant Pathology
(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	36,800	74,200	123,500	119,600	124,000	136,000
200 TRAVEL	7,000	5,000	5,500	6,000	6,000	7,000
300 CONTRACTUAL	5,000	4,000	4,500	5,000	5,500	6,000
400 COMMODITIES	5,000	6,000	6,500	7,000	7,500	8,000
500 EQUIPMENT	30,000	10,000	5,000	5,000	10,000	7,000
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	133,800	119,200	134,500	132,600	149,000	163,000

FUNDING (Thousands of Dollars)

GENERAL FUND	133,000	119,000	124,000	132,500	144,000	163,000
FEDERAL FUNDS	3,000	-	-	3,000	3,000	3,000
OTHER (Specify Fund Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME ^{4 TECHNICAL} <u>VIROLOGIST-PLANT PATHOLOGIST</u>	2	2	2	2	2	2
PART TIME						
TEMPORARY						

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

THE PROPOSAL IS BASED ON THE ASSUMPTION THAT THE PLANT QUARANTINE PROGRAM HAS TO BE QUALIFIED VIROLOGIST WHO WILL MEET U.S.D.A. THIS STANDARDS FOR THEIR PROGRAM AND THE QUARANTINE WORK WOULD NOT BE FULL TIME BUT THE REMAINING TIME COULD BE RESEARCH AND COVER AN AGRICULTURALLY VIROLOGY PROGRAM THAT DOES NOT EXIST AT PRESENT BUT IS EXTREMELY IMPORTANT TO THE DEVELOPMENT OF ALASKA'S AGRICULTURE. THIS STAFF SHOULD BE 1/3 PLANT QUARANTINE AND 2/3 AGRICULTURAL RESEARCH WITH P.E.S.

IV. DATE 2-10-82 PREPARED BY Edward H. P. [Signature]

AGENCY: AGRICULTURAL EXPERIMENT STATION

Original: Legislative Finance PHONE 745-3257

S

B

7

9

4

COMMITTEE REPORT

HOUSE

(7)

FURTHER:

5/6/82

Date:

May 6, 1982

Mr. Speaker:

The Committee on Resources has had CSSE 794 (Fin)

"An Act relating to the management of state land for marine parks and game sanctuaries; and providing for an effective date."

under consideration and reports it back as follows:

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

See C Sutcliffe (no)
See Training 001 1872

See C Sutcliffe
CHAIRMAN



Alaska State Legislature

Senator Vic Fischer • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

February 16, 1982

To: Members of the Senate and interested parties

From: Senator Vic Fischer

Re: SB 794 - establishing the Alaska Marine Park System

This legislation establishes the Alaska Marine Park System and designates certain lands within Prince William Sound as part of that system.

Modeled after a similar marine park program in British Columbia and Washington state, the purpose of the system is to provide for the public use of the recreational, natural, cultural, scenic, wilderness and wildlife resources, and to protect the natural and wilderness character of the coastline of these areas.

Prince William Sound is a major recreational area of national significance in close proximity to Alaska's major population center. Overwhelming public and agency sentiment expressed during a hearing conducted in December on Prince William Sound Recreation, urged reserving these state lands for maximum public use.

Of the 36 sites proposed by the Division of Parks in 1977, only 18 have been approved by the Forest Service for transfer under the Alaska Statehood Act. The division has filed a complaint against the Forest Service to obtain approval of the remaining sites and views the federal position as a violation of the Statehood Act. The Attorney General concurs that the state's case may be strengthened by designation of park system lands at this time.

There has been concern that state recreation land in Prince William Sound would be sold or leased through a land disposal program. This must be prevented. Selections in the park system were filed for the purpose of community expansion, development of resources use, fish hatchery sites, and recreation. This legislation reconfirms the state selection intent and establishes a commitment for maximum use by the public of state-owned lands in Prince William Sound.

The bill ensures a continuation of commercial, sport, and subsistence fishing rights and allows for the development of aquaculture facilities in these areas.

Habitat protection afforded by park status and increased tourism and recreation use of the Sound should result in a high level of public concern for and awareness of the Sound's resources.

