

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6537 SENATE RESOURCES

991

**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES

**State of Alaska**  
DIVISION OF LAND & WATER MANAGEMENT

TO: Distribution

DATE: January 26, 1990

FILE NO:

TELEPHONE NO.: 762-2253

FROM: Gary Gustafson  
Director



SUBJECT: Proposed Marmot Island  
Special Use Area  
Designation

**AGENCY REVIEW NOTICE**

The Division of Land and Water Management is proposing to establish a Special Use Area for the protection of known sea lion concentrated haul out and rookery habitat on Marmot Island. A copy of the proposed Special Use Area designation is enclosed for your review. This final draft is the culmination of the original draft proposal dated October 26, 1989, and subsequent comments, inter and intra agency meetings and memos.

Considerable agency discussion has occurred on the location and limits of the north boundary of the special use area to control access to and on the beaches. I have no doubt that implementing the prohibition on all motorized vehicles and recreational mining coupled with a mineral closing order on the beaches, will control access.

As requested, please review the enclosed proposal and submit your comments by February 28, 1990. The lack of a response will be considered as no objection to the proposed Special Use Area on Marmot Island.

If you have any questions, please contact Greg Curney at 762-2249.

GG:BS:ref  
c:agrevnot.mem

Attachment

**DISTRIBUTION:**

Linda Freed, Kodiak Island Borough  
San Gesko, Manager, City of Kodiak  
Koniag, Inc., Kodiak  
Kodiak Area Native Association  
Lance Trasky, ADF&G, Habitat Division  
Lou Pamplin, ADF&G, Wildlife Conservation Division  
Pat Cyr, Dept. of Environmental Conservation  
Jerry Gallagher, DNR, Div. of Mining  
Bob Dick and Dave Wallingford, DNR, Div. of Forestry  
Frank Mielke, DNR, Div. of Agriculture  
Al Meiners, DNR, Div. of Parks and Outdoor Recreation  
Brad Smith, National Marine Fisheries

**DESIGNATION OF SPECIAL USE AREA  
FOR  
MARMOT ISLAND  
JANUARY 24, 1990  
ADL 225034**

Pursuant to 11 AAC 96.010 (2) and 11 AAC 96.010 (3)(b) of the Miscellaneous Land Use Regulations, the south and central portions of Marmot Island east of the ridge line (see maps, Figures 1 and 2, and legal description) is designated as a Special Use Area. This document delineates activities which are prohibited or restricted, subject to valid existing rights. This area will be managed by the Division of Land and Water Management of the Department of Natural Resources in accord with the purposes outlined below.

**PURPOSE**

The primary purposes of this Special Use Area are to minimize human disturbance of the Steller sea lions, which use the eastern beaches of Marmot Island, and to protect and preserve this important sea lion habitat.

The Steller sea lion rookeries on the east side of Marmot Island, the largest in Alaska, are in decline, according to the Alaska Department of Fish & Game (ADF&G) and the National Marine Fisheries Service (NMFS). The number of pups born on Marmot Island has decreased by 50 percent since the 1970s. The number of animals using the beaches has been declining steadily (see Figure 3). Overall, the Alaska population of sea lions is only about half as large as it was in the 1950s and 1960s. NMFS has recommended classifying Steller sea lions as depleted under terms of the Marine Mammal Protection Act. They are also considering listing Steller sea lions as threatened or endangered under the provisions of the Endangered Species Act.

Harassment or unauthorized disturbance of marine mammals is prohibited by the Marine Mammal Protection Act. Human disturbance of the rookeries could cause Steller sea lions to leave the beaches and accelerate reproduction declines. Separation of pups from their mothers increases stress on and mortality of pups. ADF&G believes that this pattern will accelerate the population decline.

**ALLOWABLE ACTIVITIES**

Activities generally allowed on state land under 11 AAC 96.010(3)(b) and authorized under permit or lease will continue to be allowed, with the following exceptions. The primary criteria for evaluating the appropriateness of proposed activities will be compatibility with sea lion use of the Marmot Island area.

1. **Ground Transportation.** All motor vehicle ground transportation such as 4-wheel drive vehicles, snowmachines and all terrain vehicles is prohibited from the toe of the bluff seaward within the boundaries of this designated Special Use Area. The use of

motor vehicles in the balance of the Special Use Area. Sea lion public viewing, timber harvest and mining purposes may not occur without written authorization from the Division of Land and Water Management. Authorization may be granted only after consultation with the Department of Fish and Game.

2. **Aircraft or Boats.** Aircraft or boat landings and the use of boats, rafts, and canoes are prohibited except in emergency situations and for sea lion public viewing and scientific/management purposes. The use of aircraft or boats for sea lion public viewing and scientific and/or management purposes, may not occur without written authorization from the Division of Land and Water Management. Authorization may be granted only after consultation with the Department of Fish and Game.
3. **Access Development.** Road construction, airstrip construction, trail construction and brushing of trails are prohibited except for mining, timber harvest, and public sea lion viewing. Access for mining, timber harvest and public viewing purposes may not occur without written authorization from the Division of Land and Water Management. Authorization may be granted only after consultation with the Department of Fish and Game.
4. **Camping.** Overnight camping is prohibited in the special use area.
5. **Domestic Animals.** Domestic animals are prohibited within the special use area.
6. **Permits and Leases for Facilities.** No permits for temporary facilities or leases for permanent facilities shall be authorized except to facilitate public viewing or for sea lion management purposes, e.g., ADF&G's cabins which are used as a field base for research and observation.
7. **Public Viewing.** There shall be no development for public viewing of sea lions unless a full time state and/or federal on-site monitoring program is implemented which has adequate funding and planning to prevent disturbance to the sea lions.
8. **Timber Harvest.** Timber harvest will be governed by the Best Interest Finding Decision of the Division of Forestry, dated March 29, 1989. This decision states in part that, ". . . the Division [Forestry] will defer harvest and other forest management options on Marmot Island." The Division of Forestry has further agreed to reconsider timber harvest and other forest management options on Marmot Island, only at five-year intervals from the date of the Decision.
9. **Mining.** The beaches to the toe of the slope will be closed to mineral entry and the uplands will continue to remain open to mineral location under leasehold location.
10. **Recreational Mining.** The beaches to the toe of the slope will be closed to recreational mining; the uplands will continue to be open for recreational mining.
11. **Material Sales.** The entire Special Use Area will be closed to issuance of material sale contracts.

## FAA AND U.S. COAST GUARD ADVISORY

The Division of Land and Water Management will ask the Federal Aviation Administration to advise pilots that if travel near Marmot Island Special Use Area is necessary, an altitude of 1,000 feet in an aircraft should be maintained. Likewise, the Division of Land and Water Management will notify the U.S. Coast Guard and request issuance of a notice to mariners to advise captains of vessels to maintain a minimum distance of one-half mile from the shores of Marmot Island.

## PERMIT AUTHORIZATION PROCESS

Permits or authorizations for allowed uses will be issued by the Division of Land and Water Management in consultation with the Alaska Department of Fish and Game.

## REVIEW OF SPECIAL USE AREA DESIGNATION

The Marmot Island Special Use Area designation will be reviewed every five years to see if conditions have changed which may warrant changes in the allowable activities and/or area boundaries.

## LEGAL DESCRIPTION

The following state-owned lands and water to include tide and submerged lands within the following described area (see Figure 1) is established as the Marmot Island Special Use Area subject to valid existing rights.

Township 22 South, Range 15 West, Seward Meridian  
Section 31: All.

Township 23 South, Range 15 West, Seward Meridian  
Section 6: All.  
Section 7: All.  
Section 18: All.

Township 22 South, Range 16 West, Seward Meridian  
Section 36: E $\frac{1}{2}$ , E $\frac{1}{2}$  SW $\frac{1}{4}$  E $\frac{1}{2}$  E $\frac{1}{2}$  NW $\frac{1}{4}$ .

Township 23 South, Range 16 West, Seward Meridian  
Section 1: E $\frac{1}{2}$ ; E $\frac{1}{2}$  NW $\frac{1}{4}$ , SW $\frac{1}{4}$ .  
Section 11: E $\frac{1}{2}$  E $\frac{1}{2}$  E $\frac{1}{2}$ .  
Section 12: All.  
Section 13: All.  
Section 14: E $\frac{1}{2}$  E $\frac{1}{2}$  E $\frac{1}{2}$ , SW $\frac{1}{4}$  SE $\frac{1}{4}$ , W $\frac{1}{2}$  SE $\frac{1}{4}$  SE $\frac{1}{4}$ .  
Section 23: All.  
Section 24: All.

