1904 SRES SB 216 - SB 249 1904

B. RECEIVING WATER MONITORING PROGRAM

1. Mixing Zone

An outfall diffuser system shall be utilized for the dispersal of the discharge into the Beaufort Sea. The diffuser shall be located approximately 1000 feet north of the seawater treating plant at a minimum depth contour of 14 feet. A mixing zone is provided below, the boundaries of which shall be monitored for determining compliance with the State of Alaska Water Quality Standards (18AAC 70.020).

a. The sides of the mixing zone shall be no more than 1,000 feet from the diffuser centerline.

b. The ends of the mixing zone shall be no more than 1,000 feet from each end of the diffuser system.

2. Receiving Water Monitoring

The permittee shall implement the following receiving water and biological monitoring program. The emphasis of the program is on monitoring for subtle changes in water quality and sediment quality, responses of resident biota to waste water discharges, and on developing a sampling strategy to provide a defensible statistical basis for analysis of the data, including examination of any gradients in biological response as a function of distance from the diffuser. The following program encompasses studies that are considered necessary to objectively evaluate existing environmental conditions and any chronic effects of the proposed effluent discharges on water quality and biota.

The permittee shall submit semi-annual progress reports on the following studies to the Alaska Department of Environmental Conservation, Pouch O, Juneau, and the Environmental Protection Agency, Anchorage Office, and the Director, Enforcement Division. Semi-annual and annual reports shall be made available to other agencies upon request. The first semi-annual report shall be due on July 1, 1981 and semi-annually thereafter through July 1, 1985. A final summary report including all data and conclusions contained by that time, shall be submitted on October 1, 1985. This report shall include a synthesis of data and a discussion and interpretation of major findings and also principal investigator recommendations for further studies or study refinements should any such studies be necessary.

a. Subtidal Benthos Monitoring Program

(1) Species Diversity and Abundance Studies

The subtidal benthic macro-infaunal program shall consist of annual grab or diver sampling with the following specifications: a randomly selected and distributed array of twenty (20) samples

shall be collected once per year within an area bounded by 1500 feet on both sides of the diffuser centerline and 1500 feet from each end of the diffuser system. All samples shall be collected during the same period, sample locations shall be permanently located during the first year effort, and subsequent years' sampling dates shall be timed as closely as practicable to the first year's sampling date(s). At a minimum, the number of macro-infaunal species present and total abundance of organisms (1.0 mm) per square meter shall be determined for each sample. Proposed methods of random station selection, sampling period selection, and analysis of data shall be submitted to the Department of Environmental Conservation, Juneau and the Environmental Protection Agency, Anchorage, at least two (2) months prior to initiating the field program and approval must be granted prior to commencement. This program shall commence either the first winter or first open water period following the effective date of this permit at the applicant's option.

The percent organic composition of sediments shall be monitored for all samples concurrent with the benthic program.

(2) Biological Studies of Individual Species

The permittee shall provide a measure of the overall biological condition of Liocyma fluctuosa (or another commonly occurring bivalve species approved by the Department of Environmental Conservation) using sampling design and statistical methodologies consistent with published accounts on this index of health. A sufficient number of organisms shall be analyzed to provide a statistically defensible basis for comparing means. This study shall begin within six (6) months from the effective date of this permit. Published accounts generally specify the following ratios for calculating the index, either of which are acceptable in reporting results:

$$\frac{\text{Tissue dry weight (g)} \times 100}{\text{(shell length in mm)}}$$

(References: Stekoll, Clement and Shaw. 1978. Sublethal effects of chronic oil exposure on the intertidal clam Macoma balthica, University of Alaska, IMS)

or

$$\frac{\text{ash-free dry weight (g)} \times 1000}{\text{(cm shell length)}^3}$$

(References: Anderson, J.W. 1978. Condition index and free amino acid level of Protothaca staminea exposed to oil contaminated sediment. Battelle Northwest Laboratories, Sequim, Washington.)

Liocyma (or an alternate bivalve species approved by the Department) shall be collected from at least eight (8) randomly selected stations within the study area specified in section a.(1). Establishment of at least two (2) control sites outside this area to assess gradients in condition factor as a function of distance from the diffuser is a critical requirement of this study. Stations shall be permanently located. Sampling frequency at all sites during the first two years shall be at least twice per year (under ice and open water periods) to evaluate natural seasonal variations in condition. The Department of Environmental Conservation will evaluate the data at the end of two years to determine whether sampling frequency should be modified.

b. Total Residual Chlorine, Organochlorides and Ammonia

(1) Sediment concentrations of total residual chlorine, specific organochlorine compounds identified in the effluent analysis, and ammonia (NH_3 - N) shall be monitored annually at subtidal stations identified in a.(2) above to commence within six (6) months after facility discharge. Detection levels shall conform to those specified in Alaska Water Quality Standards and EPA guidelines for toxic substances.

(2) Total residual chlorine and specific organochlorine compounds identified in the effluent shall be monitored annually in the soft tissues of Ampharete vega and Liocyma fluctuosa. Sample sites shall include each of those stations listed in a.(2) above. A sufficient number of organisms shall be analyzed to provide a statistically defensible basis for comparing means.

c. Outfall Study and Water Quality Verification

The permittee shall develop and implement a dye study which will measure the actual diffusion and dispersion characteristics achieved by the outfall diffuser system during "worst case" mixing conditions. The study shall be conducted during winter (ice-covered) hydrographic conditions. The study plan shall as a minimum include the following:

(1) Proposed station grid to include stations outside, along, and inside the present mixing zone boundaries to adequately describe dispersion.

(2) Detailed methods of measuring diffusion and dispersion (i.e. type of dye, tracer material, instrumentation, simulation of worst case and average case volume of discharge).

(3) Hydrographic characterization at the sampling points.

(4) Duration of testing interval.

The plan shall be submitted to the Alaska Department of Environmental Conservation, the Alaska Operations Office of EPA, and the Director, Enforcement Division, EPA, at least three (3) months prior to commencement of facility discharge. The outfall study shall commence no later than three (3) months after the beginning of discharge unless hydrographic conditions warrant a modification. Summary reports shall be submitted within 45 days after the study is completed, and a final comprehensive report to be submitted no later than three (3) months following completion of the test. Each report shall include all relevant data including receiving water and effluent characteristics, volume of discharge, graphed dilution contours, raw data, station locations and duration of test.

A program of verification of the adequacy of the mixing zone boundaries to meet Alaska Water Quality criteria for sediment, turbidity, chlorine residual and dissolved oxygen shall include both a winter (ice-covered) and a summer (open-water) sampling effort of the water column at a minimum of four (4) sites located equidistant from one another around the perimeter of the mixing zone. A fifth sample shall be taken 500 feet from the diffuser inside the mixing zone. Four (4) additional stations shall be located equidistant from one another outside of the mixing zone boundaries along a perimeter 1500 feet from both the diffuser ends and centerline. Samples shall be collected at mid-depth. Methods of analysis shall be as specified in the Methods for Chemical Analysis of Water and Wastes, EPA, 1979. Ambient concentrations of sediment, turbidity, and dissolved oxygen shall be established at the time of sampling from a site located sufficiently distant from the mixing zone to be considered outside the zone of influence. Winter sampling stations may include any or all of those approved for the dye dispersion study if it is shown those stations are more representative in describing plume behavior. Summer sampling locations shall include at least those nine (9) locations described above.

The seasonal verification program shall commence within six (6) months of commencement of diffuser operation to allow for preliminary analysis of the dye study results and identification of most reasonable sampling locations.

3. Bioassay Monitoring

If appropriate methodology is developed which is mutually acceptable to EPA and ADEC in which to perform bioassay monitoring to determine acute toxicity levels of toxic substances from the expected effluent discharge, EPA may initiate a permit modification for review to establish a bioassay monitoring program to determine these levels.

C. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken as required shall be representative of the volume and nature of the monitored discharge. The permittee shall take samples and measurements to meet the monitoring requirements specified. Samples shall be taken in the effluent stream before its discharge to the receiving water, at the specific locations identified in Part A of this permit.

2. Reporting

Effluent and influent monitoring results shall be summarized each month on a Discharge Monitoring Report form (DMR: EPA No. 3320-1). These reports shall be submitted monthly and are to be postmarked by the fourteenth day of the following month. Signed copies of these, and all other reports herein, shall be submitted to the following addresses:

(1) United States Environmental Protection Agency
Region 10
1200 Sixth Avenue
Seattle, Washington 98101

Attn: Water Compliance Section M/S 513

(2) United States Environmental Protection Agency
Alaska Operations Office
701 C Street, Box 19
Anchorage, Alaska 99513

(3) Alaska Department of Environmental Conservation
Northern Regional Office
Box 1601
Fairbanks, Alaska 99707

(4) Alaska Department of Environmental Conservation
Pouch O
Juneau, Alaska 99811

3. Additional Monitoring by Permittee

If the permittee monitors any effluent or influent parameter identified in this permit more frequently than required, the results of such monitoring shall be included in the DMR. Such increased frequency shall also be indicated.

4. Definitions

a. The "monthly average" is the arithmetic mean of samples collected during a calendar month.

b. The "daily maximum" discharge means the maximum allowable discharge in any calendar day.

c. "Bypass" means the intentional diversion of wastes from any portion of a treatment facility.

d. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which would cause them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

e. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, lack of preventive maintenance, or careless or improper operation.

f. mgd = million gallons per day

g. m^3/day = cubic meters per day

h. mg/l = milligrams per liter

i. ml/l = milliliters per liter

j. kg/day = kilograms per day

k. lbs/day = pounds per day

5. Test Procedures

Test procedures for the analysis of pollutants shall conform to 40 CFR Part 136, which contains a list of approved methods.

6. Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

a. the exact place, date, and time of sampling and measurements;
b. the dates the analyses were performed;

c. the person(s) who performed the analyses, sampling or measurements;

d. the analytical techniques or methods used; and

e. the results of all required analyses.

7. Records Retention

All records and information resulting from the monitoring activities required by this permit, including all records of analyses performed, calibration and maintenance of instrumentation, and recordings from continuous monitoring instrumentation shall be retained for a minimum of three (3) years, or longer if requested by the Director, Enforcement Division or the State water pollution control agency.

8. Noncompliance Reporting

a. Noncompliance notification will be made when any of the following situations occur:

(i) Bypassing of any treatment facilities (Part D.5., below).

(ii) Facility upset (Part D.6., below).

(iii) Failure of facility (Part D.7., below).

(iv) Other instances not covered by above.

b. Noncompliance notification shall consist of at least the following:

(i) A description of the discharge and cause of noncompliance;

(ii) the period of noncompliance to include exact dates and times and/or the anticipated time when the discharge will again be in compliance; and

(iii) steps being taken to reduce, eliminate and prevent recurrence of the noncomplying discharge.

c. Timing of report shall be consistent with the following:

(i) Permittee shall report telephonically within 24 hours from the time of becoming aware of any violation of a daily maximum. A written submission shall be provided within five (5) days of becoming aware of the noncompliance.

(ii) Permittee shall provide a written report of any violations of the monthly average. This report shall conform to a. and b. above and be submitted concurrently with the Discharge Monitoring Report as a separate report.

D. GENERAL REQUIREMENTS

1. Reopener Clause

If any applicable toxic effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is established under Section 307(a) of the Act for a toxic pollutant and that standard or prohibition is more stringent than any limitation upon such pollutant in the permit, the Director shall institute proceedings under these regulations to modify or revoke and reissue the permit to conform to the toxic effluent standard or prohibition.

2. Modification

The permit may be modified, terminated, or revoked during its term for cause as described in 40 CFR 122.15 and 122.16.

Any permittee who knows or has reason to believe that any activity has occurred or will occur which would constitute cause for modification or revocation and reissuance under 40 CFR 122.15 must report its plans, or such information to the Director.

3. Right of Entry

The permittee shall allow the Director or an authorized representative, upon the presentation of credentials and such other documents as may be required by law,

a. to enter upon the permittee's premises where a point source is located or where any records must be kept under the terms and conditions of the permit;

b. to have access to and copy at reasonable times any records that must be kept under the terms and conditions of the permit;

c. to inspect at reasonable times any monitoring equipment or method required in the permit;

d. to inspect at reasonable times any collection, treatment, pollution management, or discharge facilities required under the permit; and

e. to sample at reasonable times any discharge of pollutants.