Committees: State Affairs, *Chairman*; Resources, *Vice-Chairman*; Health, Education & Social Services

Strong public support has been expressed for the marine park system through resolutions of support from Whittier and Valdez, letters and testimony from the Alaska Visitors Association, Cordova's city manager, sportfishing and conservation organizations, and recreational users. Representatives of the U.S. Forest Service have agreed that the concept of a marine park system is a good one, that it would improve cooperative planning and management possibilities, and that it should be pursued regardless of land ownership or proprietary issues.

The state marine park system established by the bill would eventually be extended to include land in Southeast Alaska and other parts of the state.

LEGISLATION SUMMARY

CSSB 794 (Fin.)

"An act relating to the management of state land for marine parks and game sanctuaries; and providing for an effective date."

Sec. 1:

Purpose of the bill is to establish, subject to valid existing rights, state-owned or acquired lands and waters as units of the state marine park system.

Primary purposes are: (1) maintenance of natural, cultural and scenic values; (2) maintenance of fish and wildlife resources; (3) development of recreational uses and facilities; and (4) promotion and support of Alaska tourism.

.515 (a)

Assigns the lands to the Department of Natural Resources for control, maintenance and development.

(b)

Assigns responsibility for management of fish and game resources in the park units to the Department of Fish and Game. The Department of Fish and Game shall consult with the Department of Natural Resources before adopting fish and game regulations for the units.

(c)

The Department of Natural Resources shall develop a management plan for each unit. The commissioner shall consult with the Department of Fish and Game, proximate municipalities and private landowners, the U.S. Forest Service, conservation, recreation and tourism organizations, and other interested parties during the preparation of a management plan. Requires written notice and public hearings held in communities proximate to a proposed park unit.

(d)

Prohibits the commissioner of natural resources from restricting valid fishing rights or other privileges under state law in a unit.

(e&f)

Authorizes the commissioner to allow the development of aquaculture facilities within units, and to enter into cooperative management agreements for units with federal agencies, state municipalities, or nearby private landowners.

(g)

Requires the commission to consult and cooperate with Native Corporations owning historical or cultural sites granted under the Alaska Native Claims Settlement Act (ANCSA) nearby a unit in the management of that unit. In managing units, the commissioner shall address potential conflicts with cultural and historic values of Native land granted under ANCSA, and protect those values.

.520

Designates state-owned or acquired land and water within described sections of the following parcels as units of the state marine park system:

1. Bettles Bay Marine Park
2. Decision Point Marine Park
3. Entry Cove Marine Park
4. Oliver Inlet Marine Park
5. Sawmill Bay Marine Park
6. Shoup Bay Marine Park
7. South Esther Island Marine Park
8. Surprise Cove Marine Park
9. Swanson Harbor Marine Park
10. Ziegler Cove Marine Park
11. Horseshoe Bay Marine Park

- Sec. 2(a) Requires the commissioner of natural resources to assess the state selected, tentatively approved, and patented land and water in certain areas, considering the values of each area, as set out in sec. 506, and with regard to private land ownership patterns and development plans, community expansion, and other potential uses.
- (b) Requires the commissioner to consider recreational opportunities, and the demand and desirability of selecting land for inclusion in the state marine park system in selections under sec.6(a) of the Alaska statehood act.
- (c) Lists 80 areas for assessment by the commissioner of the Department of natural resources.
- Sec. 3 Requires the commissioner to report to the Governor on actions under this Act by December 1 of each even-numbered year, to be submitted to the legislature by the tenth day of the first session of each legislature. Requires the report to include progress in assessments required under sec. 2, and recommendations by the Governor for additional areas for inclusion as units and other recommendations for legislation.
- Sec. 4 Establishes the Cape Seniavin state game Sanctuary.
- Purpose is to provide a permanent protection for walrus hauling grounds and other fish and wildlife populations and their habitat for scientific, aesthetic and educational purposes.
- Sec. 5 Applies provisions of AS 16.20.120-140 relating to the administration, multiple use and sale and lease of the Walrus Islands State Game Sanctuary to the McNeil River State Game Sanctuary also.
- Applies provisions of AS 16.20.120 relating to the administration of the Walrus Islands State Game Sanctuary also to the Cape Seniavin State Game Sanctuary. Prohibits surface entry for oil and gas exploration and development and mineral leasing and the acquisition of mining rights within the Cape Seniavin State Game Sanctuary.
- Sec. 6 Immediate effective date.