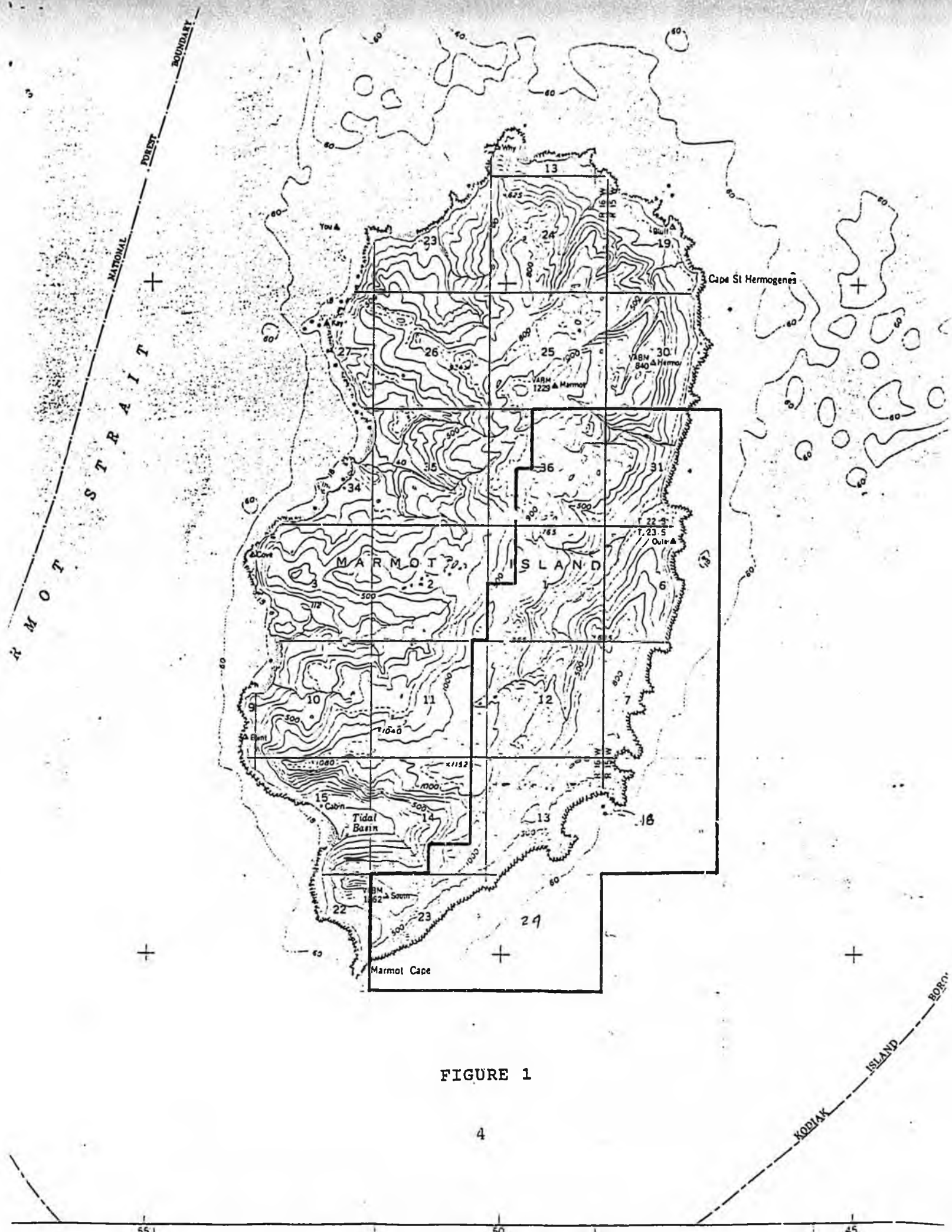


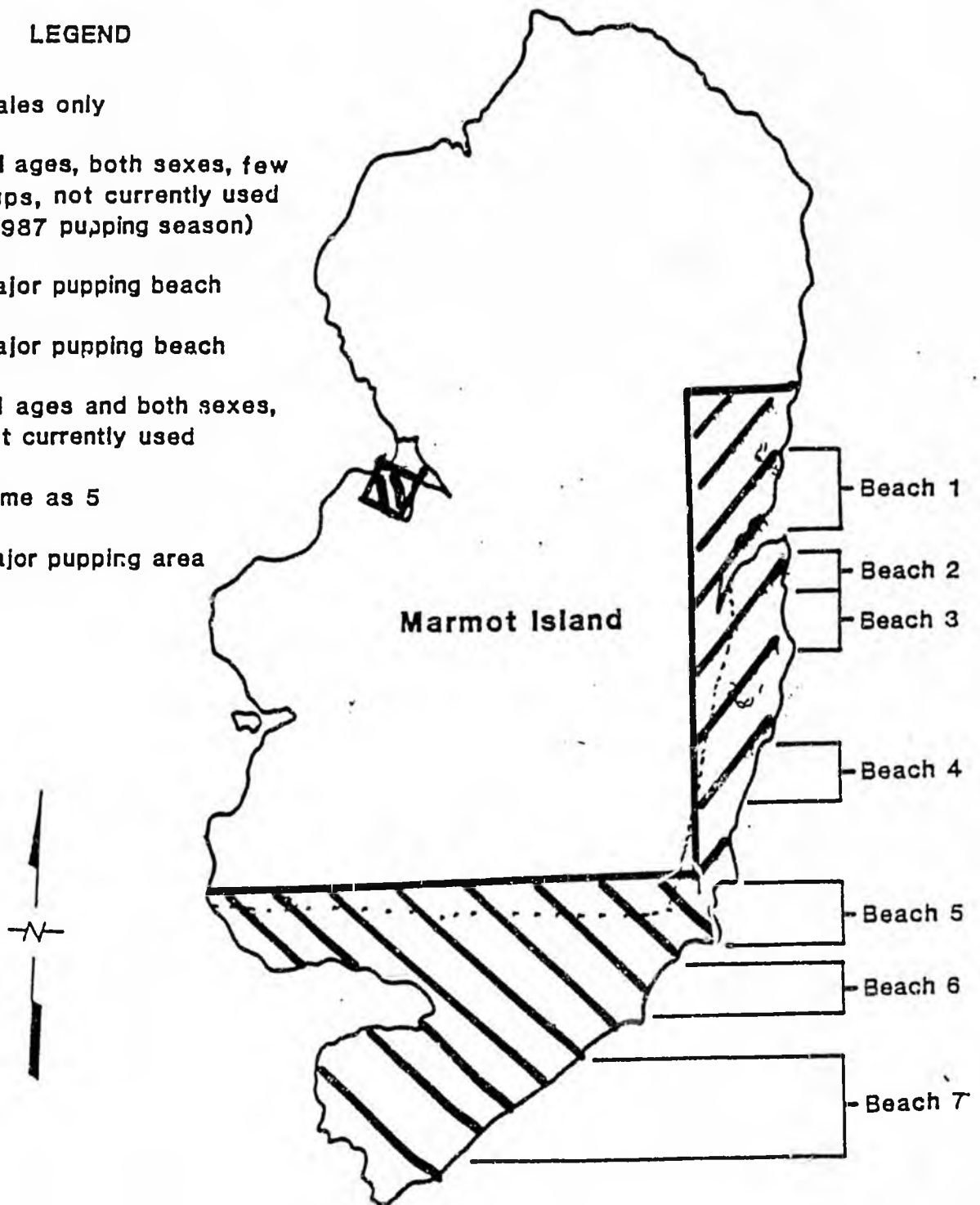
FIGURE 1

Figure 2

### Location of Marmot Island Northern Sea Lion Rookeries

#### LEGEND

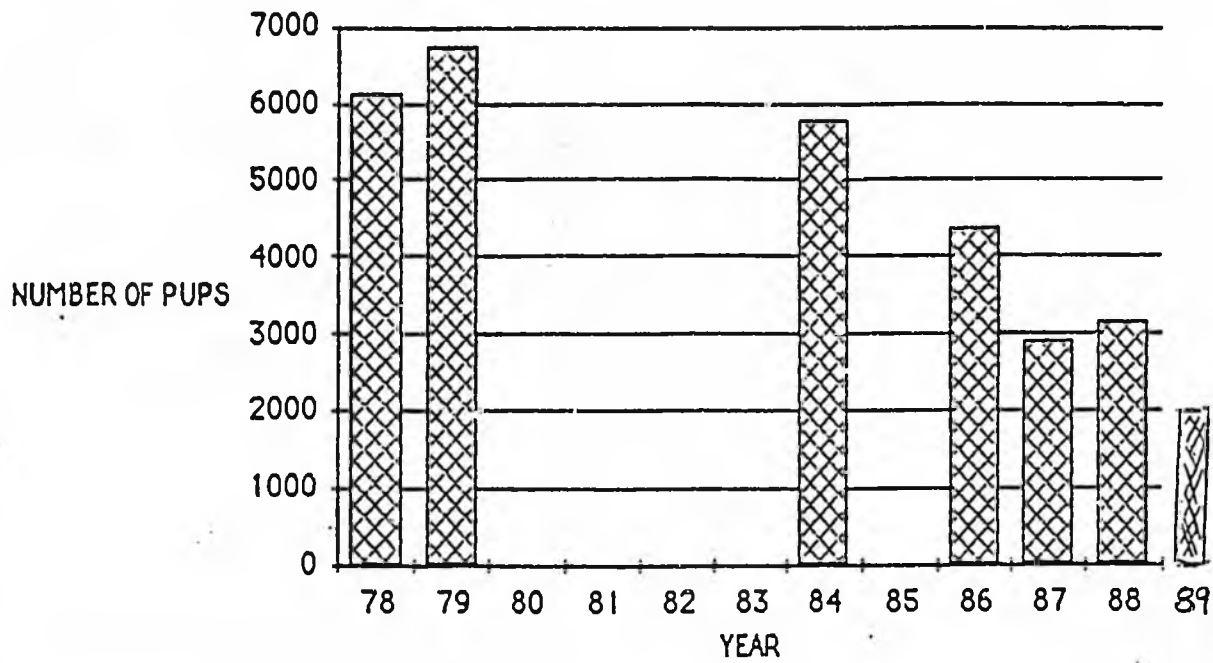
- Beach 1. Males only
- Beach 2. All ages, both sexes, few pups, not currently used (1987 pupping season)
- Beach 3. Major pupping beach
- Beach 4. Major pupping beach
- Beach 5. All ages and both sexes, not currently used
- Beach 6. Same as 5
- Beach 7. Major pupping area



Obtained from Alaska Department of Fish and Game

Figure 3

MARMOT ISLAND PUP COUNTS 1978-1988, 1989



1989 counts -- approximately 2,000

Prepared by ADF&G based on data from the  
National Marine Fisheries Service.  
J. H. Westlund

DESIGNATION OF MARMOT ISLAND SPECIAL USE LANDS  
ADL 225034

Effective Date \_\_\_\_\_

Pursuant to 11 AAC 96.010(2) and 11 AAC 96.010(3)(b), the lands shown on the attached map and described herein on Marmot Island are hereby designated as Special Use Lands.

I find that this is consistent with the Department of Natural Resources' management authority and that it is in the best interest of the State.

In ninety (90) days or by written notice of the designation prior to the end of the 90 day period, the activities described herein will be managed according to the terms of this special use area designation.

\_\_\_\_\_  
Gary Gustafson, Director  
Division of Land and Water Management

\_\_\_\_\_  
Date

SC8:a:marmot.sua

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- (26) "permit" means burning permit;
- (27) "stabilize" means to make resistant to shifting or erosion by mechanical or other means;
- (28) "state forester" means the state forester or his authorized representative;
- (29) "surface waters" means ponds and lakes greater than 10 acres in size, and streams, creeks, and rivers which are valuable for domestic use, spawning, rearing, or migration of fish, or have value to protect water quality;
- (30) "upstream debris" means slash or debris located 50 feet or less upstream from a culvert or bridge that may reasonably be expected to plug the inlet or damage the structure; and
- (31) "waiver" means a deviation from standards set out in 11 AAC 95.100 — 11 AAC 95.180 which is approved by the state forester with the concurrence of the Department of Fish and Game and the Department of Environmental Conservation. (Eff. 2/15/81, Register 77; am 11/21/82, Register 84)

Authority: AS 41.15.050                      AS 41.17.020  
                   AS 41.15.060                      AS 41.17.080  
                   AS 41.15.090

### CHAPTER 96. MISCELLANEOUS LAND USE

#### Article

1. Provisions for General Land Use Activity (11 AAC 96.010 — 11 AAC 96.150)
2. Additional Provisions for Seismic Exploration and Stratigraphic Tests (11 AAC 96.210 — 11 AAC 96.240)
3. General Provisions (11 AAC 96.250)

#### Article 1. Provisions for General Land Use Activity

##### Section

- 10. Operations requiring permits
- 20. Equipment use not requiring a permit
- 30. Application
- 40. Term and conditions
- 50. Effective date
- 60. Bonds
- 70. Completion of operations

##### Section

- 80. Confidential status of information
- 90. Inspection of operation
- 100. Penalty
- 110. Appeals
- 120. Purpose
- 130. Applicability
- 140. General stipulations
- 150. (Repealed)

11 AAC 96.010. OPERATIONS REQUIRING PERMITS. (a) A permit is required for the following activities on state lands:

- (1) activity requiring
  - (A) the use of explosives and explosive devices, except firearms;
  - (B) the use of any equipment not included in the list specified in 11 AAC 96.020;
  - (C) the use of hydraulic prospecting or mining equipment methods;

(D) drilling to a depth in excess of 300 feet, including exploratory drilling or stratigraphic test wells on state land not under oil or gas lease;