4. Operation and Maintenance

The permittee shall at all times maintain in good working order and operate as efficiently as possible all facilities and systems (and related appurtenances) for collection and treatment which are installed or used by the permittee for water pollution control and abatement to achieve compliance with the terms and conditions of the permit. Proper operation and maintenance includes but is not limited to effective performance based on designed facility removals, adequate funding, effective management, adequate operator staffing and training, and adequate laboratory and process controls including appropriate quality assurance procedures.

5. Bypass

a. Bypass is prohibited unless all of the following four (4) conditions are met:

(i) Bypass is unavoidable to prevent loss of life, personal injury or severe property damage;

(ii) there are no feasible alternatives to bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment down-time;

(iii) permittee makes notification in accordance with Part C.8.b. and c.; and

(iv) where the permittee knows in advance of the need for a bypass, prior notification shall be submitted for approval to the Director, if possible at least ten (10) days in advance. The bypass may be allowed under conditions determined to be necessary by the Director to minimize any adverse effects. The public shall be notified and given an opportunity to comment on bypass incidents of significant duration, to the extent feasible.

b. Prohibition of Bypass

The Director may prohibit bypass in consideration of the adverse effect of the proposed bypass or where the proposed bypass does not meet the conditions set forth in Part D.5.a., above.

6. Upsets

a. Effect of an Upset

An upset shall constitute an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of paragraph b. below are met.

b. Conditions Necessary for a Demonstration of Upset

The permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

(i) an upset occurred and that the permittee can identify the specific cause(s) of the upset;

(ii) the permitted facility was at the time being operated in a prudent and workman-like manner and in compliance with proper operation and maintenance procedures;

(iii) The permittee submitted information required in Part C.8.b. and c.

c. Burden of Proof

In any enforcement proceeding the permittee seeking to establish the occurrence of an upset shall have the burden of proof.

7. Failure of the Facility

The permittee, in order to maintain compliance with its permit, shall control production and all discharges upon reduction, loss, or failure of the treatment facility until the facility is restored or an alternative method of treatment is provided. This requirement applies in the situation where, among other things, the primary source of power of the treatment facility is reduced, lost, or fails.

The permittee shall report such instances in accordance with Part C.8.b. and c. above.

8. Adverse Impact

The permittee shall take all reasonable steps to minimize any adverse impact to waters of the United States resulting from noncompliance with the permit.

9. Removed Substances

Collected screenings, grit, sludges, and other solids removed in the course of treatment or control of wastewaters shall be disposed of in a manner such as to prevent entry of those wastes or runoff from such materials into navigable waters unless otherwise authorized in this permit.

10. Transferability of Permits

This permit may be transferred to another person by the permittee if:

a. The permittee notifies the Director of the proposed transfer;

b. a written agreement containing a specific date for transfer of permit responsibility and coverage between the current and new permittees (including acknowledgement that the existing permittee is liable for violations up to that date, and that the new pemittee is liable for violations from that date on) is submitted to the Director; and

c. the Director within 30 days does not notify the current permittee and the new permittee of his or her intent to modify, revoke and reissue, or terminate the permit and to require that a new application be filed rather that agreeing to the transfer of the permit.

E. RESPONSIBILITIES

1. Availability of Reports

Except for data determined to be confidential under Section 308 of the Act, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the State water pollution control agency and the Director, Enforcement Division. As required by the Act, effluent data shall not be considered confidential. Knowingly making a false statement on any such report may result in the imposition of criminal penalties as provided for in Section 309 of the Act.

2. Civil and Criminal Liability

Except as provided in permit conditions on "Bypass" (Part D.5.) and "Upset" (Part D.6.) and "Failure of Facility" (Part D.7.), nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance.

3. Oil and Hazardous Substance Liability

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject under Section 311 of the Act.

4. State Laws

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable state law or regulation under authority preserved by Section 510 of the Act.

5. Property Rights

The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State or local laws or regulations.

6. Severability

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit in any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit shall not be affected thereby.

SB
218

COMMITTEE REPORT

SENATE

FURTHER: None

2/26/81

Date: ____________________

Mr. President:

The Committee on RESOURCES has had SB 218

use of waste heat produced by certain pipeline facilities

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

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for SB 218 [ ] same title [X] new title

~~and recommends~~ With individual recommendations

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the ____________________ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS: (no Rec)

CHAIRMAN

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) 465-3864
(907) 465-3865

Senate

Committee on Resources

April 27, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

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

HEARING:

SB 218 An Act relating to the use of waste heat produced by certain pipeline facilities.

SB 388 An Act relating to the Commercial Fishing and Agriculture Bank.

Senator Mulcahy put forth the motion to bring CSSB 218 before the Committee.

Senator Mulcahy put forth the motion to move CSSB 218 with individual recommendations.

Rosalee Moore, Chairman, Commercial Fishing and Agriculture Bank, stated that SB 388 contains language which clarifies CFAB's status as a private cooperative. If CFAB is not considered a private cooperative it can not leverage money with the Spokane Bank of Cooperatives.

In response to several questions, Ms. Moore stated that the following information will be provided for the Committee's May 4, 1981 hearing of SB 388;

1. Payback schedule and its relation to members shared dividends;
2. Sections of the banking code that should possibly be a portion of the law relating to CFAB;
3. Cost of converting employees from state benefits to private benefits program;
4. A copy of their policy on affirmative action, and;
5. Correspondence between CFAB and the Spokane Bank of Cooperatives.

Roger Painter, Executive Director, United Fishermen of Alaska, suggested an amendment to SB 388 that would allow CFAB to use limited entry permits as collateral for vessel and gear loans. He stated that he is supportive of SB 388.

The Committee adjourned at 2:55 p.m.

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
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Senate

Committee on Resources

April 10, 1981
1:30 p.m.

Beltz Room
Room 211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Mulcahy
Senator Sturgulewski

HEARING:

CSHB 173 An Act making appropriations for residential energy programs; and providing for an effective date.

SB 187 An Act making a supplemental appropriation to the Division of Parks, Department of Natural Resources, for the Youth Conservation Corps program; and providing for an effective date.

CSSB 84 An Act relating to the processing of permits by state agencies and to approval of Alaska coastal management programs; establishing the Permit Reform Commission; and providing for an effective date.

SB 218 An Act relating to the use of waste heat produced by certain pipeline facilities; and providing for an effective date.

Clarissa Quinlan (Director, Division of Energy and Power Development, Department of Commerce and Economic Development) spoke in favor of CSHB 173. She reviewed the history of the Residential Energy Conservation Program, stating that it consisted of three parts: (1) residential energy audits, (2) a grants and refunds program and (3) a loan program. Auditors have been trained through a series of one-week intensive courses in the community college system. The Division began contracting for audits in mid-December, and all contractual funds were committed statewide by mid-February. 7,000 audits will be completed in the near future.

Senator Mulcahy put forth the motion to move CSHB 173, with individual recommendations.

Chip Dennerlein (Director, Division of Parks, Department of Natural Resources) spoke in favor of SB 187. He stated that the Youth Conservation Corps program in Alaska has been effective, and required funding to continue. SB 187 would provide state matching funds for federal funding for FY 1981 and 1982.

Senator Sturgulewski put forth the motion to move SB 187, with individual recommendations.

Deming Cowles (Deputy Director, Department of Environmental Conservation) testified on behalf of the Administration against CSSB 84. He stated that the administration had identified some of the problems with the permitting process, but that CSSB 84 was not the solution. The Administration opposes the bill for several reasons, including the basis of the class identification of permits, the elimination of the requirement to exhaust administrative remedies, shifting of the burden of proof to the agencies, application to other than resource permits, automatic approval upon expiration of the processing time limits and the possible violation of the single-subject rule by the reference to Coastal Zone Management.

Mr. Cowles stated that the Administration has developed new permit regulations to resolve some of the problems. The regulations will be in effect before the end of the fiscal year. There are other efforts in the Adiministration to expedite the permit process, including improving the information flow to permittees, a master application process, single permits by industry, general permits for DNR and DEC and increased agency coordination.

Senator Sturgulewski commented that SB 84 was similar to legislation passed by the House last session, and suggested making amendments to the original bill (SB 84) to match that legislation and eliminate the problems under the single subject rule. The Senator pointed out that substantive problems with CSSB 84 could lead to extensive litigation if enacted.

Senator Strugulewski put forth the motion to bring SB 84 before the committee for the purpose of amendment. The Senator put forth the motion to move amendments to SB 84 eliminating references to Coastal Zone Management and the Permit Reform Commission.

Senator Bennett testified that he had no objections to the amendments at that time.

The Committee recessed.

After recess, the Committee took up SB 218.

Senator Kerttula spoke in favor of the concept of SB 218. He cited a University of Alaska study that determined that the waste heat from one of the trans-Alaska oil pipeline could have heated 200 acres of land for agricultural production. He stated that he had sponsored similar legislation in the past, and that SB 218 made sense as a vehicle for the utilization of waste heat on future projects. It would be wasteful to require all facilities to be constructed to allow the utilization of waste heat. On the trans-Alaska pipeline, for example, only two or three sites were feasible for the utilization of waste heat.

The Committee took up SB 84.

Senator Sturgulewski put forth the motion to rescind the Committee's action on SB 84.

CSSB 84 was before the Committee.

Senator Mulcahy put orth the motion to move CSSB 84 with individual recommendations.

The Committee was adjourned at 3:17 p.m.

AtlanticRichfieldCompany Public Affairs
Alaska State and Local Government Relations
Mailing Address: Box 360
Anchorage, Alaska 99510
Telephone 907 277 5637

Dave Harbour
Regional Director

April 10, 1981

The Honorable Bettye Fahrenkamp
Alaska State Senate
Resources Committee Chair
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

We at Atlantic Richfield Company wish to submit these prepared comments on Senate Bill 218, relating to recovery of waste heat generated by pipeline facilities. We hope these comments will be useful to you and the committee.

Sincerely,

Beverly Ward

Beverly Ward
Associate Director

Atlantic Richfield Company Position

Senate Bill 218

Senate Bill 218 expands the powers of the Alaska Pipeline Commission by requiring that all pump stations or compressor stations for oil or natural gas pipelines on leased State land be designed and constructed so that waste heat produced by the pump or compressor stations could be used for agricultural production and for the generation of electricity. The additional cost of design and construction could be passed on to the users of the waste heat.

We support the concept of recovering waste heat, but we do not believe passage of Senate Bill 218 is in the best interests of the consumer, the citizens of Alaska, or Atlantic Richfield Company.

Currently less than 1% of the land in Alaska is being used for agricultural purposes. To require that pump or compressor stations be designed to sell waste heat for agricultural purposes would be an unnecessary and cost-prohibitive requirement. The agricultural potential of the North Slope is not presently recognized.

The same argument is true with the need for electrical generation. Most pump and compressor stations are in very isolated locations where there is no demand for electrical generation. It would be a waste of time and energy to require these facilities when there is no current nor anticipated demand.

Designing and constructing pump and compressor stations to these specifications would be very expensive, the cost of which could not practicably be charged to the users of waste heat. The additional cost would be borne by the shippers.

That in turn, would affect the well head price, thus reducing revenue to the State.

This bill would have an adverse effect for Atlantic Richfield Company on the development of the Kuparuk field requiring additional outlay of millions of dollars, where a new pump station is planned for 1984 and for all later development.

The penal[illegible]mposed for failure to comply seems unduly harsh, since waste heat recovery has previously been ignored.

We, at Atlantic Richfield, are supportive of waste heat recovery and other alternative energy sources, and are working to make those tec[illegible]ologies economically feasible. We do not believe that designing and constructing all pump and compressor stations to recover waste heat is logical or economically feasible in Alaska for either the producer or the consumer.

SB 218

Pertinent Questions and Answers on Subject of Waste Heat

Q. What is waste heat?

A. Waste heat is the term commonly used for energy that is rejected from various industrial sources. It usually results from the burning or other consumption of fossil fuels; however, it may also result from nuclear power plants or represent the unused heat from geothermal sources. The waste heat rejected from a process using fossil fuel usually exceeds the amount of the energy that is put to useful work such as the production of electricity. For example, most electrical power generation facilities that operate with fossil fuels have only a 30 per cent efficiency and the remainder is rejected as hot water or hot air.