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802
PHONE: 465-4100

February 3, 1982

The Honorable Vic Fischer
Alaska State Senate
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator Fischer:

The Department of Fish and Game welcomes the opportunity to testify before your committee on recreational development of Prince William Sound. The Department feels that Prince William Sound has the potential to significantly contribute to the recreational sport fishing needs of many Alaskans, and in particular Cook Inlet residents. At the present time, about 60% of all angling in Alaska occurs in Cook Inlet. If some of those anglers can be diverted into Prince William Sound, the overcrowding of some Cook Inlet waters may be reduced.

Recreational fishery resources in Prince William Sound are diverse and spread over many areas. Except near a limited number of stream mouths, salmon stocks are not really sufficiently concentrated to attract the intense salmon sport fisheries so common in Cook Inlet. In contrast, the average sport fisherman in Prince William Sound appears to be primarily interested in cruising among the area's many islands and bays, perhaps setting some crab and shrimp pots, hunting in season, fishing for halibut, taking pictures, enjoying the scenery and simply relaxing. This is considerably different than the typical angler fishing along the highway system in Cook Inlet where the angler may drive up to 400 miles, fish and return to Anchorage on a weekend.

The following table lists the current recreational fishing effort in Prince William Sound for the period 1977-1980.

Man-Days of Sport Fishing Effort in Prince William Sound

	YEAR			
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Fresh water	*	*	12,655	15,151
Salt water	<u>*</u>	<u>*</u>	<u>33,939</u>	<u>31,317</u>
Total	48,269	35,046	46,594	46,468

* Not divided into fresh and salt waters in 1977-1978.

Note that use has been remarkably stable during recent years. Obviously, the single factor restricting recreational angling use in Prince William Sound at this time is lack of road access to suitable boat launching areas.


Currently, the Department of Fish and Game stocks silver salmon at Whittier and at Seward to support the sport fisheries in the bays adjacent to these communities. In addition, the Division of Sport Fish has completed basic fishery surveys of many of the fresh water systems in Prince William Sound. The harvest and effort data shown above is collected as part of a larger sampling program which defines catch and public participation in various waters of the State.

At the present time, there does not appear to be any stocks of fish in Prince William Sound being overharvested by the sport fishery. Therefore, the Department has no plans to immediately increase our level of activities in the Sound. However, it should be noted that approximately 40% of all Prince Williams Sound sport fishing occurs in Valdez Bay. The potential for conflict between user groups is very real within Valdez Arm.

WM The Department of Fish and Game strongly supports plans for the Division of Parks to protect and develop camping areas and boat berthing areas at sites scattered throughout the Sound. *WM*

Thank you for the opportunity to contribute to your planning efforts for Prince William Sound.

Sincerely,


Ronald O. Skoog
Commissioner

cc: Ron Lehr
Keith Specking



Alaska State Legislature

Senator Vic Fischer • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

4 February 1982

To: Chair, Senator Bettye Fahrenkamp and
Members - Senate Resources Committee

From: Senator Vic Fischer, Chair
Subcommittee on Parks and Recreation

A handwritten signature in black ink, appearing to read "Fischer".

Subject: Prince William Sound Recreation

Attached is a report on the public meeting and teleconference held December 15, 1982.

It is clear that recreation potentials of the Sound are among the most important in Alaska, serving the needs of Alaskans as well as visitors to the state. While everyone agrees that the natural environment must be protected, problems of access, land availability, and adequate facilities are yet to be resolved.

Several important land transfers are currently pending, and federal and private development plans are in final stages of completion. Legislation establishing the Alaska Marine Parks System is being drafted for introduction in the Senate next week. Recommendations for other legislative action will be withheld pending further work on Prince William Sound recreation development.