(E) geophysical exploration for minerals subject to lease under AS 38.05.135 — AS 38.05.181;

(2) activity that the director determines may result in unnecessary harm to land having special scenic, historic, archaeological, scientific, biological, recreational, or other special resource values; and

(3) activity on land under mineral permit, lease, or claim by a person other than the holder of the permit, lease or claim, or his authorized representative, if the parties cannot agree on what constitutes unnecessary or unreasonable interference as provided in 11 AAC 96.140(11).

X (b) The activities for which a permit is required under (a)(2) of this section will be listed, and the land designated as special use lands on the official records of the division, the records will be available in all state land offices. Activities requiring a permit on land designated as special use land is not a violation of this chapter unless the user has received written notice of the designation or the designation has been effective for 90 days. (Eff. 1/1/70, Register 32; am 3/2/81, Register 77; am 5/8/83, Register 86)

Authority: AS 38.05.020  
AS 38.05.035

AS 38.05.180  
AS 41.20.020

**11 AAC 96.020. EQUIPMENT USE NOT REQUIRING A PERMIT.** (a) A current list of equipment types the use of which does not require a permit under 11 AAC 96.010(a)(1)(B) will be maintained and available in all state land offices. A permit is required for the use of all equipment types not appearing on this list unless otherwise authorized by the director.

(b) This list will include but is not limited to the following:

(1) light portable field equipment; such as, hand-operated picks, shovels, pans, earth augers and backpack power drills and augers;

(2) vehicles such as snow machines, jeeps, pickups and weasels. Augers and drills may be mounted on such equipment;

(3) airborne equipment;

(4) marine equipment, except equipment which will disturb the submerged land.

(c) This section does not apply to areas designated under 11 AAC 96.010(a)(2). (Eff. 1/1/70, Register 32)

Authority: AS 38.05.020  
AS 38.05.035

**11 AAC 96.030. APPLICATION.** (a) The application for permit must contain the following information in sufficient detail to allow evaluation of the planned activities' effect on the land:

20-0  
you

SB 545, relating to establishing the Marmot Island Critical Habitat Area; efd.

Creation of the Marmot Island Critical Habitat Area is in response to a decline in the Steller Sea lion populations. The Steller sea lion rookeries on the island, the largest in Alaska, are in decline according to the Alaska department of Fish and Game and National Marine Fisheries Service. The Steller sea lion is currently on the threatened species list under the federal Endangered Species Act.

Growing concern that more restrictive measures may be imposed upon the fishing industry has prompted establishing this critical habitat area to afford protection of the haulout and pupping areas on the island.

The Senate Resources CS more accurately reflects the area that is inhabited by the Steller Sea Lions.

Page 2, Line 16, adds Steller Sea lions and removes [MARINE MAMMALS AND SEABIRDS]. This more accurately reflects the intention of the bill.

Page 2, Line 23 - 28 Adds language which allows historical, traditional, and public uses to the extent that activities are compatible with the purposes for which the critical habitat area was established.

There is a zero fiscal note ADFG.

6-2401M  
Bradley  
4/20/90

Original sponsor(s): Resources Committee

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 545 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to establishing the Marmot Island  
7 Critical Habitat Area; and providing for an effective  
8 date."