Q. What is the extent of unused heat in Alaska?

A. The quantity is enormous at the present time and it will increase greatly as the pipelines, refinery and other power plants are placed into operation. It is estimated that each pumping station along the Trans-Alaska Pipeline could heat 2000 homes. The estimate for the North Pole Petroleum refinery is that 10,000 homes could be heated. Canadian sources estimate that each pumping station associated with their Mackenzie Valley Pipeline will produce enough clean waste heat to meet the requirements for 15 to 20 acres of greenhouse vegetable production. However, there has not been an inventory made of the present and future status of the waste heat that will be rejected and that could be used in the state.

Q. What are some proposed uses?

A. Agriculture, fisheries and aquaculture, forestry, processing and district heating in commercial and domestic areas. High temperature waste heat also may be useful in some cases for the generation of electricity where uses can be found for the remaining lower temperature heat so that vapor and thermal pollution is not a problem. For example, it would be technically possible to generate electricity from the high temperature waste from the North Pole Petroleum refinery. However, if this is done the reject energy would be in a form that could not be injected into the upper atmosphere and would create a vapor or ice fog problem during winter months. Agriculture and district heating could provide a use for this remaining low temperature reject energy.

Agriculture

The high temperature reject heat could be useful for forage and grain drying and may provide the necessary component that would make potato processing feasible in the state and therefore, expand potato production.

Heat energy consisting of hot air, hot water or steam and at temperatures ranging from 80°F to 300°F would be useful for greenhouse

production and vegetable and plant production in areas that would support horticulture crop production resulting from soil warming. The use of the heat in greenhouses and then during the summer months in the soil for crop production is necessary to all wise proposals that suggest a near total use for the energy. This crop use is probably necessary because it can utilize the low temperature energy and would utilize the heat as less is needed for other uses. It appears to be an important part of every systems approach to utilizing this resource because the near total use of the resource will make the collection and distribution more economical for each use.

Aquaculture, Forestry Processing and District Heating

The use of heat to improve production of fisheries through hatchery rearing and in fish production ponds is suggested. The heat requirement for forestry, processing industries and in district heating of homes and businesses is obvious if the heat can be collected and distributed. The more complete use that would result by greenhouse and soil heat use would provide a better economic picture for the above uses.

Q. Is our environment suitable for the types of intensive crop production that is suggested?

A. During the four summer months it is superior to most other areas of the nation. The northern latitudes are recognized to have the highest photosynthetic production rate in the world during these four summer months. If the season can be lengthened and/or the soil warmed, the productive capacity can be further increased, and this photosynthetic advantage further exploited.

Q. Why hasn't the greenhouse industry developed without the waste heat use?

A. It is one of Alaska's major agricultural industries at the present time, but it has been developed through the use of fossil fuels which are even higher in cost than they are in the rest of the nation.

Q. There are indications that hundreds of acres of greenhouse and soil heated vegetable production is possible. Could all of these products be marketed in Alaska?

A. No. Besides providing Alaskans with vegetables and ornamental plants, it would be necessary to market cut flowers such as roses, carnations, chrysanthemums and etc. on national and world markets. It is proposed that this could be done competively during 5-6 months of the year because of Alaska's superior environment for greenhouse production and through the use of waste energy.

Q. Why do you feel that it is important to examine national and world markets for cutflowers?

A. Because it appears to be necessary at the present time in order to make more complete use of our unused resource. It also would add to the stability of our economy to have a renewable resource such as this contributing to the state's economy. It would also decrease the nation's consumption of fossil fuels now used for this purpose in the present greenhouse growing areas.

Q. What will be the <u>temperature of the Waste Heat</u>?

A. The temperature of the reject heat energy will vary with the type of industry and will range from about 80°F to above 800°F. It will be exhausted as hot air, hot water or steam.

It is expected that not all reject energy could be utilized at this time because of accessibility problems, the lack of adjacent growing areas and the lack of technology. A systems approach with agriculture as a major user appears to give the best potential.

Q. What is the <u>urgency in the legislation</u> now in process?

A. We must promote the use or it will not happen. The potential for use must be designed into the system in the beginning in order to develop the most economical recovery system. For example the oil pipeline pumping stations were not designed with reject heat use in mind, and, therefore, it will cost more to recover the heat.

Although the technology appears to be available at the present time to make economical use of the energy, it is necessary to demonstrate this and to improve this technology.

SB 218

THE FEASIBILITY OF UTILIZING WASTE HEAT FROM THE TRANS-ALASKA PIPELINE FOR GRAIN AND FORAGE DRYING

BACKGROUND

Much emphasis has been placed in recent years on energy utilization and it's impact on economic growth. In the face of an increasing world population, heavy demands are being made on energy supply sources, particularly as related to food production. It has become exceedingly important to conserve and improve the efficiency of energy available from both fossil and non-fossil fuels. This is very evident in the agricultural industry, particularly in small grain and forage production. As an example, natural gas forms the energy base for over 80 percent of the energy used in irrigation pumps, grain drying and anhydrous ammonia fertilizer production in Kansas. Decreasing supplies of natural gas can be expected with continuously rising prices.(1) This will be true in all agricultural areas of the United States. It is important to utilize the maximum energy available from any fuel source.

Alaska, in particular, is placed in a unique position in the scenario of total energy use in food production. Over 17 million acres of tillable land and 10 million acres of rangeland have been identified.(2) One area, the Delta-Clearwater region, in the interior is considered most attractive for future agricultural development for the following three major reasons:

1. The area contains approximately 10,000 cleared acres and over 100,000 acres of uncleared land with high agricultural potential. Portions of this acreage are currently in use for the production of grain and forage crops.

2. Pump Station #9 of the trans-Alaska pipeline is located centrally within the area. During beginning phases of oil flow, an average of 800,000 BTU per minute of low pressure turbine exhaust will be released at temperatures of 475° F at an ambient temperature of 0° F. At maximum oil flow, this will increase to an average of 1,000,000 BTU per minute at temperatures of 535° F.(3) These temperatures are considered within the range necessary to operate grain and forage dryers, which have an energy requirement in the neighborhood of 1/10 that available from Pump Station #9, if the grain and forage is harvested at moisture levels as high as 40 to 60 percent.(4,5)

3. The beginnings of a production and marketing infrastructure are present in the Delta-Clearwater area. A major road system serves as a connector to Fairbanks and Anchorage. Farm equipment and supply outlets are located within a 100 mile radius. Small grains and hay produced within the area are marketed within the state through established channels. In addition, Delta Junction is the headquarters of the Alaska Farmers Cooperative, Inc..

The potential for growth in agricultural production, processing and marketing in the Delta-Clearwater area will not be realized until several specific questions are resolved. These are:

1. Can waste heat be used for grain and forage drying? Although the heat generated by pump station turbine exhausts is extremely high, it is not in a form immediately usable in any agricultural application. Investigations show that systems can be designed within specifications of the turbines to use the heat generated.(6) The various methods of transfering the heat to the drying area must be investigated to determine that which is the most efficient. Use of waste heat for grain and forage drying may make production of these crops within Alaska economically attractive.

2. Will use of turbine exhaust gases for drying damage grains and forages? Indications are that there will be no damage and that there may be an advantage to using waste gases. Grains and forages should be analyzed both before and after a storage period to determine the effect of the exhaust gases, if any.

3. Will grains and forages produced meet international quality standards? Data from the Agricultural Experiment Station at Fairbanks indicate approximately 80 percent of barley produced in the Delta-Clearwater area can meet international standards. Again, analysis of grain and forage quality before and after a storage period will substantiate this data.

The conversion and use of gas turbine exhausts as an energy source for drying grains and forages is a key to large scale production of an animal feed product within Alaska.

PROJECT OBJECTIVES

The objective of this project is to show the feasibility for utilizing waste heat for drying grains and forages. This will accomplish:

1. The provision of a waste heat recovery system design for Pump Station #9 of the trans-Alaska pipeline or for similarly designed exhausting systems.

2. The provision of a method for more efficient use of fossil fuel in a multi-purpose system (pump station operation and crop drying).

3. A means to use high moisture grains and forages as a year-round feed base in Alaska and as a marketable product to areas outside the state.

All of the above will combine to provide the opportunity for growth of an agricultural industry which will include as major components production, processing and marketing of grains and forages. The industry will serve the immediate area and the state and provide consumer benefits including dollar savings per unit of energy expended.

PROJECT AREA

The Delta-Clearwater area is largely agricultural. It is serviced by a major highway system providing access to Fairbanks (90 miles west-northwest), Anchorage (300 miles southwest) and the Canadian border (200 miles southeast). The nearest railhead is in Fairbanks; the nearest port, Anchorage. Only charter airlines service the area with Fairbanks the nearest international airport. The area cannot be considered a bedroom community of fairbanks, although Fairbanks is considered the primary trade center. It was, previous to the trans-Alaska pipeline influx, a trading center for area farmers, most of whom had begun as homesteaders. In fact, Fairbanks, ninety miles west of the Delta-Clearwater area, from the turn of the century to the 1930's, was considered the center of Alaska's agriculture. Cattle and hogs were raised. Market vegetable production, hay production and grain production were under way.

In 1968, legislative action made additional land available to persons actively engaged in farming. Several area farms have grown because of this action but have not expanded substantially. As examples, a 1,000 hog production facility was established in 1970, but did not remain in operation because of lack of a consistent feed supply and lack of an existing market infrastructure.(7) A dairy operation involving more than one hundred head with a complete processing, packing and distributing facility exists in the area. In addition, a beef cattle feeding operation involving one hundred head was recently established. There is an on-going egg production operation of over 10,000 laying hens, as well as a sheepherder with a one hundred head flock. Agriculture in the area is not limited by climactic or biological factors, but by factors of a developmental and economic nature.

The transportation access in the Delta-Clearwater area provides a means for import and export of products. The same system makes distribution to inter and intra-state destinations possible, and provides access to shipping ports making available possibilities for international trade. Japan, in particular, imports 90 percent of its vital grains. Alaska, with a high quality grain product, could be in a good position to compete in the international livestock feed market. As the market is expanded, the Delta-Clearwater area could conceivably provide up to 100,000 acres of high quality agricultural land for production of grains and forages.

An ad hoc committee on agriculture has prepared an assessment of large scale barley production in the Delta-Clearwater area. The assessment indicates that farms approximately 3,000 acres in size, using fallow management systems are viable and that sufficient quantities of grain can be produced on 50,000 acres to warrent a 1 million bushel put-through elevator-dryer system.(9) Investigation of the potential of drying grains and forages with waste heat is, therefore, of high interest in terms of contribution to a renewable resource economic base for the state. The conclusion which may be reached is that waste heat utilization may well be the impetus needed for the revival and future development of agriculture in Alaska.

RELATED STUDIES AND PROJECTS

The following is a listing of projects, with references, of on-going and future research by the University of Alaska, Agricultural Experiment Station.

Grain and forage production:
For the past four years, a cereal grain research program has been conducted in the Clearwater-Big Delta region. Emphasis has been placed on evaluation of barley, oat and wheat varieties as feed grain crops. Oat varieties have also been evaluated as a forage and straw crop. Other areas of research include fertilizer response, comparison of production systems (continuous grain vs. summer fallow-grain), tillage practices, seeding rates, and weed control.

Burton, W. E., D. H. Dinkel, and F. J. Wooding, "So Many Questions-So Few Answers", Agroborealis, Vol. 3, No. 1, pp. 21-24, 1971.

Wooding, F. J., G. M. Paulsen, and L. S. Murphy, "Sulfer Composition of Soybeans as Affected by Macronutrient Deficiencies", Soil Science and Plant Analysis, 3:151-159, 1972.

Wooding, F. J. and C. W. Knight, "High Protein Grain from Interior Alaska", Agroborealis, Vol. 4, No. 1, pp. 12-13, 1972.

Martin, G. C., R. F. Barnes, A. B. Sim[illegible], and F. J. Wooding, "Alkaloids and Palatability of Phalaris arundinacea L. Grown in Diverse Environments", Agronomy Journal, 65:199-201, 1973.

Wooding, F. J. and A. C. Epps, "Grain Varieties for the Golden Valley", Cooperative Extension Service Publication No. 46, University of Alaska, 1973.