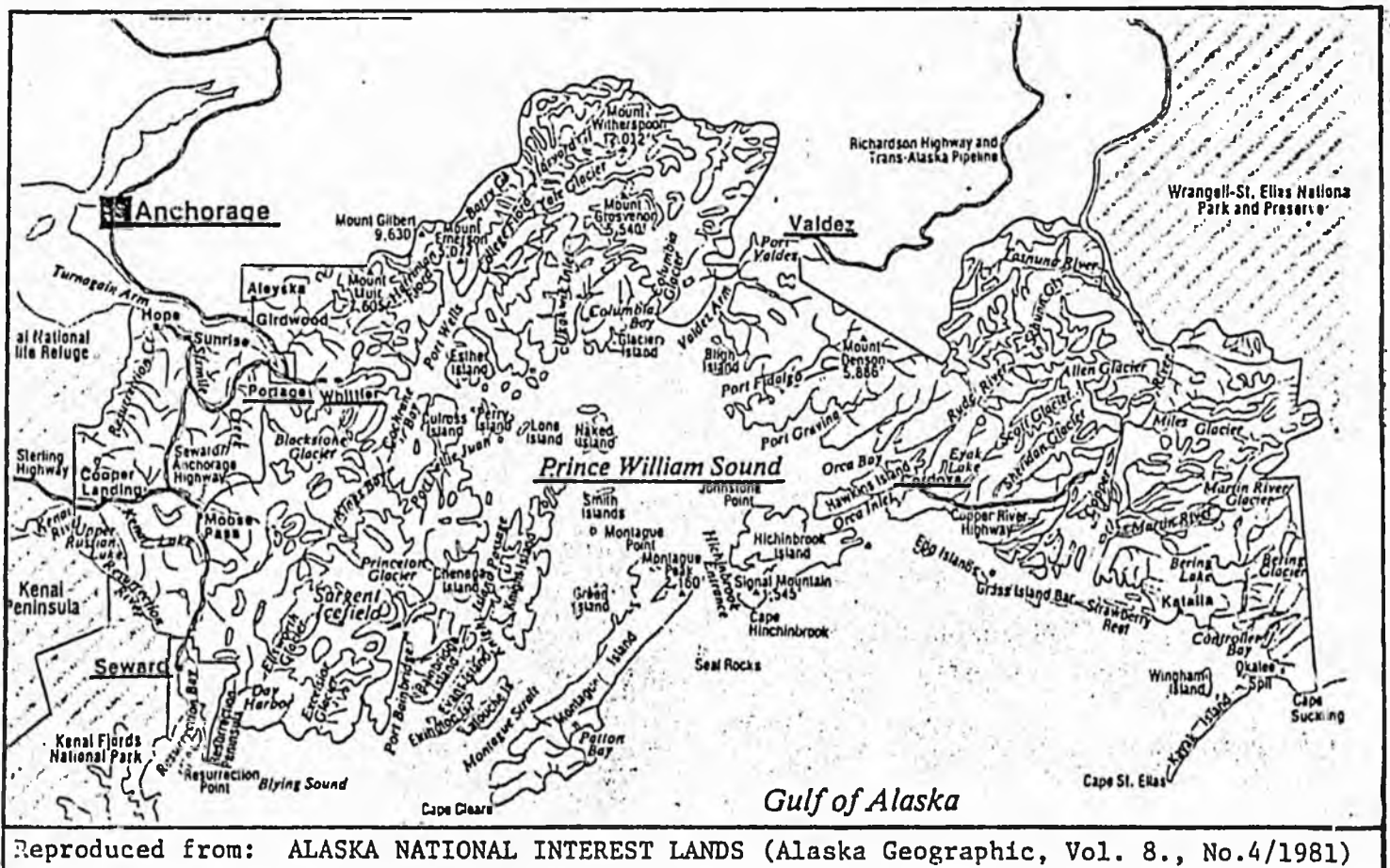
cc Senate President Jalmar Kerttula
Other Legislators
Teleconference participants
Agencies

PRINCE WILLIAM SOUND RECREATION

Report and Summary of public meeting/teleconference
PARKS AND RECREATION SUBCOMMITTEE
SENATE RESOURCES COMMITTEE
December 15, 1982
Anchorage, Alaska

Although the scenic beauty and recreation possibilities of Prince William Sound have long been recognized, limited access, lack of facilities, land status problems, and high costs have prevented the Sound's potentials from being realized.

The significance of the Sound to Anchorage and other population centers is seen by a glance at the map. The vast majority of recreational users in Alaska, both resident and tourist, are in close proximity to the Sound. Nearly half of all visitors to Alaska stop in Anchorage. Combined with tourists entering the Sound through Valdez, they represent the largest piece of the tourist pie outside of Southeastern Alaska.