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

10 \* Section 1. AS 16.20 is amended by adding a new section to read:

11 Sec. 16.20.630. MARMOT ISLAND CRITICAL HABITAT AREA. (a) The  
12 following land and water is designated as the Marmot Island Critical  
13 Habitat Area:

- 14 (1) Township 22 South, Range 15 West, Seward Meridian  
15 Section 19  
16 Sections 30 - 31
- 17 (2) Township 22 South, Range 16 West, Seward Meridian  
18 Section 36: E1/2SE1/4, E1/2W1/2SE1/4
- 19 (3) Township 23 South, Range 15 West, Seward Meridian  
20 Sections 6 - 7  
21 Section 18
- 22 (4) Township 23 South, Range 16 West, Seward Meridian  
23 Section 1: E1/2 E1/2, E1/2W1/2E1/2  
24 Section 12: E1/2E1/2, E1/2W1/2E1/2  
25 Section 13  
26 Section 14: E1/2E1/2E1/2NE1/4, E1/2E1/2L1/2N1/2-  
27 SE1/4, S1/2SE1/4  
28 Section 22: E1/2  
29 Sections 23 - 24

1 (5) the tideland and submerged land and water for a dis-  
2 tance of one and one-half miles seaward from the mean high tide line  
3 of the shoreline found on state land that is described in (1), (3),  
4 and (4) of this subsection; the boundary lines of the water described  
5 in this paragraph include the water of the state on the eastern shores  
6 of Marmot Island between lines extending

7 (A) one and one-half miles from the shoreline on a  
8 line extended northward from the boundary between Section 24,  
9 Township 22 South, Range 16 West, Seward Meridian and Section 19,  
10 Township 22 South, Range 15 West, Seward Meridian; and

11 (B) one and one-half miles from the shoreline on a  
12 line extended southward along the western boundary of Section 22:  
13 E1/2, Township 23 South, Range 16 West, Seward Meridian.

14 (b) The Marmot Island Critical Habitat Area is established to  
15 ensure the protection and enhancement of fish and wildlife habitat and  
16 populations, especially Steller sea lions.

17 (c) The commissioner shall report biennially to the legislature  
18 on the status of the Steller sea lions and the Marmot Island rook-  
19 eries. The land and water described in (a) of this section is closed  
20 to mineral entry under AS 38.05.185 - 38.05.275 until the Steller sea  
21 lion population is removed from threatened, endangered, and depleted  
22 species status under 16 U.S.C. 1531 - 1543.

23 (d) The commissioner shall allow historical, traditional, and  
24 public uses, including fishing, hunting, trapping, mechanized and  
25 nonmechanized public access, grazing, trading, firewood harvesting,  
26 wildlife viewing, hiking, and berry picking to the extent the activ-  
27 ities are compatible with the purposes for which the critical habitat  
28 area was established.

29 \* Sec. 2. AS 16.20.630, as enacted in sec. 1 of this Act, is repealed

1 July 1, 2005.

2 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

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**S B**

**546**

SENATE COMMITTEE REPORT  
FIRST COMMITTEE OF REFERRAL

DATE: 4/11/90

FURTHER:

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: \_\_\_\_\_

Resources Committee considered SB 546

Dept. of Natural Resources as the platting authority in certain areas of the state; efd.

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_  same title
- attached amendment(s)  new title
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

*[Signature]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

*Julius Sturgis No Rec*  
*Paul [unclear] No Rec*  
*Rick Halford NO REC*  
\_\_\_\_\_  
\_\_\_\_\_

*[Signature]*  
\_\_\_\_\_  
Chair: Signature and Recommendation

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

April 30, 1990

The Honorable Bettye Fahrenkamp  
Chair, Senate Resource Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

Subject: SB 546, An Act establishing the Department of Natural Resources (DNR) as the platting authority in certain areas of the state, and providing for an effective date.

Position: The department supports this legislation. There will be review time, clerical and supply costs, and minimal travel associated with exercising this authority.

Background: In the spring of 1988, then Commissioner of the Department of Natural Resources, Judith Brady, appointed a survey and mapping advisory board to investigate and make recommendations on platting problems in areas not presently under platting authority. This board reached the conclusions that all new subdivisions of land should be created by reference to a plat, (with exceptions for 40-acre and larger aliquot parts in surveyed sections) that each plat has certain fundamental information and signature requirements and that minimal monumentation should exist or be established for each subdivision. This legislation was developed at the request of the Surveying and Mapping Advisory Board to establish DNR as platting authority in all areas of the state presently lacking such authority and to establish minimal platting requirements to be adhered to in those areas. DNR is already the platting authority in those areas for purposes of replat and vacation activities.

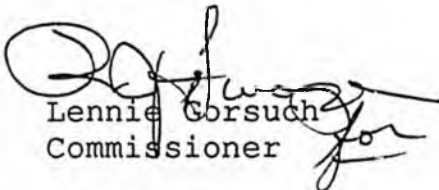
- \* The bill specifically prevents the institution of regulations requiring engineering, design, or zoning considerations by the platting authority. This will eliminate the need for public hearings except in the case of replats or vacations.

April 30, 1990

- \* This is public service legislation designed to fill a void in the land record system by assuring that plats are filed and to minimal standards.
- \* This legislation is substantially as presented to the Commissioner and she assured the advisory board she would support. We will have to assure this does not conflict with or alter AS 38.09 requiring DNR to pass title to homestead lands by aliquot part descriptions. Otherwise additional monumentation will be required.
- \* It will require the setting of additional aliquot part corners for unsurveyed aliquot part disposals creating more than five parcels within a section. The management staff feels small aliquot parts should not be created without denser monumentation, and there is currently a draft director's policy establishing this as DLWM policy already being considered.

Please contact me or my staff if you have any questions.

Sincerely,

  
Lennie Gorsuch  
Commissioner

Enclosure

cc: Bill Sponsor  
Committee Members  
Bob Evans, Legislative Liaison  
Office of the Governor  
Denby Lloyd, Special Staff Assistant  
Office of the Governor  
Gary Gustafson, Director  
Division of Land and Water Management

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION : SB 546  
PUBLISH DATE : \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: 27-Apr-90 Agency Affected: Natural Resources  
 Title: An Act establishing DNR as the BRU: Land & Water Mgmt  
plating authority in certain areas of the State.  
 Sponsor: Senate Resources Components: Land & Water Mgmt  
 Requestor: Senate Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	73.0	76.4	78.7	81.0	83.3	85.6
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	2.0	2.0	2.0	2.0	2.0	2.0
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	5.0	5.0				
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	87.1	89.9	87.2	89.5	91.8	94.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	87.1	89.9	87.2	89.5	91.8	94.1
FEDERAL FUNDS						
OTHER						
TOTAL	87.1	89.9	87.2	89.5	91.8	94.1

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME	1.0	1.0	1.0	1.0	1.0	1.0
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Jerome A. Pape Phone: 762-2424  
 Division: Land & Water Management Date: 27-Apr-90  
 Approved by Commissioner: [Signature] Dennie Gorsuch Date: 27-Apr-90  
 Agency: Department of Natural Resources

Distribution (by preparer) :  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Page 2  
SB 546

POSITIONS:		FY 91	FY 92
Cadastral Surveyor 1	1 PFT	59.2	61.0 -
Perform plat conformance reviews and serve as contact person for landowners and registered land surveyors			
Clerk Typist III	1 PPT	14.4	15.4
TOTAL		73.6	76.4
TRAVEL	5.0		
CONTRACTUAL	2.0		
COMMODITIES	1.5		
EQUIPMENT	5.0		

Position Title CLERK TYPIST III		No. of Positions 1	Range/Step 8A	Burg. Unit GGU
Time Status PPT	Staff Months 6	Location ANCHORAGE		Election District
<b>Justification</b>				
Position will support the statewide platting surveyor performing reviews and oversight work associated with statewide platting authority assigned to the Department of Natural Resources. Position will type, file, make transmittals, receive mail and handle public and surveyor inquiries on platting in areas that are under the DNR platting authority.				
Type of Expenditure		Amount		
1	2	3		
Salary				
Benefits				
Premium Pay				
Other				
Total Personal Services		14.4		
Travel				
Costs actual				
Commodities	Supplies	0.5		
Equipment				
Other				
Total Cost		14.9		
<b>Funding Source for Total Cost</b>				
Federal Receipts	1002			
G. P. Match	1003			
General Fund	1004	14.9		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency NATURAL RESOURCES  
 BRU LAND & WATER MGMT  
 Component \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

**FY 90**

Position Title CADASTRAL SURVEYOR I		No. of Positions 1	Range/Step 19C	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location ANCHORAGE		Election District
<b>Justification</b>				
Position performs work engendered by statewide platting authority statute.				
Position will review work of licensed professional land surveyors that are contracted to private land owners, and land surveyors subdividing lands for public agencies for compliance with the statewide platting authority statute.				
The statewide platting authority is a new program designed to fill a gap in the land record system and oversee platting of land subdivisions in areas lacking local platting authority.				
Type of Expenditure		Amount		
1	2	3		
Salary				
Benefits				
Premium Pay				
Other				
Total Personal Services		59.2		
Travel		5.0		
Contractual		2.0		
Commodities	Supplies	1.0		
Equipment	PC Workstation	5.0		
Other				
Total Cost		72.2		
<b>Funding Source for Total Cost</b>				
Federal Receipts	1002			
G. P. Match	1003			
General Fund	1004	72.2		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency NATURAL RESOURCES  
 BRU LAND & WATER MGMT.  
 Component \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_  
 Revised Date \_\_\_\_\_

**FY 90**

# Alaska Society of Professional Land Surveyors

AFFILIATE OF AMERICAN CONGRESS OF SURVEYING AND MAPPING  
MEMBER OF WESTERN FEDERATION OF PROFESSIONAL LAND SURVEYORS



PATRICK H. KALEN, PLS  
1641 Chena Ridge Rd.  
Fairbanks, AK 99709  
(907) 479-2628/2656

January 26, 1990

Department of Natural Resources  
Lennie Gorsuch, Commissioner  
Pouch M  
Juneau, AK 99811

Ref: Surveying and Mapping Advisory Board Recommendations

Dear Lennie:

As we have not had a response from you concerning the recommendations of the Surveying and Mapping Advisory Board, I suspect that the issues are perhaps more complex in their ramifications than we had surmised, and that you are taking a cautious approach to our ideas. Three recommendations are paramount:

- 1) The consolidation of the surveying, land title computer/geographical information systems, and mapping within a single state division.
- 2) The creation of a State Survey Authority within the Department of Natural Resources for the unorganized Borough.
- 3) The formalization of a Surveying and Mapping Advisory Board.