Wooding, F. J. and C. W. Knight, "Barley Yields on Summer Fallowed and Stubble Land", Agroborealis, Vol. 5, No. 1, p. 22, 1973.

Wooding, F. J., D. H. Hassinger, and G. Willis, "Grains in Seward's Icebox", Agroborealis, Vol. 6, No. 1, pp. 4-6, 1974.

Wooding, F. J., J. L. Brossia, S. D. Sparrow and D. H. Hassinger, "Small Grains on Agricultural Land in Remote Areas of Alaska", Agroborealis, Vol. 7, No. 1, pp. 28-30, 1975.

On-going research concerns grain production in the Tanana Valley of interior Alaska. The objectives are to increase production of barley, oats, and wheat through a broad, intergrated, research program of variety testing and cultural practices. Triticale is to be evaluated as a potential new grain crop. Grains produced in a subarctic environment are to be evaluated for quality and suitability. In addition, grain adaptation tests are being conducted for remote areas of Alaska.

Wooding, F. J., "Small Grain Production in the Tanana Valley of Interior Alaska", Hatch Project, March 1, 1974.

Wooding, F. J., "Grain Adaptation Tests for Remote Areas of Alaska", Special Appropriation of Hatch Funds, 1974.

Since May, 1970, research on peas, barley and oat mixtures has been conducted to determine in-combination and independent response to harvest date and crop mix. The parameters of interest are protein, digestibility and yield.

Brundage, A. L., R. L. Taylor and V. L. Burton, "Barley, Oats and Peas, Alone and in Combination, for Forage", presentation at the Annual Meeting of the American Dairy Science Association, June, 1976.

Markets:

Past work on markets for agricultural commodities produced in Alaska has been largely confined to only statewide markets. The topics covered have included pork, beef, vegetables, dairy, and feed production. Although only limited local markets were identified, production within the state is small enough to allow market expansion in most areas.

Burton, W. E., "Alaska's Agriculture", Institute of Social, Economic and Government Research, University of Alaska, 1971.

Flynn, L. and W. Thomas, "Assessment of Markets for Fresh Vegetables in Anchorage", G. E. - TEMPO, Research Publication, 1973.

Thomas, W., and P. Linn, "Economic Factors in Alaskan Milk Marketing", Agroborealis, 1972.

Stephens, C., W. Thomas and V. Burke, "Supplying Alaska's Red Meat and Poultry Products, Institute of Agricultural Sciences, University of Alaska, 1975.

Research just beginning at the University of Alaska will analyze the export market for feed barley, malt barley, and grain and/or feed pellets. Identification will be made of possible markets and problems and opportunities associated with these markets. Included will be an analysis of price conditions, trade arrangements, transportation system requirements and appropriate domestic and foreign government regulations.

Thomas, W., "Agriculture in Alaska; 1976 - 2000 A.D.", Alaska Review of Business and Economic Conditions, Institute of Social, Economic and Government Research, University of Alaska, June, 1976.

Thomas, W., "International Markets and Marketing for Alaska Produced Farm Products", Research Project, Agricultural Experiment Station, University of Alaska, 1976. Sections of this marketing research will be carried on as in-kind contributions to the waste energy project proposed here.

Agricultural potential:
There are three agricultural potential studies which are on-going within the Agricultural Experiment Station. The major concern is economic and social impact on the state and on available markets for products from the state.

Eaton, W. E., "Creating a Northern Agriculture, I, II, III, IV, V", University of Alaska, Agricultural Experiment Station Bulletin No. 42 through 46, 1975, 1976.

Faris, J. E. and R. J. Hildreth, "Considerations for Development - Alaska's Agricultural Potential", for the Federal Land Use Planning Commission of the University of Alaska, Agricultural Experiment Station, April, 1976.

Thomas, W. C., C. E. Lewis and F. J. Wooding, "The Potential for Production of Barley in the Delta-Clearwater Area of Interior Alaska", Univ. of Ak., Ag. Exp. Station, February, 1977, draft.

Waste heat utilization:
The utilization of waste heat in agricultural systems has been addressed within the Agricultural Experiment Station.

Dinkel, D. H., "Potential for Production of Intensively Cultured Crops in Alaska Using Geothermal or Waste Heat Sources", presented at the Second Int. Symp. on Cold Regions Engineering, Univ. of Ak., Aug. 13, 1976.

Lewis, C. E., "The Utilization of Waste Heat in Agribusiness Development ", presented at the Second Int. Symp. on Cold Regions Engineering, Univ. of Ak. Aug. 13, 1976.

PROJECT PROCEDURES

Method of Approach

A three part study will be conducted over a two year period to provide answers to those questions raised in the background discussion. The parts of this study are:

Part 1. Provision of an efficient design for the conversion of low pressure turbine exhaust to usable form.

Part 2. Determination of the effect of turbine exhaust gases on quality of grains and forages.

Part 3. Determination of grain and forage quality after drying with exhaust gas and after a period of storage at varying moisture levels.

Discussion of Part 1.

The exhausted heat available is in the form of a low pressure, high BTU per minute flow at high temperatures. Requirements of low back pressure for efficient turbine operation limit the design specifications for recovery of the heat. Both a fin tube and a tube/ambient air system have been suggested. Alternate possibilities will be considered. The possibility of a water jacket surrounding the recovery tube will be investigated, assuming a future need for heated water. Cost of the system and operation and maintenance requirements will be a primary consideration.

In FY 78, a small dryer (200 bushel per hour) will be purchased and equipped with heat conversion and transport systems which will allow utilization of turbine exhausts. If it is not possible, due to conflict with pipeline start-up operations, to use the Pump Station #9 site, an alternative source will be used. Several are available in the Fairbanks area. The dryer system is scheduled to be operational in FY 79.

After completion of drying of the FY 79 crops, an analysis of operating efficiency, cost of operation and conversion and installation costs will be prepared. The waste heat system will be compared to conventional drying systems using this cost data.

Discussion of Part 2.

During FY 78, grain and forage samples harvested either in Fairbanks or in the Delta-Clearwater area will be dried to moisture levels varying from 30 to 12 percent. The drying will be done at the Agricultural Experiment Station at Fairbanks using conventional drying methods. The objective of the FY 78 sampling is to establish a data base for Alaskan grains and forages dried using conventional methods. This data base will be used as a comparison when turbine exhaust is used for drying.

Before storage, contractural services will be used to analyze grain and forage quality. Particular attention will be given to carbohydrate content (sugars and starches), protein content, and amino acid composition of proteins.

The grain and forage samples will be stored in outdoor bins. After a nine month storage period, an analysis will again be conducted of carbohydrate content and proteins. Additionally, a determination will be made of the type and amount of fungal organisms and amounts or presence of micro-toxins in the stored grains and forages.

Discussion of Part 3.

During FY 79, the grain and forage drying procedure of Part 2. will be repeated. However, the drying will be accomplished using a waste heat source and a drying system described in Part 1.. Contractural services will again be used to perform the analysis described in Part 2. on the dried samples and on samples taken from grains and forages which have been stored for nine months.

After sample analysis is completed, carbohydrate content, protein levels, amino acid composition of proteins, and fungal types and micro-toxins present will be compared to those in the grain and forage samples in the control group of Part 2..

Summary of Data to be Collected

After completion of the three part study (July 1, 1979), sufficient data will have been collected to complete a report addressing the questions:

1. Can waste heat be used to dry grains and forages?

2. Will use of gas turbine exhaust for drying effect grains and forages?

3. Will grains and forages produced in Alaska meet internation quality standards both before and after storage?

The following data catagories will be used in the report.

1. Technology of waste heat recovery systems for use in grain drying.

2. Efficiency of waste heat recovery systems considering all energy uses within a system. An example would be the use of fossil fuel for pump station operation and a use of the exhaust heat from the turbines for crop drying.

3. Investment cost of the waste heat recovery system.

4. Operating cost of the recovery system.

5. Efficiency, investment cost and operating cost of conventional drying systems.

6. Quality characteristics of grains and forages stored at varying moisture contents for one season after drying by either conventional or waste heat methods.

7. Quality characteristics of grains and forages immediately after drying either by conventional or waste heat methods.

FOLLOW-UP

This project has been proposed to aid those persons already producing grains and forages within Alaska and those who may be considering a beginning enterprise. At present, there is no data base which the farmer can use to determine to what moisture level grains and forages should be dried to maintain quality after storage under interior Alaska climactic conditions. Moreover, much interest has been generated concerning the use of waste heat for grain and forage drying. It is

reasonable to assume an operating cost savings would be effected by waste heat utilization. When the cost of wasted energy is compared to investment cost of recovery systems, the qualitative savings of valuable fuels is also large. Cost savings may be even larger if the use of turbine exhaust proves beneficial in storage of grains and forages at higher than normal moisture levels. However, if gas turbine exhausts damage the crop, there will be no need for further consideration of waste heat for grain and forage drying. The completion of the much needed data base for drying of grains and forages utilizing waste heat.

FOOTNOTES

1. R. J. Robel, "There May be Energy Tomorrow but at a Frightful Cost", address to the Kansas Cooperative Council, 1976.

2. Alaska Rural Development Council, "Alaska's Agricultural Potential", prepared by the Agricultural Potential Committee ARDC Pub. No. 1, Fairbanks, Alaska, March, 1974.

3. Communication: Alyeska Pipeline Service Company, Anchorage, Alaska, April 28, 1976.

4. Operating and Parts List, Behlen Model K Grain Dryer, Behlen Manufacturing Company, Columbus, Nebreska.

5. Correspondence: MEC Company, Neodesha, Kansas, 1976.

6. Communication: Ekodyne, Inc., Santa Barbara, California, April 16, 1976.

7. Communication: F. J. Wooding, May, 1976.

8. A. Tussing, et. al., "Alaska Pipeline Report", Institute of Social Economic and Government Research, Univ. of Ak., Sept., 1971.

9. Thomas, W. C., C. E. Lewis, and F. J. Wooding, "The Potential for Production of Barley in the Delta-Clearwater Area of Interior Alaska", Univ. of Ak., Ag. Exp. Station, February, 1977, draft.

CERTIFIED: Irene Cashen
Irene Cashen, Chief Clerk

A M E N D M E N T S

IN THE HOUSE BY ROGERS

TO: HCS CS FOR SENATE BILL NO. 438 (Finance)

Amendment No. 1

Page 2, line 20 -- delete "with the"

Page 3, line 4 -- delete "except if" replace with "unless"

Page 4, line 7 -- delete "persons" replace with "person"

Page 6, line 10 -- delete "of" replace with "and"

Page 10, line 6 and 28 -- insert "municipalities" after regional electric authorities"

Page 12, line 23 -- delete "of" replace with "which is"

Page 14, line 27 -- insert "estimates of" between "limited to" and "total"

Page 15, line 5 -- insert "to be" between "money" and "used"

Page 16, line 14 -- insert "to be" between "bonds" and "issued"

Page 19, line 25 -- delete "44.56.183" replace with "44.56.185"

Page 20, line 5 -- insert "and section 44.56.187" between "section" and "a new project"

Page 37, line 21 -- delete "loan" replace with "load"

Page 42, line 16 -- insert "audited" between "the commission the" and "financial"

Page 43, lines 17-19 -- delete sentence beginning "On the effective date" and replace with "All projects authorized in Section 48 of this Act are exempt from the provisions of AS 44.56.177-185. For all other projects, unless a proposed project is exempt under AS 44.56.187 added by section 24 of this Act,

Amendment No. 2. BY MALONE

Page 27, lines 13-16 -- delete subsection"(L)"

CERTIFIED: Irene Cashen
Irene Cashen, Chief Clerk

HCSSB 438(Finance) am H

Amendment No. 3. BY MILES

Page 45, line 21 -- insert new subsection (d) to read: "(d) The Alaska Power Authority is authorized to proceed with design and acquisition of right-of-way of the Anchorage-Fairbanks transmission intertie. This project may be financed by revenue bonds issued by the authority, appropriations from the general fund, or other funding sources approved by the legislature."