Reproduced from: ALASKA NATIONAL INTEREST LANDS (Alaska Geographic, Vol. 8., No.4/1981)

In the words of Westours director Jack Musiel, "Prince William Sound has the potential of providing a water related vacation experience that, with proper consumer awareness and unlimited access, could rival Alaska's Inside Passage in consumer demand."

A unique public resource of national significance, the wealth of recreation, scenic, biologic, and cultural resources in the Sound argues strongly for cooperative management. Coordination and cooperation among landowner/managers, local residents, and user groups within the Sound is essential to protect and promote its recreational potential.

Recent negotiations have opened the way for settlement of serious land use and ownership conflicts. Rapidly escalating use, potential conflicts between user groups, need for public investments and concern over the quality and pace of development prompted a Senate Subcommittee on Parks and Recreation public hearing to provide a meeting ground for interested parties.

Testimony was presented by residents, as well as by municipal employees from Valdez, Whittier, Cordova, and Anchorage representatives of the tourist industry, wilderness guiding operations, commercial fishermen, private developers, and recreational users. Representatives of Native village and regional corporations, U.S. Forest Service, Alaska railroad, state Department of Transportation and Public Facilities, and the state Division of Parks testified during the teleconference.

This initial report concentrates on some of the principal problems preventing full use of the recreation potential of the Sound, on suggestions for alleviating those problems, and on policy considerations presented in public testimony before the subcommittee.

CURRENT LANDOWNERS/MANAGERS

The most serious problem with overall management of the recreation potential of Prince William Sound thus far has been the question of land status and ownership.

Five major groups currently comprise the landowners/managers within the Sound. They are: (1) federal government through Chugach National Forest (U.S. Forest Service) and, to a lesser extent, National Park Service; (2) state government, primarily through Department of Natural Resources, Division of Parks; (3) Chugach Natives Inc. and village corporations within it; (4) private landowners, including commercial developers; and (5) municipal governments.

1. Federal - The boundaries of Chugach National Forest include the entire Sound, although approximately 195,700 acres are being conveyed to the villages of Chenega, Tatitlek, and Eyak. Additional acreage will be transferred under Section 1428 of the Alaska National Interest Lands Conservations Act (ANILCA). Future land exchanges and conveyances are uncertain, however, in the wake of the recently completed Chugach Region Study, section 1429 of ANILCA and Section 14(h)(1) of the Alaska Native Claims Settlement Act (ANSCA).

The Forest Service is in the process of classifying lands within the Sound area and testimony noted their intent to identify locations complimenting sites approved in state selection for the Marine Park System. Also approved are some land transfers under the Alaska

Statehood Act in the vicinity of Whittier, Valdez, Cordova, and elsewhere.

The Chugach National Forest land management plan, in which management of the Sound is a key element, will be released in March 1982. It will be followed by a 90 day comment period. The Forest Service hopes to have the final plan ready by fall of 1982.

2. State - In 1977 the state, through the Division of Parks, began a program to select statehood entitlements from the National Forest and to lay groundwork for the Alaska Marine Park System.

This system, modeled after a similar one in British Columbia and Washington state, resulted from concern over federal timber harvesting practices and a recognition of the importance of the Sound for resident and visitor recreation. This led to the state's selection of several bays and islands from the Tongass and Chugach National Forest for possible future establishment -- by an act of the state legislature -- of an Alaska Marine Park System.

Of the 36 sites proposed in 1977, only 18 have been approved by the Forest Service and will be conveyed to the state by the Bureau of Land Management. The Division of Parks has filed a complaint against the Forest Service to obtain approval of the remaining sites and discussions on joint management possibilities have produced no agreements thus far.

The primary management goal for the Marine Park System is protection of natural and cultural resources for long-term public use and enjoyment. State park officials see neither the need nor desirability for commercial developments within any of the potential marine park sites in the Sound and held that basic services should be provided by the private sector.