On the first item, the recommendation for the creation of a new Division of Cadastral and Geodetic Surveys: you have verbally indicated your reservations about the creation of a new division. I would like to point out that the functions of surveying and mapping could be recombined within one agency at no increase in overhead (cost). I would seriously recommend that the Division of Management be considered as the best division for such a consolidation.

The Division of Land and Water Management has just too many missions to take proper notice of surveying and mapping, in my opinion. You could combine all of the service functions in a very short time, removing the conflict between the primary missions of Land and Water Management and surveying and mapping. A conflict between management and the surveying and mapping functions would remain in the Division of Management. But at least surveying and mapping would be back together, as they should be. Future administrations could consider the importance

of the conflict between administrative and other missions by the Division of Administration.

The second recommendation entails the introduction of legislation, as outlined in the report. I would hope that you could support the introduction of a bill that is based on our model platting law. It is my understanding that the professional societies, Alaska Federation of Natives, and the state agencies are unified on the need and desirability of continuing with the State Survey Authority at this time.

The third recommendation is to continue the work of the Surveying and Mapping Advisory Board. It is my understanding that the trend is toward reduction of boards and commissions, a goal that I applaud. However, it is the mission of a board, not its simple existence that should be considered. I hope that the Board's work stands as evidence that its work serves an important purpose. The state got the equivalent of a month's work out of most of the people who worked on it, at no expense to the public.

The problems we have seen as a result of the separation of the surveying and mapping functions of DNR were a direct result of the budget crisis experienced by the Sheffield Administration; as you know well. But it would be difficult to state that the DNR reorganization actually resulted in saving money. Now, we hope that you can take steps to rectify the mistakes caused by the budget crisis of 1985 and 1986.

Thank you for listening to our views.

Sincerely yours,



Patrick Kalen, PLS  
Chairman of Legislative Affairs

Copy: Robert Schweitzer, Chair, Surveying & Mapping Advisory Board  
Tom Knox, ASPLS President  
Governor Steve Cowper  
Representative Niilo Koponen  
Representative Mike Davis  
Senator Bettye Fahrenkamp ✓  
Senator Steve Frank

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (307) 465-2400

March 5, 1990

Robert M. Schweitzer, Chairman  
Survey and Mapping Advisory Board  
5313 Arctic Boulevard, Suite 201  
Anchorage, AK 99518

Dear Mr. *Bob* Schweitzer:

I greatly appreciate the patience and understanding exhibited by you and other members of the Survey and Mapping Board as I deliberated in response to your November 3, 1989 recommendations. These have not been easy issues to resolve because they required careful internal review. Just the same, I sincerely apologize for the length of time necessary for this response.

As you know, on January 26, 1990, Pat Kalen, Chairman of Legislative Affairs for the Alaska Society of Professional Land Surveyors, also wrote to ask that I focus my response to the Board on three paramount recommendations. These three recommendations are listed below:

1. The consolidation of the surveying, land title computer/geographical information systems, and mapping within a single state division.
2. The creation of a State Survey Authority within DNR for the unorganized Borough.
3. The formalization of a Survey and Mapping Advisory Board.

On the first recommendation, I have reached the conclusion that the proposal to shift the Cadastral Survey Section from the Division of Land and Water Management (DLWM) to the Division of Management (DOM) would create more problems than it solves. As you know, most of the work performed by the survey section is directly related to DLWM's responsibilities (i.e. land disposals, leases, municipal land transfers, rights-of-way, title defense, and land selections). Given this close and interdependent relationship, this reorganization would decrease efficiency and require enhanced coordination. Frankly, I perceive no conflict

March 5, 1990

between the primary missions of DLWM and the department's survey functions. In fact, I consider them to be complementary.

I sense the Board is concerned with the specific roles and functions of the survey and mapping sections, and apparently believes there is a lack of communication between staff, a problem magnified because they reside in different divisions.

I agree that coordination efforts between these sections could improve. However, rather than reorganize, I have decided to immediately implement the following.

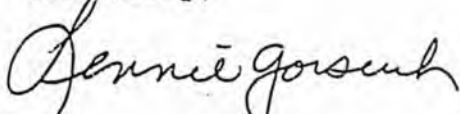
First, the Survey and Mapping Advisory Board shall be continued and include the directors of both DLWM and DOM. I further ask that these directors personally attend all future Board meetings. Second, the professional staff dealing with survey and mapping will meet regularly to explore mutual issues and improve communications.

I also firmly endorse the Board's recommendation for creation of a State Survey Authority for the unorganized Borough. I believe this proposal is long overdue and agree to help develop and support legislation as necessary to achieve this goal. It is high time the state established some control over new platting activity in the unorganized borough.

Finally, I endorse in general the recommendations of the Board pertaining to photogrammetric standards, centralized photogrammetric library, and agency coordination. My only reservations deal with funding allocations and timing. However, I believe we can work together to achieve these ends.

Bob, I thank you and the Board again for the considerable work you've contributed. If ever there was a prototype success story for a volunteer Board, you take the cake. I am deeply impressed and sincerely grateful. Although I can't implement all of the Board's recommendations, I intend to implement a good number of them. Thanks again for all your efforts!

Sincerely,



Lennie Torsuch  
Committee Member

Mr. Robert Schweitzer

-3-

March 5, 1990

cc: Governor Steve Cowper  
Senator Bettye Fahrenkamp  
Senator Steve Frank  
Representative Niilo Koponen  
Representative Mike Davis  
Gary Gustafson, Director, DLWM  
Sharon Barton, Director, DOM  
Survey and Mapping Advisory Board Members  
Tom Knox, ASPLS President

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

March 28, 1990

MAR 29 1990

The Honorable Bettye Fahrenkamp  
Alaska State Senator  
P.O. Box V  
Juneau, AK 99811


Dear Senator Fahrenkamp:

Governor Cowper asked that I respond to your recommendation regarding the consolidation of Cadastral Surveys, Land Records Information and Title and Contract Administration within the Division of Management of the Department of Natural Resources.

I have enclosed, for your information, a copy of my recent letter to Robert Schweitzer, Chairman of the Survey and Mapping Advisory Board. The letter describes my position on this matter and details several areas where I feel we might improve coordination and thereby resolve problems identified by the Board.

Please feel free to call me if you have any questions.

Sincerely,

  
Lennie Gorsuch  
Commissioner

Enclosure

cc: Governor Steve Cowper  
Patrick Kalen, Chair  
Survey and Mapping Advisory Board  
Jerome Pape, Secretary  
Survey and Mapping Advisory Board

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 22, 1990

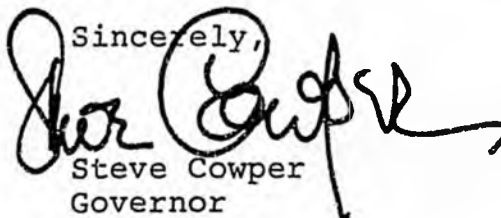
The Honorable Steve Frank  
Alaska State Senator  
P.O. Box V  
Juneau, AK 99811

Dear Steve,

Thanks for writing to me about combining the Cadastral Survey Section, the Land Records Information Section, and the Title and Contract Administration Section into one unit within the Department of Natural Resources (DNR). I appreciate suggestions that could save the State money and have asked DNR Commissioner Lennie Gorsuch to consider your request.

She advised me that she will review your recommendation and contact you directly concerning her response.

Thanks again for your letter.

Sincerely,  
  
Steve Cowper  
Governor

cc: Commissioner Lennie Gorsuch  
Senator Fahrenkamp  
Representative Sharp  
Representative Koponen  
Representative Boyer  
Representative Davis

go0190hE  
Bradley  
5/1/90

Original sponsor(s): Rules/Governor

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 424 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Anchor River and Fritz Creek  
7 Critical Habitat Area management plan; and providing  
8 for an effective date."