Amendment No. 4. BY MALONE

Page 30, line 29 -- insert after "(a)" "After December 31, 1980,

Page 31, line 4 -- insert after "(b)" "After December 31, 1980,

SB

226

COMMITTEE REPORT

SENATE

FURTHER: Finance

3/2/81

Date: ____________________

Mr. President:

The Committee on RESOURCES has had SB 226

mining loan fund

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

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for SB 226 [X] same title [ ] 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

MEMBERS HAVING OTHER RECOMMENDATIONS:

CHAIRMAN

SENATE AMENDMENT

BY Fahrenkamp

To: _____ SENATE BILL No. SB 226

To: _____ HOUSE BILL No. _____

PAGE: 2 LINE: 8 and 9

On Line 8 insert the word "mining" after the word "outstanding"

On Line 9 insert the word "mining" after the word "to"

SENATE AMENDMENT

By Fahrenkamp

To: _____ SENATE BILL No. SB 226

To: _____ HOUSE BILL No. _____

PAGE: 1 LINE: 27

On line 27, delete "as the manager of a business" and add "in the mining industry."

Alaska State Legislature

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

POUCH V
STATE CAPITOL
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(907) 465-3834
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Senate

Committee on Resources

March 30, 1981
1:50 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

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

Hearing

SB 226 An Act relating to the mining loan fund.

SB 84 An Act relating to the processing of permits by state agencies.

Phil Holdsworth, Alaska Miners Association, testified in favor of SB 226. He suggested an amendment: page 1, line 27, delete "manager of a business" and insert "in the mining industry".

Sharon Traylor, Director Division of Business Loans, Department of Commerce and Economic Development, stated that she would like to see some language added to the Bill in Section 45 regarding refinancing.

Senator Sturgulewski, moved for the adoption of the following amendments:

Page 1, line 14, delete "more than"
Page 1, line 15, delete "more"
Page 1, line 16, delete "than"
Page 2, line 9-10, add a new sentance "No more than 49% of the original loan can be used for refinancing under this section."

Senator Fischer, moved for the adoption of the following amendment:

> Page 2, between lines 56 insert: "AS 27.09.040 (d) delete monthly basis" and insert "at least annually."

Senator Mulcahy put forth the motion to move SB 226 as a Committee Substitute with individual recommendations.

Jean Kline, Alaska Chapter, Associated General Contractors, stated that the Association urges passage of SB 84. She stated that sometimes the smallest construction project can delayed because of permits. SB 84 will help eliminate the unnecessary delays.

The Committee was briefed by staff on the draft CSSB 84.

The Committee was adjourned at 2:35 p.m.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

APR 21 1981

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSB 226 (Resources)
Title An Act relating to the mining loan fund.
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Commerce & Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Division of Business Loans
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100	PERSONAL SERVICES		76.9	84.6	93.1	102.4	112.6
200	TRAVEL		10.2	11.2	12.3	13.5	14.9
300	CONTRACTUAL		23.4	25.7	28.3	31.1	34.2
400	COMMODITIES		.8	.9	1.0	1.1	1.2
500	EQUIPMENT		2.8	-0-			
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		114.1	122.4	134.7	148.1	162.9

FUNDING (Thousands of Dollars)

GENERAL FUND		114.1	122.4	134.7	148.1	162.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Fiscal Note detail attached.

This fiscal note has been reduced to reflect the tighter eligibility requirement in the committee substitute for SB 226. It assumes the total appropiation for the loan fund will be the $10,000,000 in the capital budget. If a larger appropriation is made, more staff would be required to properly process loans.

IV. DATE April 10, 1981 PREPARED BY Sharon Traylor, Director
AGENCY Commerce & Economic Dev., Div. of Business Loans
PHONE 465-2510

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

33-001 (Rev. 12/80

FISCAL NOTE DETAIL

SB 226 - Mining Loan Fund

100	1 Loan Examiner III, Fairbanks, @ $3,260/mo.		$ 39.1
	1 Accounting Technician I @ $1,761/mo.		21.1
	Total Wages		$ 60.2
	Standard Benefits (Wages x .1555)		9.4
	Supplemental Benefits (Wages x .0613)		3.7
	Health Insurance (Man months x $150)		3.6
	Total Personal Services		$ 76.9
200	Trips to inspect collateral and close loans:		
	16 trips @ $500	$ 8.0	
	32 days per diem @ $70	2.2	10.2
300	Telephone and Postage	$ 6.6	
	Printing of Applications, Advertising	1.0	
	Office Space (1 @ $3,067, 1 @ $2,700)	5.8	
	Consultant Fees	10.0	23.4
400	Office Supplies		.8
	Twelve Months Operating Cost		$111.3
500	Equipment:		
	2 Desks @ $300	.7	
	2 Side Tables @ $165	.3	
	1 Executive Chair	.2	
	1 Secretarial Chair	.2	
	3 Side Chairs @ $100	.3	
	2 File Cabinets @ $325	.7	
	2 Calculators @ $200	.4	2.8
	TOTAL		$114.1

Note: If some existing positions phased out per budget, no new equipment would be required.

10% Inflation for succeeding years

STATE OF ALASKA

ANNUAL PLACER MINING APPLICATION
LAND USE AND WATER USE PERMITS AND MINING LICENSE

INSTRUCTIONS

1. For most mining operations, the completion of this form should satisfy the application requirements for the following permits:

   Miscellaneous Land Use Permit - Issued by the Department of Natural Resources

   Water Use Permit - Issued by the Department of Natural Resources

   Anadromous Fish Protection Permit - Issued by the Department of Fish & Game

   Wastewater Discharge Permit - Issued by the Department of Environmental Conservation

   Alaska Mining License - Issued by the Department of Revenue

   If more detailed information is required, you will be contacted by the appropriate agency.

2. Please type or print responses in ink. Answers to all of the questions are necessary to expedite processing of your permits. If a question does not apply to your operation, indicate with N/A.

3. If space provided on the form is not enough for your written response, please use an additional sheet of paper. Identify this sheet as part of the application by putting your name and the 5 digit application number on the top of the sheet. (Additional space may be needed for listing claim names, claim locations and ADL numbers.)

4. With this application form, attach a copy of the appropriate USGS 1:63360 Map. Please identify this map as part of your application by putting your name and the 5 digit application number on the top of the map. On the map, provide the following information:

   a) The location of all your claims
   b) The name and ADL number for all your claims
   c) The identification of those claims which will be worked this year
   d) The location of your camp
   e) The location of the access routes to your claims
   f) The types of heavy equipment taken to the claims by cross country access routes

5. Applications should be submitted by February 15th to assure the issuance of permits before operations in the field begin. Only permitted operators should be working in the field.

6. The permits which are issued will authorize the work described in this application. Changes in your operation will require another application to describe the operation and may result in amended permits.

7. This application does not serve as the application for other permits which may be needed for your operation.

8. This application, as well as attachments, should be submitted to the nearest office of the Department of Natural Resources.

SUBMIT COMPLETED APPLICATION TO THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF FOREST, LAND AND WATER MANAGEMENT, AT THE ADDRESS OF THE NEAREST OFFICE LISTED:

Southcentral District Office
941 East Dowling Road
Anchorage, Alaska 99502
Telephone: 349-4524

Northcentral District Office
4420 Airport Way
Fairbanks, Alaska 99701
Telephone: 479-2243

Southeastern District Office
State Office Building
Pouch M
Juneau, Alaska 99811
Telephone: 465-2415

STATE OF ALASKA No. 12869

ANNUAL PLACER MINING APPLICATION
LAND USE AND WATER USE PERMITS AND MINING LICENSE

DO NOT MARK IN THIS SPACE

Do your plan to mine this year?
☐ YES ☐ NO (If "NO", you are not required to file this form.)

Is this a new application?
☐ YES ☐ NO

Check box(es) and list number(s) if you have had any of the following permits:

- ☐ DNR-MLUP Permit No.
- ☐ Fish & Game Permit No.
- ☐ Water Use Permit ADL No.
- ☐ Wastewater Discharge Permit DEC No.
- ☐ EPA-NPDES Permit No.
- ☐ Mining Claims ADL No.
- ☐ Alaska Mining License No.

Check the mining district in which your claims are located:

- ☐ Fairbanks
- ☐ Seward Peninsula
- ☐ Circle
- ☐ Kuskokwim
- ☐ Iditarod
- ☐ Innoko
- ☐ Forty Mile
- ☐ Hot Springs
- ☐ Koyukuk-Chandalar
- ☐ Other (Specify):

If your claims are not patented, check the box to indicate who controls the land the claims are on:

- ☐ U.S. National Park Service
- ☐ U.S. Military
- ☐ U.S. Forest Service
- ☐ U.S. Bureau of Land Management
- ☐ U.S. Fish & Wildlife Service
- ☐ Alaska Dept. of Natural Resources
- ☐ City
- ☐ Borough
- ☐ Native Corporation
- ☐ Other (Specify):

Claim Owner's Name		Street Address or P. O. Box		
City	State	Zip Code	Home Telephone	Office Telephone
Operating Company Name and/or Authorized Representative in Field		Street Address or P. O. Box (Specify if Summer Address is different from Winter)		
City	State	Zip Code	Home Telephone	Office Telephone
Employer I.D./Social Security Number	Month & Year Start Up	Month Shut Down	Number of People Working Claim	

On what creek(s) are your claim(s) located?

List any changes in your operation since your previous application: (If none, sign the application and send it to the State of Alaska.)

List type, purpose and number of pieces of equipment to be used on the claim.

Which equipment listed above is used for the removal of overburden.

Which equipment listed above will be used in the stream.

Beginning and ending dates for transportation of equipment across country TO a claim:

Beginning and ending dates for transportation of equipment across country FROM a claim:

If using a hydraulic giant, list nozzle size, number of nozzles, feet of head and total amount of water CFS or GPD:

List type and amount of explosives to be used:

If explosives will be used in or near streams or other bodies of water, indicate when, where and why they will be used:

Type of overburden: (O.K. to check more than one) ☐ Rock ☐ Sand ☐ Silt ☐ Clay ☐ Organic Material ☐ Other(Specify):	Depth of Overburden	Amount to be removed: No. of acres at "x" depth or cubic yards:

No. 12869

Check method of mining and processing: (O.K. to check more than one.)

- ☐ Suction Dredge Size _____ Pump Capacity _____
- ☐ Bucket Line Dredge Size of Buckets _____
- ☐ Washing Plant Volume Material Processed/Hr. _____
- ☐ Sluice Box Width _____ Depth of Water _____ Slope _____
  Located on: ☐ Bedrock ☐ Shale ☐ Other: _____
- ☐ Vibrating Screen
- ☐ Other _____
- ☐ Chemical Treatment: ☐ Mercury ☐ Cyanide ☐ Other
  Describe process on a separate sheet.

What % of a natural stream is diverted for any reason; %	What % of diverted water is used for mining: %	Of water used for mining what % is recycled: %
Amt. of Water Required ☐ CFS ☐ GPD	Usage: Hours/Day	Usage: Days/Week
Date commenced operations: Month Year		Years needed to mine out claim:
If water is not used for mining, is it routed around the treatment pond? ☐ YES ☐ NO		When wastewater is returned to a stream, is it treated? ☐ YES ☐ NO

Condition of stream above claim, prior to discharge of wastewater:

☐ Clear ☐ Murky ☐ Muddy

If "muddy", is it:

☐ Natural ☐ Manmade

☐ Other: (Describe)

WATER SUPPLY

Type of Dam (Exclude settling ponds)

☐ Earthfill ☐ Timbercrib ☐ Concrete ☐ Other _____

☐ Temporary ☐ On-stream
☐ Permanent ☐ Off-stream

Size of Dam

Length Width at Crest Width at Base Height

Storage Capacity: (Indicate Length and Width of Area and Depth of Water)

Spillway Capacity: (CFS)

FUEL

Fuel Stored. (List type of fuel)

Amount of fuel stored:

Distance from stored fuel to nearest body of water:

DRILLING

If drilling is proposed, will it exceed:

☐ 150 Feet ☐ 300 Feet ☐ Not applicable

WATER TREATMENT

Type of Dam (Settling Pond 1) Check all appropriate items.

☐ Earthfill ☐ Timbercrib ☐ Other _____
☐ Temporary ☐ Permanent ☐ On-stream ☐ Off-stream

Type of Dam (Settling Pond 2)

☐ Earthfill ☐ Timbercrib ☐ Other _____
☐ Temporary ☐ Permanent ☐ On-stream ☐ Off-stream

Type of Dam (Settling Pond 3)

☐ Earthfill ☐ Timbercrib ☐ Other _____
☐ Temporary ☐ Permanent ☐ On-stream ☐ Off-stream

Type of Dam (Settling Pond 4)

☐ Earthfill ☐ Timbercrib ☐ Other _____
☐ Temporary ☐ Permanent ☐ On-stream ☐ Off-stream

Size of Dam(s): Indicate length, width at crest and base and height of dam for each pond.