3. Native Landowner/managers - Chugach Natives, Inc. (CNI), the second smallest regional corporation created under ANCSA, has not yet received its entitlements under provisions of the act. Initial negotiations with the Forest Service were unsatisfactory, particularly from the point of view of CNI, and a study of ownership patterns in the Chugach region was initiated under Sec. 14.30 of ANILCA, to help provide a meeting ground for Chugach Natives Inc., U.S. Forest Service, and the Division of Parks.

Testimony before the subcommittee suggested that Chugach Natives, Inc. felt that land status conflicts revealed through the recently completed Chugach Region Study must be settled immediately and while partial settlement was possible, it was unlikely either party would agree to entitlement without a view of the "total picture". Both the Forest Service and the state Division of Parks agreed that settlement of proposed land status questions was essential before any reasonable and responsible development of the Sound could occur.

Gail Evanaugh of Chenega Corporation testified that the natural harbor of Crab Bay at the new Chenega townsite, is ideally located to accommodate development to serve the area's recreational potential.

Families are expected to move into new community housing by fall of 1982.

Chenega's development plans, scheduled for release in March 1982, include recreational use by non-shareholders on a controlled basis. Chenega intends to request regular state ferry service to the townsite. Carl Propes of Chugach Natives Inc., said they plan to "aggressively develop" suitable unsettled areas and were considerably hampered in those efforts by problems of land ownership/management questions.

4. Private/Commercial Landowner/managers - Although less than 5% of Prince William Sound is in private ownership, other than Native corporation entitlements, private holdings do exist at the head of Nelson Bay, near Katalla, Port Fidalgo, Tatitlek, and on the abandoned townsite of Latouche. Additionally, there are numerous individuals holding homesite leases from the Forest Service, and there are lighthouse reserves at Cape Hinchinbrook, Cape St. Elias, the south end of Elrington Island, and near the entrance to Port Nellie Juan.

Probably the single most significant private landholding is on Latouche Island where nearly 200 parcels of private land have been sold and a model recreational community is planned.

Gliff Groh, attorney for Rarearth Inc., the company responsible for the development and sale of the Latouche land, discussed the extent of private holdings and plans for the future. He argued that private land is hard to come by in the Sound and that the state should have a compelling interest in making private land usable and accessible to residents. Since private land held by Native corporations would allow non-shareholder use only on a "controlled basis", Latouche presented the only real possibility for the general public to own and manage land within the sound.

However, most personal and written testimony argued that private development should not be supplemented or subsidized by the state in the form of roads, airports, improved harbors, or hydroelectric projects unless: (1) there was an existing need for services the private sector was unable to provide, (2) the greater public interest was being served and, (3) public funding did not interfere with nor compete with private interests.

Various local residents and land owners in the Sound area testified they felt it was improper that public money was being used to develop support facilities at Latouche when already existing facilities at Port San Juan, a regular ferry stop, are in great need of repair. Local residents testified that whereas Clam Bay (new Chenega townsite) was one of the best natural harbors in the Sound, Latouche was notoriously one of the worst.

Groh defended the state's choice of developing a harbor at Latouche by pointing out that copper companies shipped thousands of tons of ore from this site over a long period of time and "they must have known what they were doing". Dave Noten, one of the 194 private landholders at Latouche

also testified in favor of using public funds to develop basic support facilities.

ACCESS

Testimony about access to Prince William Sound concerned itself almost exclusively with transportation from Portage to Whittier.

The Sound can be accessed through Whittier by airplane or railroad. The nature of the weather prevents air transportation from being a reasonable alternative and no highway access exists beyond Portage.

A presentation by the Department of Transportation and Public Facilities (DOTPF) of the Whittier Transportations Options Study outlined various alternatives considered during the study. They included:

1. Improvement of existing Portage-Whittier Shuttle with a Bear Valley/Whittier auto/passenger shuttle. Total capital cost would be approximately \$20 million for the initial system (350 vehicles per day each direction and approximately 2,100 passengers) and about \$24 million for expanded service (590 vehicles and 3,900 passengers per day). Annual operating and maintenance costs were estimated at \$559,000 for initial service and just over \$1 million for the expanded system.
2. Improved rail passenger service, including four shuttle trips each way plus three round trips between Whittier and Anchorage. Estimated capital cost is \$22 million for initial (four shuttle trips plus three round trips) and \$26 million for expanded service (eight shuttle trips and four round trips). Annual operating costs were estimated at \$793,000 for initial and \$1.5 million for expanded service.
3. One-way joint use by vehicles and rail of existing tunnel. Capital cost for this alternative is estimated at \$36.7 million with maintenance and operating costs at \$390,000 per year.
4. Two-way joint use of widened, existing tunnel. Capital costs for this alternative are estimated at \$64.3 million, with annual operating and maintenance costs of \$440,000.
5. New two-way highway tunnel. The most expensive alternative, capital costs are estimated at \$68.3, with operating and maintenance costs estimated at \$440,000.
6. Portage Pass Highway. While it's possible to build a good highway, controlling the weather is, according to DOTPF, the most serious drawback to this alternative. Combinations of heavy snow fall with accompanying avalanche dangers, icing conditions, year-round high winds, steep grades (up to 9%) and heavy winter storms makes a high probability of having to close the highway for periods in the winter, particularly during adverse weather conditions. Since rail service may be eliminated if the highway were built, it could mean long periods of near total isolation for Whittier residents. Total capital costs are estimated at \$47.8 million, with maintenance and operating costs of \$270,000.

Although representatives from the tourism industry strongly supported the Portage Pass Highway, DOTPF preferred the Bear Valley/Whittier auto/passenger shuttle when evaluated for overall cost and service effectiveness.

Testimony from local residents supported the idea of improved rail service over creation of a new highway, both from a convenience and need standpoint and because they believed it would have the least negative impact on the protected lifestyle they enjoy in the Sound. Their emphasis was on access with the least negative impact on the environment.

Frank Jones of the Alaska Railroad suggested the state subsidize passenger service by improving support facilities, such as track changes in Whittier or Portage, a camper park and a visitor center near the ferry port for visitors to acquaint themselves with Prince William Sound offerings. Questions about future ownership of the railroad, in view of current negotiations between federal and state agencies, considerably hamper any long-term planning for improvement of rail services, according to Jones.

GENERAL COMMENTS

It was evident from testimony that both residents of the Sound and recreational users were concerned with the quality and pace of development.

Testimony suggested that as many as 40% of recreational users of the Sound seek an "off the beaten track" or "primitive" experience in close proximity to population and transportation centers. Local residents stressed that low population, lack of facilities, and isolation were the fabric of their lives and not something they wanted to "overcome".

At the same time, residents were concerned about the lack of emergency medical care or dependable transportation in emergencies, especially in view of the expected increase in search and rescue operations resulting from the rising use of the Sound by people unfamiliar with the area. Considerable anger was expressed that local residents transportation and timing needs were apparently not a priority with agencies planning the railroad and ferry schedules.

Testimony supported the concept that no or slow development was preferred to inappropriate or unplanned development. Local fishing communities expressed the fear that recreational use would interfere with the primary resource of the Sound - fishing.

The state-proposed Alaska Marine Parks System received universal support. Representatives from the tourist industry urged the state to educate recreational users of the Sound regarding harassment of marine mammals, eagles, other marine shore wildlife and spawning salmon. They also urged stronger anti-littering enforcement and education.

RECOMMENDATIONS

Based on the testimony presented during the public meeting and the process of soliciting that testimony, some suggestions became apparent. They are:

1. Establish and support the Alaska Marine Parks System as designed by the Alaska Department of Natural Resources, Division of Parks.
2. Support rapid settlement of land status questions between the Forest Service and other land owner/managers within the Sound.
3. Institute measures to assure communities, residents and user groups within the Sound area are informed about pending policy issues in a timely enough manner for them to have appropriate input. Adequate notice alone would do much to alleviate public anger. Notice of public meetings should reach residents at least two weeks in advance.
4. Form a permanent Prince William Sound Recreation Advisory Committee comprised of representatives of local residents, user groups, land owner/managers, and other interested parties. Require that this Committee submit a yearly report reflecting overall planning for recreational development in the Sound as well as needs identified through public meetings.
5. Schedule another public meeting by this subcommittee probably in April or May of 1982 after release of the draft plan by Chugach National Forest and the Chenega Corporation development plan. At that time, a further look should be taken at land uses in the Prince William Sound area, Whittier access alternatives and development of other facilities.