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

10 \* Section 1. AS 16.20.605(d) is amended to read:

11 (d) A management plan for the Anchor River and Fritz Creek  
12 Critical Habitat Area shall be adopted and may be revised [COMPLETED  
13 BY JULY 1, 1989,] by the Department of Fish and Game in consultation  
14 with the Department of Natural Resources under the Administrative  
15 Procedure Act (AS 44.62) [AND THE MANAGEMENT PLAN SHALL BE SUBMITTED  
16 TO THE LEGISLATURE FOR REVIEW. THE MANAGEMENT PLAN SHALL TAKE EFFECT  
17 WHEN APPROVED BY ACT OF THE LEGISLATURE]. The management plan shall  
18 reflect the concurrence of the Kenai Peninsula Borough as it applies  
19 to land committed by the borough to the Anchor River and Fritz Creek  
20 Critical Habitat Area.

21 \* Sec. 2. AS 16.20.605 is amended by adding new subsections to read:

22 (e) The department shall establish a citizens' advisory commit-  
23 tee to work with the department and advise on implementation and  
24 revisions of the management plan for the Anchor River and Fritz Creek  
25 Critical Habitat Area.

26 (f) Appointments to the citizens' advisory committee shall be  
27 recommended by the Kenai Peninsula Borough and shall include represen-  
28 tatives from

29 (1) industry and commercial users;

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(2) hunters, trappers, fishermen, cabin owners, and recreational users; and

(3) officials representing the Kenai Peninsula Borough.

\* Sec. 3. The management plan for the Anchor River and Fritz Creek Critical Habitat Area adopted by the Department of Fish and Game dated June 1989 is approved.

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

# Alaska State Legislature

## Senate Resources Committee

Senator Bettye Fahrenkamp, Chairman  
Senator Jay Kertula, Vice Chairman  
Senator Dick Ellason  
Senator Steve Frank  
Senator Rick Halford  
Senator Arliss Sturgulewski  
Senator Fred Zharoff



P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4907

February 6, 1990

Mr. Bill Horn  
Birch, Horton, Bittner and Cherot  
1127 W. 7th Avenue  
Anchorage, AK 99501

Dear Mr. Horn:


As you may know, the Senate and House Resources Committee will hold a joint hearing on Monday, February 12, 1990, at 1:30 - 3:30 p.m. for the purpose of hearing SB 422 and HB 448, relating to Big Game Guide-outfitting use areas. It would be beneficial to have you present to testify before the committee on constitutional implications and other technical legal issues pertaining to the Task Force on Guiding and Game actions since you provided legal counsel to the task force this past interim.

It is my understanding that you are willing to do so, and to meet with individual legislators to answer questions they may have on guide-outfitting and on another important matter before the legislature, subsistence. This is especially desirable since you previously held the position of Assistant Secretary, Fish and Wildlife and Parks, U.S. Department of the Interior, which could lend an historical perspective on this vitally important issue to Alaskans.

Please accept this letter as a letter of agreement for a total fee in the amount of \$1,000 to meet with legislators and testify before the joint hearing on Monday, February 12, as outlined above. In addition to the fee, I will request a travel authorization to provide you with air travel, hotel accommodations, and meals, in accordance with the level established by state travel policy.

I appreciate your willingness to provide assistance to the committee.

Sincerely,

  
Bettye Fahrenkamp  
Chairman

**S C R**

**5**

# Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:  
FINANCE  
VICE CHAIR —  
HEALTH EDUCATION  
& SOCIAL SERVICES  
BUDGET & AUDIT  
BANKING &  
ECONOMIC  
DEVELOPMENT

## MEMORANDUM

January 31, 1989

To: Senator Bettye Fahrenkamp

From: Senator Jim Duncan

Subject: Hearing for SCR 5, Encouraging citizen participation in state-wide beach cleanup

I would appreciate it if you could schedule a hearing on SCR 5 at your earliest convenience. My staff has provided the materials required for a hearing to your office.

I do not anticipate any opposition on this issue, it is simply a request for Alaskan citizens to get out and clean up our Alaskan Beaches. I sincerely doubt that it will take up an inordinate amount of committee time.

6-0465A  
Bannister  
1/11/89  
BY DUNCAN

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Encouraging citizen participation in  
6 state-wide beach cleanup and anti-  
7 dumping efforts.

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

9 WHEREAS lost and accidentally and purposely discarded plastic debris,  
10 including six-pack yokes, strapping bands, sheeting, packaging material,  
11 dunnage, bags, particles, pellets, fishing nets, fishing line, and related  
12 fishing gear, are annually killing at least an estimated 1,000,000 sea  
13 birds, 100,000 marine mammals, and untold numbers of sea turtles and fish  
14 by entanglement in the debris and ingestion of the debris; and

15 WHEREAS many of the fish and wildlife killed by the debris are resi-  
16 dent wildlife of the state, and some of this wildlife are listed as deplet-  
17 ed under the Marine Mammal Protection Act (16 U.S.C. 1361 - 1407), includ-  
18 ing the Steller's sea-lion and the northern fur seal, or endangered under  
19 the Endangered Species Act (16 U.S.C. 1531 - 1543), including the humpback  
20 whale, bowhead whale, and Aleutian Canada goose; and

21 WHEREAS plastic debris is generally persistent, durable, and nondegrad-  
22 able, and may last for hundreds of years or longer; and

23 WHEREAS plastic debris deposited on the state's beaches by tidal  
24 action, wind, waves, storms, and similar occurrences may also entangle  
25 wildlife, and future storms and high tides may wash the plastic back into  
26 the sea where it will continue its lethal effect, possibly for hundreds of  
27 years; and

28 WHEREAS, in addition to the problems plastic debris causes to wild-  
29 life, garbage-strewn beaches are aesthetically displeasing, discourage

3 tourism, and are costly to clean, and floating plastics also foul boat  
4 propellers, block cooling intake vents, snag fishing equipment, entangle  
5 submarines, and endanger divers; and

6 WHEREAS effective December 31, 1988, the Marine Plastic Pollution  
7 Research and Control Act of 1987 (33 U.S.C. 1901 - 1912) prohibits vessels  
8 from dumping plastics at sea and within the navigable waters of the state,  
9 although certain public vessels have five years in which to comply with  
10 this prohibition; and

11 WHEREAS enforcement by the United States Coast Guard of these anti-  
12 dumping provisions will be difficult, especially since the Coast Guard  
13 faces expanding responsibilities and a shrinking budget; and

14 WHEREAS the Marine Plastic Pollution Research and Control Act of 1987  
15 contains a provision allowing an informant, in the discretion of the court,  
16 to receive up to one-half of the penalty assessed against a violator of the  
17 Act;

18 BE IT RESOLVED that the Alaska State Legislature strongly encourages  
19 all residents of the state to participate in Coastweeks '89, a national  
20 beach cleanup effort involving many public and private groups concerned  
21 about the environment, by taking part in a June 1989 beach cleanup along  
22 the 36,000 miles of the state's accessible shoreline; and be it

23 FURTHER RESOLVED that the Alaska State Legislature encourages those  
24 citizens who witness possible violations of the plastics anti-dumping law  
25 to contact the Port Operations Department of their local United States  
26 Coast Guard Marine Safety Office and, where possible, to provide the Coast  
27 Guard with as much of the following information as possible about the  
28 occurrence: date, time, location, witnesses' names, ship or vessel's name  
29 and number, photographs, and a sample of the discarded plastic.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
BILL ANALYSIS

DEPARTMENT DEC	DIVISION Commissioner's Office	BILL NUMBER SCR 5	SPONSOR Senator Duncan
SHORT TITLE OF BILL Encouraging citizen participation in beach cleanup			
DEPARTMENT POSITION The department fully supports the resolution			
PREPARED BY Amy Kyle	DATE 1/23/89	COMMISSIONER'S SIGNATURE <i>A. D. Kyle</i>	DATE 1/24/89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

ANALYSIS OF BILL/PROGRAM EFFECTS

The resolution encourages Alaska residents to participate in beach cleanup activities to reduce the effects on wildlife of plastic wastes. The department recognizes the significance of the problem and endorses the Senator's actions toward solution.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

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

January 20, 1989

SUBJECT: Sectional analysis of W.O. 6-0465A  
TO: Senator Jim Duncan  
FROM: Theresa L. Bannister *TB*  
Legislative Counsel

You have requested a sectional analysis of the above described resolution.

As a preliminary matter, note that a sectional analysis or summary of a resolution should not be considered an authoritative interpretation of the resolution and the resolution itself is the best statement of its contents.