1. 2.
3. 4.

Capacity of Pond(s): Indicate length and width of area and depth of water for each pond.

1. 2.
3. 4.

† If more than four ponds, provide all of the above information for each additional pond on a separate sheet.

Signature of Claim Owner	Printed or Typed Name	Title	Date

FOR AGENCY USE ONLY

ADL Number	USMS Number	NPDES Number	ADF&G Number	State Number	Mining License Number

AGENCY ACTION/AUTHORIZATION

Land Mgmt.	Water Use	Water Discharge	Fish Passage Habitat Protection	Revenue

SKETCH SHEET

In the area below, sketch and label the following information.

1. Location of Camp. 2. Travel routes within area of claim. 3. Location of natural waterways within claim. 4. Name of creek. 5. Water source. 6. Location of any stream diversion. 7. Point of withdrawl of water. 8. Water ditches, pipelines, pumpsites, and discharge points. 9. Location of settling ponds and water supply reservoirs. 10. Where water is used. 11. Sluice location. 12. Area to be mined this year. 13. Location of overburden disposal. 14. Location of tailing disposal. 15. Location of other disposal sites. (Solid waste or hazardous materials.or sanitary waste.) 16. Location of fuel storage.

Name of Map Used:
Section
Township
Range
Meridian
SCALE: 1" = ¼ Mile

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M April 3, 1981

SUBJECT: Mining loans
[CSSB 226 (Resources)]

TO: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee
Attn: Jim Palmer

FROM: John B. Chenoweth
Legislative Counsel

A draft of the proposed committee substitute is attached. I have tried to use language you suggested. However, deletion of "more than" on lines 14 and 15 of page 1 suggests to me that only a partnership in which exactly half the partners meet the conditions specified qualifies for a loan. If 90 percent of the partners meet the eligibility requirements, the partnership does not qualify. Is that where you want to be?

The substitution of "at least annually" in Sec. 3 leads me to scratch my head. Don't you really mean to say: "shall be repaid on an annual basis, but the repayment basis may be monthly or quarterly as the parties may agree" or something to that effect?

JBC:ljb

Enclosure

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

MEMORANDUM

TO: SENATE FINANCE COMMITTEE MEMBERS

FROM: SENATE RESOURCES COMMITTEE

RE: CSSB 226 "AN ACT RELATING TO THE MINING LOAN FUND"

DATE: MAY 19, 1981

SECTIONAL ANALYSIS

Section 1. This section replaces AS 27.09.020 which delineates the eligibility requirements for a mining loan under this program.

In a letter of February 4, Commissioner Webber of the Department of Commerce and Economic Development stated that the present wording of this eligibility section contains the potential for circumvention of the intent that those obtaining loan funds are primarily Alaskans. It also tends to restrict the ability of Alaskan miners to obtain private investment capital and still remain eligible for a mining loan.

He cited three examples:

Sec. 27.09.020(2) states "...at least 51 percent of the shareholders of which are residents of Alaska." It is not unusual for less than half of the holders of corporate shares to own the majority of the corporation.

Interpretation of the eligibility requirement of five years experience concludes that in the case of a partnership, all members must have the qualifying experience. This excludes miners from taking a partner or partners with needed investment capital even if such partners are minority owners.

Newly formed corporations are ineligible even if the majority ownership is held by those who would qualify individually.

Sections 27.09.020(2)(4)(5) are the new sections added to the eligibility section to take care of these problems.

Memorandum
May 19, 1981

Section 2. This section removes the stipulation that a private lending institution hold the first lien or mortgage. The new language allows both governmental or other private entities or individuals to hold this first priority lien or mortgage.

Section 3. This is an addition to the mining loan fund which allows the Department of Commerce and Economic Development to refinance a loan made under this program.

FEB 10 1981

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D
JUNEAU, ALASKA 99811
Phone: 465-2500

February 4, 1981

Honorable Bettye Fahrenkamp
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

The present wording of Sec. 27.09.020. Eligibility of the mining loan fund law contains the potential for circumvention of the intent that those obtaining loan funds are primarily Alaskans. It also tends to restrict the ability of Alaskan miners to obtain private investment capital and still remain eligible for a mining loan. SB 226 corrects these problems

Example: Sec. 27.09.020(2) states ". . . at least 51 percent of the shareholders of which are residents of Alaska." It is not unusual for less than half of the holders of corporate shares to own the majority of the corporation.

Example: Interpretation of the eligibility requirement of five years experience concludes that in the case of a partnership, all members must have the qualifying experience. This excludes miners from taking a partner or partners with needed investment capital even if such partners are minority owners.

Example: Newly formed corporations are ineligible even if the majority ownership is held by those who would qualify individually.

It is therefore recommended that Sec. 27.09.020(2) of the mining loan fund law be amended to read as follows:

27.09.020

Eligibility. The department may make loans under this chapter to

(1) an individual who has at least five years of mining or prospecting experience in Alaska and who is a resident of Alaska; or

(2) a partnership of which at least 51 percent of the owners have five years mining or prospecting experience in Alaska and at least 51 percent of the ownership is held by residents of Alaska; or

OB-H2LH

(3) a corporation which has at least five years mining or prospecting experience in Alaska and at least 51 percent of the ownership is held by residents of Alaska; or

(4) a newly formed corporation of which at least 51 percent of the ownership has at least five years mining or prospecting experience in Alaska and at least 51 percent of the ownership is held by residents of Alaska.

Very truly yours,

Charles R. Webber
Commissioner

CRW/mh3/13

SB

245

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) 465-3034
(907) 465-3035

Senate

Committee on Resources

April 8, 1981
1:40 p.m.

Beltz Room
Room 211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Sturgulewski
Senator Mulcahy
Senator Gilman

Hearing:

SSSJR 10 Proposing amendments to the Constitution of the State of Alaska relating to agricultural rights in state lands.

SCR 17 Relating to the development of a wood products industry in the state.

SB 245 An Act amending the agricultural loan program to authorize loans for the harvesting, storage, and delivery of peat.

Bob Palmer, Coordinator, Special Projects for the Governor, stated that, nationwide annually, 3-5 million acres of are taken out of agricultural production. A number of states have recognized the negative impact of this and have been purchasing agricultural rights from private land owners. He indicated that SSSJR 10 would alleviate several potential problems: first, the sale of only agriculture rights could be repealed by a future legislature. And, second, with the approval from the adjacent city and the Division of Lands, the owner of agricultural lands can obtain full title. He indicated that there has been an increase in the number of people speculating in agriculture lands in hopes they can someday sub-divide the land and sell it. SSSJR 10 will eliminate this speculation.

Senator Fischer put forth the motion to move SSSJR 10 with individual recommendations.

Senator Colletta, stated that SCR 17 sets up a procedure to utilize one of the state resources. With the current emphasis on agricultural development, it is necessary to utilize the timber that is on the land. SCR 17 directs the various agencies to work together jointly to utilize all of the resources

Senator Sturgulewski offered language for amendments. The Chairman suggested since SCR 17 would be next in the Finance Committee that the amendments could take place there.

Bob Palmer, Coordinator, Special Projects for the Governor, stated that he supports the concept of SCR 17. He explained that the language "highest and best use" is not always the the most obvious use of the resource.

Senator Mulcahy put forth the motion to move SCR 17 with Individual recommendations.

Bob Palmer, Coordinator, Special Projects for the Governor, stated he supports SB 245. He indicated that during a recent market trip to Japan he found that they import large amounts of peat from West Germany which contains 60% moisture. The Japanese use peat for cattle feed, oil spill clean up and potting soil. Peat offers a prime opportunity for a new industry in Alaska. One of the difficulties with the development of a peat industry is a large portion of it is located in wet lands which fall under the jurisdiction of the Army Corps of Engineers. He suggested that due to the limited funds in the Agricultural Loan Program that AIDA or ARRC might be more appropriate bodies to handle loans for peat.

The Committee was adjourned at 2:25 p.m.

Alaska State Legislature

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

Senate

Committee on Resources

TO: SENATE RESOURCES COMMITTEE

FROM: SENATE RESOURCES COMMITTEE STAFF

DATE: April 7, 1981

RE: Hearing Wednesday, April 8th, 1:30 p.m., Beltz Room

Attached please find the following materials for Wednesday's hearing:

SSSJR 10 Proposing amendments to the Constitution of the State of Alaska relating to agricultural rights in state lands.

Kodiak Soil Conservation Subdistrict, Resolution, regarding loss of agricultural lands to subdivisions.

SCR 17 Relating to the development of a wood products industry in the state.

"Use of trees to be cleared from Alaska agricultural lands to develop a new wood fiber industry: a proposal for state policy." Mead Treadwell, December 20, 1980.

SB 245 An Act amending the agricultural loan program to authorize loans for the harvesting, storage, and delivery of peat.

Attachments

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 1, 1981

The Honorable Terry Gardiner
Alaska State Legislature
House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

have your letter of March 6, 1981, concerning timber utilization at Point MacKenzie.

Enclosed you will find a copy of the settlement of the litigation agreed to by the State and the Sierra Club concerning that issue.

Also enclosed please find an estimate from the Department of Natural Resources of the amount of commercial spruce on each tract and the dollar value calculated at $35/MBF (thousand board foot). Ted Smith states that $20/MBF is a more reasonable figure for a total value of about $50,000. If there is as much as 9 million board feet (9,000 MBF) the value would still be only $180,000. The value of the birch firewood has been estimated at $90,000.

Certainly, these figures are far less than the "millions" quoted by the media.

I am also enclosing statements from various individuals with knowledge and personal experience in the Point MacKenzie area. I believe you will find their statements of much value. I would especially commend to you the words of Glen Franklin, the Contracts Administrator for the Special Projects Office in Delta Junction. He has much experience in timber utilization in Canada's Peace River area and supervised the test clearing work at Point MacKenzie.

Thank you for your interest in this matter. We, too, are certainly desirous of the best feasible use of those timber resources.

Sincerely,

Jay S. Hammond
Governor

Enclosures

✓ cc: The Honorable Bettye Fahrenkamp
Chairman
Senate Resources Committee
w/Enclosures

1073843

Alaska State Legislature

House of Representatives

RECEIVED
MAR 10 '81
GOVERNORS OFFICE

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

State Capitol
Juneau, Alaska 99811

March 6, 1981

The Honorable Jay Hammond
State of Alaska
Juneau, Alaska 99811

Dear Governor Hammond:

We, as many Alaskans, are concerned about the utilization of timber resources on agricultural lands. Since the time schedule precludes any legislative action at this time, we are sending you our concerns in letter form.

It would seem wisest for Alaska to guarantee that we fully utilize timber resources on agricultural land developments. The Pt. McKenzie area, according to your Department figures, contains 9 million board feet of commercial timber and 40 million board feet of firewood. This timber has the value of $1-2 million, depending on your choice of estimates. While we desire agriculture development, we should not proceed such that wasteful uses are forced or utilized.

We would request that you insure that all timber in the Pt. McKenzie area is actually utilized rather than burned or put to any other such wasteful purpose. This will satisfy many concerns.

Terry Gardiner — Joseph Chuckwuk
Fred F. Zharoff — Vernon Hurlbert
Ben Grussendorf — Eric G. Sutcliffe
Anthony Vaska — Sally Smith
Ramona Barnes

RECEIVED MAR 23 1981

MEMORANDUM

To: Barbara Miracle
Assistant Attorney General
Department of Law

Date: March 10, 1981

From: Glen Franklin
Contracts Administrator
Special Projects Office
Office of the Governor

Re: Surplus Wood Disposal on Point MacKenzie Agricultural Project: Your Request for Comments 3/6/81

As the person responsible for the administration of clearing contracts on the Delta project and for our test clearing effort on Point MacKenzie, I can write from substantial experience on the question of wood and timber values within these projects.

The claims by Mr. Lowe of the Sierra Club and some members of the Alaska Association of Independent Loggers concerning timber values on the Point MacKenzie Project are spurious. One may guess, without having been privy to their respective calculations, that the ADL Forestry stem-counts for one or two of the most heavily timbered tracts were used, then generalized for the entire project acreage. Our test clearing effort, which covered three large tracts, plus a small parcel of university land, showed fewer than 50 white spruce (picea glauca) stems of harvestable size and totaling less than 2,000 board feet. To be sure, these particular tracts were chosen for our test on that criterion (i.e., no timber).

Colleagues and I have cruised every tract within this project and have concluded that no more than eight of these 31 tracts show even marginal quantities of white spruce. As for firewood, one should dismiss without discussion the argument chained-down deciduous stems are rendered unusable. We heard this assertion prior to start-up in Delta and heard nothing more of it after woodcutters had experienced salvage after chaining. An excellent demonstration is also available on Point MacKenzie, Tract 11, where we left one mile-long strip by 300 feet chained down for salvage in December. By January 20, when I again looked at this test strip, virtually all birch and perhaps 50 percent of the aspen/poplar had been removed by woodcutters. This is the program and schedule which I would recommend:

Chain down of each tract this spring, then idle equipment through summer and fall, while log and wood salvagers are encouraged to work the entire project, now made accessible by the windbreak and chaining trails. Stacking of remaining debris would follow the succeeding winter.

Four tracts of our Delta I project were judged by ADL Forestry to contain marketable timber and assessed stumpage. Of these four, one owner was successful in selling the stumpage to a (an) (amateur) salvager, but for considerably less than his own assessment

by the State. The salvager worked for one season with free labor and a sawmill, but has "folded" before removing all the purchased stems. The other three tract owners who purchased "commercial timber" have all tried to sell stumpage without success. One has purchased and used a sawmill. Each now concludes that he cannot compete with current prices for commercial timber. Not one of these four would now, after the fact, agree to pay anything for the "commercial timber" on his property.

Again concerning chaining, please understand that root systems must be removed from soil intended for agricultural use. Salvagers who cut standing material leave a stump which cannot be lifted by the chain. Chaining, on the other hand, leaves a tree stem which IS available for salvage. Thus, if the landowner is permitted to chain his material down, it is both available for salvage and ready for subsequent consolidation.

In summary, I urge that we leave the wood disposal to the discretion of each tract owner and charge him/her no stumpage for any alleged "commercial timber". I also recommend that he/she be required to make the chained-down material available to the public.

REC'D FROM DNR.

Pt. MacKenzie Ag. Sale

White Spruce Data

Tract No.	Parcel No.	White Spruce MBF (9"DBH)		Estimated Value *
1	1	80		$ 2,800.00
2	20	Ø		Ø
3	21	40		1,400.00
4	2	10		350.00
5	3	30		1,050:00
6	22	168		5,880.00
7	23	100		3,500.00
8	4	200		7,000.00
9	5	400		14,000.00
10	6	125		4,375.00
11	24	40	(½chained)	1,400.00
12	7	110		3,850.00
13	8	109		3,815.00
14	9	370		12,950.00
15	10	80		2,800.00
16	11	75		2,625.00
17	12	80		2,800.00
18	25	125		4,375.00
19	26	175		6,125.00
20	Not For Sale			
21	27	80		2,800.00
22a	28	30		1,050.00
22b	29	50		1,750 00
23a&b	13	70		2,450.00
24	14	Ø		Ø
25	30	Ø	(chained)	Ø
26	31	120		4,200.00
27	15	Ø	(½ chained)	Ø
28	16	Ø		Ø
29	17	21		735.00
		2,688 MBF		$94,360.00

*Estimated value @ $35.00/MBF (Sale data from Trail Ridge Sales)

TED SMITH STATES THAT $20/MBF IS A MUCH MORE REALISTIC FIGURE. W.I.P.

UNITED STATES DEPARTMENT OF AGRICULTURE - SOIL CONSERVATION SERVICE

March 23, 1981

Honorable Terry Gardiner, Chairman
House Resources Committee
Mail Station 3100
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

One very important stage in an economical clearing process is the knockdown of the trees. This can be accomplished in several ways. The old standard was to simply push over the trees with a bulldozer. This method tends to skin up the trees and break and crush them severly. It is also a very expensive first step, due to the fact that the cat has to essentially walk over every inch of the land before it can start to push up the trees into piles.

In recent years chaining has been used very efficiently for knockdown. This process is much faster, since the cats can be spaced out, not needing to walk over the entire land area. Additionally, the chaining process is much less destructive to the trees being knocked down. Most trees are not rooted very well and are easily tipped over by the chaining without having to apply the heavier weight of the cat. Thus fewer trees are damaged. Chaining also tends to leave the trees in a much "neater" and more easily accessible condition. Cat knockdown tends to leave the trees in a very tangled mess.

It has been stated that chaining damages the trees so that they are not fit for logs or firewood. That is definitely not true. I have personally seen many hundreds of logs salvaged from chained woodland on the Delta Ag Project and numerous other clearing done in the Delta area. I also have cut in excess of 50 cords of firewood during the past several years. Perhaps as much as 50 percent has come from chained woodland.

Additional facts should also be considered. If the wood on a parcel of land is to be harvested, access is needed. Most amateur timber cutters do not have the equipment nor time to create access. But after a chaining operation is completed, the access if then available, thus saving the amateur considerable time and effort.

In summary, chaining is an efficient and economical process used to help develop agricultural land, plus it is not severly destructive to the wood resource, which we all want to be utilized.

Sincerely,

Roger Boyer
District Conservationist
Fairbanks

COOPERATIVE EXTENSION SERVICE - UNIVERSITY OF ALASKA, FAIRBANKS

Tanana District
P. O. Box 349
Delta Junction, Alaska 99737
Phone: (907) 895-4215

March 23, 1981

Honorable Terry Gardiner, Chairman
House Resources Committee
Mail Station 3100
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

The following comments are offered in rebuttal to allegations, by special interest groups, that the primary phase of land clearing (i.e. chaining) renders timber unsalvageable for lumber, logs, or firewood.

As an advisor to the State of Alaska during the 2,000 acre agricultural land clearing trial conducted in Delta Junction in 1977 and 1978 I personally witnessed the effect of chaining on a variety of vegetative types. In addition, nearly all the vegetation on the 60,000 acre Delta Agricultural Project has been chained since 1978.

Chaining simply pulls the trees down to a nearly horizontal position and tends to dislodge the root structure from the soil. Chaining does not destroy the trees. Occasionally, trees will snap off or shatter at the base, but this is rare. The bark is usually marred, however this is an unimportant consideration in any of the previously stated uses. Also, chaining does not result in significant amount of timber being pulled through the soil and thereby becoming encased in silt.

In many instances chaining has improved public access to the timber by providing trails. This has resulted in large quantities of firewood, house logs, lumber, posts and rails being salvaged on the Ag Project here in Delta. I cannot imagine the situation being significantly different in other areas.

Sincerely,

Don Quarberg
Ag Agent

DO/pd/mm

STATE OF ALASKA — DIVISION OF FOREST, LAND AND WATER
DEPARTMENT OF NATURAL RESOURCES - MANAGEMENT, NORTHCENTRAL DISTRICT

MEMORANDUM

TO: Honorable Terry Gardiner
Chairman, State House Resources Commission
Mail Station 3100, Pouch V
Juneau, Alaska 99811

FROM: George P. Fortier
Area Forester
Delta Area Office
Division of Forest, Land & Water Management

DATE: March 23, 1981

TELE: 895-4226

SUBJ: Forest material salvage: position taken by your Committee against use of chain during land-clearing operations. Requested by Glen Franklin of Special Projects Office, for my comment this issue.

Having observed land clearing operations since inception of the Delta project, I would offer the following observations concerning use of the heavy chain as a preliminary land-clearing operation:

1. Chaining is compatible with all wood-salvage operations practiced in the Delta Area to the best of my knowledge. If accomplished when roots are not anchored by frost, neither deciduous nor coniferous stems are seen to shatter if sound.

2. Such stem-damage as may occur should be less than that found in shear-harvest operations.

3. Salvage costs should not be increased by chaining, due to "trade-off" of new access (patterned) trails against somewhat entangled stems.

4. One finds no degredation of stem quality due to alleged dragging, which does not occur.

In summary, I as a professional forester, see no substantial reason to oppose the chaining operation on forest which might be scheduled for successive lumber or firewood salvage.

GFF/sk/mm

KANDIK CONSTRUCTION, INC.
P.O. Box 60583
Fairbanks, Alaska 99706

March 14, 1981

TO: Mr. Bill Ward
RE: Bid Proposal on Tract 23
LOCATION: Point MacKenzie Agricultural Project

This quote pertains to logged off areas where stumps will be encountered. The stacking price will be $450.00 per acre. This quote represents a $258.00 increase due to the excessive time involved in stump removal.

These figures were obtained by actual work performed in the logged off areas.

If any information other than the above is needed, please feel free to contact us at your convenience.

Sincerely,

Bud LaFon

GDL:jdy/mm

DURWOOD J. ZAELKE
Sierra Club Legal Defense Fund, Inc.
419 6th Street, Suite 321
Juneau, Alaska 99801
(907) 586-2751

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

Harley Brotherton, et. al.,
Plaintiffs,
v.
Department of Natural Resources, et. al.,
Defendants.

No. 3AN-81-1541 Civil

STIPULATION AND ORDER FOR DISMISSAL

WHEREAS, timber resources are among the state's most valuable resources;

WHEREAS agricultural projects sometimes require the clearing of valuable timber from state lands; and

WHEREAS clearing for agricultural projects involves the potential for wasting valuable timber resources:

NOW THEREFORE, The Department of Natural Resources of the State of Alaska, the Agricultural Action Council of the State of Alaska, and the plaintiffs in Brotherton, et. al., v. Department of Natural Resources, Civil No. 3AN-81-1541, by and through their attorney Durwood J. Zaelke, do hereby stipulate as follows:

(i) Any and all loans of state money for clearing the Pt. MacKenzie agricultural project shall include a condition requiring the winners of the Pt. MacKenzie land lottery to offer the marketable, commercial timber resources on their lands to the highest bidder at a public auction duly noticed, and either to accept such bid or to reject it and purchase the timber themselves at the value established by the highest bid; if the highest bid is accepted, the lottery winners

shall provide the longest practical time for removing the timber resources, consistent with the schedule required by each farmer's approved development plan;

(ii) the value of marketable, commercial timber resources shall be included in all future disposals of state agricultural lands, except those lands which are not suitable for timber harvesting;

(iii) the costs of suit, including attorneys' fees in the amount of $2,720 (68 hours x $40/hour), in Brotherton, et. al., v. Department of Natural Resources, Civil No. 3AN-81-1541, shall be paid by defendants;

(iv) The action entitled Brotherton, et. al., v. Department of Natural Resources, Civil No. 3AN-81-1541, shall be dismissed with prejudice, said dismissal to be lodged by defendants.

Durwood J. Zaelke — DATED: 3/10/81
Attorney for Plaintiffs

Rodger W. Pegues — DATED: 3/10/81
(for Barbara Miracle)
Attorney for Defendants

Geoffrey Haynes — DATED: 3/10/81
Deputy Commissioner
Department of Natural Resources

Bob Palmer — DATED: 3/11/81
Agricultural Action Council

ORDER

The above stipulation is hereby approved and the action entitled Brotherton, et. al., v. Department of Natural Resources, No. 3AN-81-1541, is hereby dismissed.

DATED: _____

_____
Judge Johnstone

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SB
249

COMMITTEE REPORT

SENATE

FURTHER: Finance

Date: ______________

Mr. President:

The Committee on RESOURCES has had SB 249

fisheries information planning and evaluation

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

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for SB 249 [ ] same title [ ] 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

[signatures]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[signature]
CHAIRMAN

SENATE AMENDMENT

By _____

To: Committee Substitute for SENATE BILL No. 249

To: _____ HOUSE BILL No. _____

PAGE: LINE:

page 2, lian 16 after the word "major", add the word "commercial".

page 2, line 16 delete "resource allocations", and insert "issues".

page 3, line 20 add new Sec. 5 and renumber following section accordingly.

"SecSec. 5. Nothing in this Act shall be interpreted or implemented so as to diminish the powers or effectiveness of the regional planning teams authorized by A.S. 16.10.375."