FIRST WHEREAS CLAUSE. Indicates that discarded plastic debris is killing over 1,100,000 sea birds, marine mammals, sea turtles, and fish each year.

SECOND WHEREAS CLAUSE. Indicates that many of the fish and wildlife killed by plastic debris are resident wildlife of the state which are depleted or endangered species under the Marine Mammal Protection Act and the Endangered Species Act.

THIRD WHEREAS CLAUSE. Indicates that plastic debris is durable and has a long life.

FOURTH WHEREAS CLAUSE. Indicates that plastic debris deposited on the state's beaches may entangle wildlife and may be washed back into the sea.

FIFTH WHEREAS CLAUSE. Indicates that garbage-strewn beaches are aesthetically unpleasant, discourage tourism, and are costly to clean, and that floating plastic debris fouls boat

propellers, blocks cooling intake vents, snags fishing equipment, entangles submarines, and endangers divers.

SIXTH WHEREAS CLAUSE. States that the Marine Plastic Pollution Research and Control Act of 1987 (MPPRCA) prohibits vessels from dumping plastics at sea and within the navigable waters of the state, and that certain public vessels have five years in which to comply with this prohibition.

SEVENTH WHEREAS CLAUSE. Declares that U.S. Coast Guard enforcement of the MPPRCA will be difficult due to the Coast Guard's shrinking budget and expanding responsibilities.

EIGHTH WHEREAS CLAUSE. Indicates that the MPPRCA allows a court to reward an informant with up to one-half of the penalty assessed against a violator of the MPPRCA.

FIRST RESOLVE CLAUSE. Declares that the Legislature strongly encourages state residents to participate in a June 1989 beach cleanup of the state's shoreline.

SECOND RESOLVE CLAUSE. Declares that the Legislature encourages state citizens who witness possible violations of the MPPRCA to contact the Coast Guard and to provide as much specific information as possible.

If I may be of further assistance, please advise.

TLB:lmb  
L6/152

January 19, 1989

Bill Summary for SCR 5, Encouraging citizen participation in state-wide beach cleanup and anti dumping efforts

This resolution recognizes the aesthetically unpleasing nature of plastic debris on Alaska's beaches, and the danger that this litter can cause to marine creatures and seabirds. Plastic debris poses a threat to vessels and divers and fishing gear as well. Since the Marine Plastic Pollution Research and Control Act went into effect on December 31, 1988 (33 USC 1901-1912), it is now illegal to dispose of plastics at sea.

The intention of this resolution is to encourage Alaska's citizens to participate in a State-wide beach cleanup effort to remove the large amount of plastics that litter our beaches. It is in the interest of all Alaskans that this resolution be acted upon by the Legislature.



**STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
BILL ANALYSIS**

DEPARTMENT DEC	DIVISION Commissioner's Office	BILL NUMBER SCR 5	SPONSOR Senator Duncan
SHORT TITLE OF BILL Encouraging citizen participation in beach cleanup			
DEPARTMENT POSITION The department fully supports the resolution			
PREPARED BY Amy Kyle	DATE 1/23/89	COMMISSIONER'S SIGNATURE <i>A. D. Kyle</i>	DATE 1/24/89

**SUMMARY**

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT:       NONE                       FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

**ANALYSIS OF BILL/PROGRAM EFFECTS**

The resolution encourages Alaska residents to participate in beach cleanup activities to reduce the effects on wildlife of plastic wastes. The department recognizes the significance of the problem and endorses the Senator's actions toward solution.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

**S C R**

**6**

SENATE COMMITTEE REPORT

FURTHER

RES  
FIN

2/2/89

DATE TURNED INTO OFFICE

2/3/89

Mr. President:

ITT

Committee considered

HCR 6

Supporting the development of coal mining at Wishbone Hill

and recommended

- replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

de pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

- FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Rick Halvord*  
 \_\_\_\_\_  
*Dorothy*  
 \_\_\_\_\_  
*Ch. [unclear]*  
 \_\_\_\_\_  
*Curtis [unclear]*  
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*Bettye Fabrenberg DePass*  
 \_\_\_\_\_  
 Chairman signature and recommendation

Committee Backup attached

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 6  
PUBLISH DATE:                     

FISCAL NOTE

REQUEST:

Revision Date: 2-Feb-89 Agency Affected: Natural Resources  
Title: Supporting the development of BRU: Mining Management  
coal mining at Wishbone Hill.  
Sponsor: Uehling,Szymanski,Kertulla,Jones,Halford,Kelly,Sturgulewski,Fiaks  
Requestor: Senate Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Larry Ostrovsky Phone: 465-2400  
Division: Commissioners Office Date: 2-Feb-89  
Approved by Commissioner: Lennie Gorsuch Date: 2-Feb-89  
Agency: Department of Natural Resources

Distribution (by preparer) :  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Attachments:

- A. Project Description
- B. Endorsements from the Matanuska-Susitna Borough
  - Resolution 88-199
  - Resolution 89-019
- C. Endorsement from the City of Palmer
  - Resolution 809
- D. Endorsement of the Greater Sutton Chamber of Commerce
  - Letter to Senator Szymanski
- E. Letter of Support from Usibelli Coal Mine, Inc.
- F. Support of the State Economic Recovery Committee
- G. Media Coverage
  - The Observer, Jan. 13, 1989

## WISHBONE HILL PROJECT

Wishbone Hill is a surface coal development project located in south central Alaska, approximately 45 miles northeast of Anchorage. The project consists of eight state coal leases that are 100 percent owned by Idemitsu Alaska, Inc., a subsidiary of Idemitsu Kosan Co., Ltd. Idemitsu Kosan is the largest independent oil company in Japan and is actively involved in coal development and mining activities world wide. They currently use coal in their oil refineries as well as supply coal, gas and oil to many of the Japanese power utilities.

Exploration and development work on the proposed Wishbone Hill surface coal mining project has been in progress since 1983. To date, approximately 150 exploration and development holes have been completed on the project area. Through this work, a surface mineable reserve of high quality bituminous coal sufficient for a 12 to 14 year mine life has been defined. The most recent feasibility study, completed in 1988, indicates that this coal can potentially compete internationally on a cost and quality basis.

The Wishbone Hill Project is one of the closest Free World sources of bituminous coal to the nations of the Pacific Rim. Compared to other Alaskan and international coals, substantial transportation advantages exist for the Wishbone Hill coal because of Alaska's proximity to the Pacific Rim, the project's easy access to the Alaskan rail and a new coal loadout terminal at the nearby port of Seward. Idemitsu Kosan is currently finalizing arrangements with Japanese power utilities which are scheduled to have new power generating units coming on-line in 1990 and 1991. Therefore, it is imperative that the Wishbone Hill Project be fully permitted and into production by 1991 to accommodate this market opportunity.

State wide, a great deal of support has been displayed for the project; however, a potential area of concern focuses on the coal truck transportation requirements. In order to mitigate this concern and facilitate the timely development of the project, the mine developers feel that a 12-mile section of the Glenn Highway should be upgraded even though it is not technically necessary for the proposed coal hauling activities. Recognizing that the Wishbone Hill coal must compete in a highly competitive international market, it is imperative that capital project costs be held to a minimum. To effectively create a viable project that will benefit both the private and public sectors, the mine developer cannot bear the full financial burden for upgrading a substandard public highway. Therefore, a mix of Federal, State and private funding will be necessary to complete the required upgrade work.

To date, project expenditures have exceeded 4.0 million dollars. This money has been used to define an economic coal reserve base and initiate permitting and detailed engineering activities. The current project schedule anticipates that all of the necessary permits and approvals will be secured by mid-1990 to accommodate a 1991 start-up. The mine, as currently envisioned, would produce approximately one million metric tons of clean coal per year. Employment at full production would consist of 130 full time jobs with an annual payroll of approximately ten million dollars per year.

MATANUSKA-SUSITNA BOROUGH

ASSEMBLY RESOLUTION SERIAL NUMBER 89-019AM

"A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH URGING THAT THE ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES DEVELOP AN EQUITABLE POLICY FOR FUNDING ROAD AND HIGHWAY PROJECTS IN WHICH THE STATE HAS A PRIMARY ECONOMIC DEVELOPMENT INTEREST."