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

May 6, 1981
1:30 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Mulcahy
Senator Gilman

Hearing:

SB 388 An Act relating to the Alaska Commercial Fishing and Agriculture Bank

SCR 15 Relating to the gathering and evaluation of comprehensive information about salmon stocks in the Artic-Yukon-Kuskokwim mamagement area.

SB 249 An Act relating to fisheries information planning and evaluation.

SJR 43 Requesting the United States Senate to support continuation of the present fur seal harvest quota.

Rosaleen Moore, Chairman of the Alaska Commercial Fishing and Agriculture Bank, stated that she supported the amendments to SB 388 by the United Fishermen of Alaska.

Pete Argetsinger, General Counsel for CFAB, discussed the issue of auditing CFAB. He stated that the legislative auditors are not bound to keep information confidential, while the banking auditors are covered by very strict federal and state requirements of confidentality.

Larry Butterfield, Vice President, Spokane Bank of Cooperatives, stated that SB 388 clarifies CFAB's status as a private cooperative, and also, the confidentality of CFAB's records. He stated that government oversight is necessary to make sure the intent of the original law is being carried out and that the state's investment is protected.

In response to the question, if SB 388 did not pass would you keep loaning CFAB money? Mr. Butterfield, stated that they would keep loaning money to CFAB. He indicated that if CFAB was challenged in court it might be declared a state agency.

Senator Mulcahy put forth the motion to move the amendments to SB 388 by United Fishermen of Alaska.

Senator Mulcahy put forth the following amendments to SB 388: page 4, line 1 delete "may" and insert "shall" in its place; page 4, line 4, between the words "or a" insert "may provide to"; page 5, line 8 starting with the word "However" and delete the sentence to line 11.

Senator Mulcahy put forth the motion to move SB 388 as amended with individual recommendations.

Senator Mulcahy stated that SCR 15 is the result of finding out that alot of information is available in the Departments but there is a need for the gathering and evaluation of comprehensive information about the salmon stocks in the Artic-Yukon-Kuskokwim area.

Senator Mulcahy put forth the motion to move Committee Substitute for SCR 15 with individual recommendations.

Senator Mulcahy stated that SB 249 is the result of finding out that it is not easy to gather fisheries information because it is located in numerous locations. The Division of Commercial Fish spends most of its time on management of the fisheries and preparing for the Board of Fisheries meetings. They do not have enough time or employees to gather and put together the information addressed in the bill.

Senator Mulcahy put forth the motion to move CSSB 249 with individual recommendations.

Senator Mulcahy stated that the fur seals in the Pribilof Islands contribute to the economy and provide a subsistence food base. The United States Senate is proposing to cut the annual harvest down to 7800 fur seal. SJR 43 is directed to the U.S. Senate to encourage them to continue the present fur seal harvest quota.

Senator Fischer put forth the following amendment: on page 1 between lines 10 and 11 insert " WHEREAS a reduction of the annual take of adult male seals would endanger the population stability of the Pribilof fur seal herd;" The manedment was accepted.

Senator Mulcahy put forth the motion to move SJR 43 as amended with Individual recommendations.

The Committee adjourned at 2:35 p.m.

Alaska State Legislature

Senate

JUNEAU, ALASKA

RESOURCES SUBCOMMITTEE ON FISHERIES

TO: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

FROM: Senate Resources Subcommittee on Fisheries

SUBJ: SB 249 "An Act relating to fisheries information planning and evaluation; and providing for an effective date."

The subcommittee has taken testimony and replaced SB 249 with CSSB 249 and reports CSSB 249 back to the committee as a whole with the following recommendations.

Members		Recommendation
Senator Mulcahy	Bob Mulcahy	Do Pass
Senator Eliason	[illegible]	No rec
Senator Gilman	Alan Gilman	No Rec Pending Possible Amendment

S-10

Alaska State Legislature

Senate

JUNEAU, ALASKA

RESOURCES SUBCOMMITTEE ON FISHERIES

April 29, 1981

Senate Resources Subcommittee on Fisheries meeting

The meeting was called to order by Chairman Mulcahy at 3:09 PM. All members of the committee were present.

First on the Agenda was SCR 15 "Relating to the gathering and evaluation of comprehensive information about salmon stocks in the A-Y-K management area".

Doug Pope, of the AYK Fin Fish Project testified on SCR 15. He stated that the resolution was a result of work that he and staff had done, and explained what was to be accomplished by the resolution.

SCR 15 was moved with individual recommendations.

Next on the agenda was SB 249 "An Act relating to fisheries information planning and evaluation".

Doug Pope testified on SB 249. He said that the bill came from the same project that SCR 15 came from. He explained the bill to the committee.

Senator Gilman explained some concerns he had with the bill, and proposed amendments to the bill.

SB 249 was moved with individual recommendations.

Next on the agenda was SB 508 "An Act making a special appropriation to the Department of Commerce and Economic Development for a pilot project to finance the Nushagak Fish Producers Coop".

Carl Heyano, Secretary of the Nushagak Fish Producers Cooperative, testified on SB 508. He briefly stated the history and present circumstances of the Nushagak Fish Producers Cooperative, and why he felt they needed funding.

Chairman Mulcahy asked if other attempts had been made to achieve funding, specifically with CFAB or ARRC.

Mr. Heyano stated that Archie Gottschalk could answer that question better.

Archie Gottschalk testified next on SB 508. He stated that attempts had been made to get funding from ARRC, but that they had fallen through.

The meeting was adjourned by Chairman Mulcahy at 3:57 PM.

Alaska State Legislature

Senate

JUNEAU, ALASKA

RESOURCES SUBCOMMITTEE ON FISHERIES

SECTIONAL ANALYSIS OF COMMITTEE SUBSTITUTE FOR SB 249

Sec. 1: This section details findings and purposes of the legislature.

Sec. 2: This section adds Fisheries Information Planning and Evaluation to the duties of the division of commercial fisheries. Briefly these are:

1. Locate and gather all known data regarding all relevant information on all significant fish stocks, including underutilized species, in the state.

2. Identify all data needed to ensure that fisheries allocations will be effectively addressed among user groups with improved in-season management.

3. Identify the information in need of further analysis so that it can be effectively used by the department.

4. Assist the department and the Board of Fisheries in identifying fisheries areas that are or will be in need of special information and data collection.

5. Assist the department in identifying data necessary to improve the states' position in all international agreements or discussions.

6. Participate with all the sections, the Board of Fisheries, and any other programs authorized by the commissioner, in the preparation of state and region wide management plans.

7. Prepare an annual report to the legislature. This reprot shall detail the information available for each fish stock, the additional work necessary to achieve the purposes of this Act, and it shall also identify the research projects that are continuous and those that have a definate time period.

Sec. 3: This section provides that an appropriation for a research project is good for the duration of that project, and that any unused funds will be carried over to the next fiscal year.

Sec. 4: This section provides an effective date of immediately.

SENATE AMENDMENT

By _____

To: Committee Substitute for SENATE BILL No. 249

To: _____ HOUSE BILL No. _____

PAGE: LINE:

page 2, line 16 after the word "major", add the word "commercial".

page 2, line 16 delete "resource allocations", and insert "issues".

page 3, line 20 add new Sec. 5 and renumber following section accordingly.

"* Sec. 5. Nothing in this Act shall be interpreted or implemented so as to diminish the powers or effectiveness of the regional planning teams authorized by A.S. 16.10.375."

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 249

Title An Act relating to Fisheries Information and Planning

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Department of Fish and Game

Program Category Affected NRMEC

BRU, Program, or Subprogram(s) Affected Commercial Fisheries

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		126.8	139.5	54.8	60.2	66.2
200 TRAVEL		15.0	16.5			
300 CONTRACTUAL		12.0	13.2			
400 COMMODITIES		6.0	6.6			
500 EQUIPMENT		14.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		167.8	175.8	54.8	60.2	66.2

FUNDING (Thousands of Dollars)

GENERAL FUND		167.8	175.8	54.8	60.2	66.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	1	1	1
PART TIME		1	1			
TEMPORARY						

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

See attached

IV. DATE April 22, 1981 PREPARED BY Janet R Green

AGENCY Department of Fish and Game

PHONE 465-4120

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named)
Ronald D. Lehr, Office of the Governor

33-001 (Rev. 12/80

Fiscal Note for CSSB 249 continued:

Resources required to bring the Commercial Fisheries Division planning effort up to the lead required to meet the intent of this bill are estimated as follows:

Line Item	Purpose		Cost (FY-82)
100	FB IV, permanent, 12 mm		$ 49.8
	Planner III, permanent, 12 mm		37.7
	Clerk Typist III, permanent, 12 mm		22.8
	Programmer II, seasonal, 6 mm		16.5
		Subtotal	$126.8
200	Travel and per diem		$ 15.0
300	Phone		$ 6.0
	Xerox		1.0
	Printing and binding charges		5.0
		Subtotal	$ 12.0
400	Miscellaneous office commodities		$ 6.0
500	Desks, chairs, file cabinets		$ 4.0
	IBM Displaywriter and options		10.0
		Subtotal	$ 14.0
		TOTAL	$167.8

Note: Anticipated two years to bring stock status-fishery unit planning documents to completion. After that anticipate maintenance would be a function of one position working with regional staffs.

STATE OF ALASKA

OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department	Sponsor (Principal)	Bill Number
Fish and Game	Resources	CSSB 249 (Resources)

Department Position

Support in concept

Division Director	Date	Commissioner	Date
Steven Pennoyer	4/17/81	Ronald O. Skoog	

GOVERNOR'S OFFICE USE

Comments:

☐ Position Noted	By	Date

SUMMARY

1. a) Related Bills (Similar or Conflicting	1. b) Other Agencies Affected by Bill
Unknown	Unknown
2. a) Organizational Support for Bill	**2. b) Organizational Opposition to Bill**
Unknown	Unknown

3. Program Effects of Bill:

See comments

4. Fiscal Impact: ☐ None ☒ Fiscal Note Attached

5. Amendments Proposed:

6. Comments:

The intent of this legislation is excellent. Most of the language reads as duties already being carried out to some degree in the fisheries divisions, but that require substantial improvement. Some fisheries planning improvements will result from D-2 budget approvals for planners operating through the Deputy Commissioner for Program Management and each of the Divisions. This does not directly address the sort of inseason resource management, allocation, and stock status information spoken to by the legislation.

The Commercial Fisheries Division is currently approaching the ability to provide the information and planning discussed in the bill for commercial and subsistence fisheries

(continued on reverse)

and resources through a stock status/fishery unit planning effort and a fishery unit budgeting process. This is the type of information planning and presentation the Legislature is requesting be available prior to each session. The Division is working in this direction, but at present level of staffing is moving too slowly due to lack of senior people with the time to adequately do the job. D-2 planning will help; however, personnel will be directed somewhat away from the priorities addressed in the bill, at least initially.

Improved information management, evaluation, and utilization are required for the commercial and subsistence fisheries. It is, of course, also required for recreational fisheries and for the utilization of supplemental production to enhance our fisheries. Regional Planning Teams developing comprehensive salmon regional plans are addressing the way in which supplemental production will contribute to overall resource objectives. The effort addressed in this bill would enable the Commercial Fisheries Division to provide the Regional Planning Team process with the necessary information and background on management of fisheries stocks.

The Department is developing a total planning process that includes coordination between the fisheries divisions. Efforts being carried out under Regional Planning Teams, D-2 planning efforts, and information regarding recreational, commercial and subsistence fisheries will be blended into overall resource plans for different areas in the long run. We believe this bill would direct the Commercial Fisheries Division to bring its planning effort and information base up to a standard to support this overall effort.

One item gives us some concern. On page 2 of the bill, item a-1 indicates that we are going to locate, gather, and make available for public inspection "all known information and data from all known sources" etc. Certainly if we were to become an overall library information service of the magnitude indicated in this section we would have to very greatly expand our staff. The Commercial Fisheries Division should not necessarily be the entity to store, analyze and disseminate information on all fisheries and fish populations in the state. There are already efforts to create a "data center" for fisheries information in the Department which initially deals with fish ticket and production data but ultimately could include a library function and data information service for all divisions. Something of this type seems more appropriate than any single division trying to fill this function, although each division will have to provide the information and analysis for the resources and fisheries it manages.