WHEREAS, the Alaska Department of Transportation and Public Facilities administers Federal and State highway funding programs for the State; and

WHEREAS, adequate transportation infrastructure is a basic requirement in order to attract economic development projects and new investment; and

WHEREAS, Alaska does not have an adequate transportation infrastructure, particularly in the Matanuska-Susitna Borough; and

WHEREAS, the Matanuska-Susitna Borough and State of Alaska have attracted two very important economic development projects: the Hatcher Pass Ski Resort and Wishbone Hill Coal Mine; and

WHEREAS, the State roads providing access to these projects, Willow Fishhook (milepost 7 to milepost 14) and the Glenn Highway (milepost 35 to milepost 56) are substandard and have been substandard for many years; and

WHEREAS, the Willow Fishhook and Glenn Highway serve as major transportation corridors for the general public as well as regional and out-of-state tourists; and

WHEREAS, Alaska Department of Transportation and Public Facilities has proposed that the private sector firms developing the Hatcher Pass Ski Resort and the Wishbone Hill Coal Mine pay for a significant portion of the upgrades of these publicly used roadways; and

WHEREAS, it is inconsistent and poor business practice for the State of Alaska to aggressively seek foreign and out-of-state investors and then to expect these investors to fund a significant portion of the upgrade costs for substandard roads that are used by the general public; and

WHEREAS, the Alaska Department of Transportation and Public Facilities has proposed that the funds for the upgrades come from the previously approved upgrade of the Glenn Highway between Eklutna and Parks Highway; and

WHEREAS, other municipalities within the State have had accelerated road programs which have delayed road projects in the Matanuska-Susitna Borough and other areas of the State.

NOW, THEREFORE, BE IT RESOLVED: that the Assembly of the Matanuska-Susitna Borough believes improving publicly used substandard roads and developing an adequate transportation infrastructure is a fundamental role of the State and the Alaska Department of Transportation and Public Facilities; and

BE IT FURTHER RESOLVED: that the Assembly of the Matanuska-Susitna Borough believes that private sector firms should be charged for reasonable costs associated with their projects and not to bear significant a financial burden for upgrading roads that are already substandard; and

BE IT FURTHER RESOLVED: that the State of Alaska should have a consistent marketing approach that does not penalize new Alaskan investors by forcing them to significantly fund upgrades of substandard roads that are used by the general public; and

BE IT FURTHER RESOLVED: that the Assembly of the Matanuska-Susitna Borough believes that if private sector firms are being charged for significant portions of the projects then these private sector firms should be given the opportunity to design and manage the construction of the projects; and

BE IT FURTHER RESOLVED: that the Assembly of the Matanuska-Susitna Borough urges the State of Alaska to develop an accelerated road program for the Borough's economic development projects, especially the Hatcher Pass Ski Resort and the Wishbone Hill Coal Mine.

UNANIMOUSLY PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 17 day of January, 1989.

Linda Dahl  
Linda Dahl  
Borough Clerk

Dorothy A. Jones  
Dorothy A. Jones  
Mayor  
Matanuska-Susitna Borough

MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 88-199

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH  
SUPPORTING THE MINING OF COAL FROM THE WISHBONE HILL  
FIELD.

WHEREAS, Idemitsu Kosan Corporation of Japan proposes to develop and export coal from the Wishbone Hill Field in the Buffalo Mine to Eska area of the Matanuska-Susitna Borough; and

WHEREAS, the Borough is generally supportive of the mining industry; and

WHEREAS, this endeavor would broaden and diversify the Borough economy in a basic sector creating an estimated 180 basic jobs and an even larger number of jobs in the secondary sector; and

WHEREAS, the Borough currently suffers one of the highest unemployment rates in the State; and

WHEREAS, coal mining is a traditional industry in the Borough and qualified people are available locally to fill most, if not all, positions that would be needed to conduct this mining enterprise;

NOW THEREFORE, BE IT RESOLVED, that the Assembly of the Matanuska-Susitna Borough strongly supports the efforts of Idemitsu Kosan Corporation to develop the Wishbone Hill Coal Field; and

BE IT FURTHER RESOLVED, that the Borough urges Idemitsu Kosan Corporation to hire Borough residents in so far as practicable to conduct its operations.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 4th day of October, 1988.

Dorothy A. Jones  
Dorothy A. Jones, Mayor

ATTEST;

Joanne P. Schrock for  
Linda A. Dahl, Borough Clerk  
Linda Dahl

CITY OF PALMER, ALASKA

RESOLUTION NO. 809

A RESOLUTION SUPPORTING THE MINING OF COAL FROM WISHBONE HILL FIELD.

WHEREAS, Idemitsu Kosan has expressed an interest in reopening the coal mining operations in the Wishbone Hill area, and

WHEREAS, 1991 is the target date to begin shipment of coal from the Wishbone Hill area, and

WHEREAS, the initial outlook is for coal to be mined for a twelve year period, and

WHEREAS, the coal mining operation will employ approximately 180 personnel upon reaching full operation, and

WHEREAS, the thrust is for economic development both on the local and state level of government, and

WHEREAS, the need for cooperation and assistance from the State of Alaska is needed to assure the 1991 coal delivery date, and

WHEREAS, the transportation of the coal will be over the road and by rail to Seward for shipment to Japan, and

WHEREAS, part of the transportation package requires that the Glenn Highway be upgraded from south Palmer to Moose Creek, and

WHEREAS, financial participation from the State of Alaska and Idemitsu Kosan is needed for this vital segment of the transportation element.

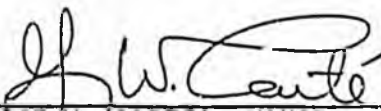
NOW, THEREFORE, BE IT RESOLVED that the City of Palmer urges the Alaska Railroad to establish reasonable rail transportation rates for the shipment of coal to Seward.

BE IT FURTHER RESOLVED that the State of Alaska participate in an equitable financing of the Glenn Highway upgrade which will be impacted by not only the increased coal hauling traffic but tourist traffic to Hatcher Pass as well.

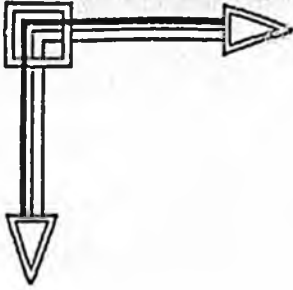
BE IT FURTHER RESOLVED that the State of Alaska provide an expeditious review of the permitting process which will assist Idemitsu Kosan to meet the 1991 deadline for beginning operations.

Publication of this Resolution shall be by posting a copy hereof on the City Hall bulletin board for a period of ten (10) days following its passage and approval.

Passed and approved by the City Council of the City of Palmer, Alaska, this 24<sup>th</sup> day of January, 1989.

  
\_\_\_\_\_  
GEORGE W. CARTE, MAYOR

\_\_\_\_\_  
DAVID L. SOULAK, CITY CLERK



Greater Sutton Chamber of Commerce  
PO Box 24  
Sutton, Alaska 99674  
Lynne Woods, President  
907745-4527

April 26, 1988

Senator Mike Szymanski  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, AK 99811

RE: Coal Development in the Sutton Area

Dear Senator Szymanski,

The Sutton Chamber of Commerce supports development of our coal resources. We have met with representatives and are in favor of their initial proposals for extraction and exportation methods. Our support, by no means, overrides our concerns for protection of the environment in the Moose Creek and Sutton areas.

We urge you to assist Hawley Resource Group and Idemitsu-Kosan in anyway that you can. They have begun the permitting process and we are in hopes of their positive decision to go ahead with the project in February 1989.

We fully realize special consideration by state and local government will need to be made on the increased use of the Glenn Highway from Palmer to Mile 54. Your attention in this area could also signal Hawley Resource Group and Idemitsu-Kosan that we are most interested in their capital investment.

Sincerely,

*Barbara Leppanen*

Barbara Leppanen  
Secretary/Sutton  
Chamber of Commerce

# USIBELLI COAL MINE, INC.

## MARKETING

122 First Avenue  
Suite 302  
Fairbanks, Alaska 99701  
(907) 452-2626  
FAX 451-6543

January 30, 1989

Senator Rick Uehling  
P.O. Box 7  
Juneau, AK 998810

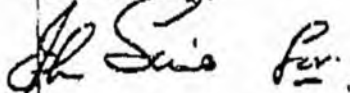
Dear Rick,

I am writing in support of the Wishbone Hill Project which is being pursued by Idemitsu Kosan near Palmer.

Attempts to foster expansion of Alaska's fledgling coal industry should be strongly supported by the Administration and the State Legislature. It is appropriate that such support be in the form of needed transportation infrastructure upgrading such as road improvements. Given the present embryonic stage of modern coal mining in Alaska it would also be appropriate for the legislature to review present rental, royalty and other tax rates with a view to improving the competitiveness of Alaska coal. Such analysis should also consider incentive measures which the state could develop to help the industry build critical mass and ultimately benefit from economics of scale which are vitally important to the competitiveness of the industry.

Usibelli Coal Mine enjoys a good working relationship with Idemitsu Kosan the prospective developer of Wishbone Hill Mine.

Sincerely,



Joe Usibelli, Jr.  
President  
Usibelli Coal Mine, Inc.

JU/me

STATE ECONOMIC RECOVERY COMMITTEE

Dear State Legislator:

The members of the State Economic Recovery Committee, over the last several months, have reviewed over 20 proposals from all regions of our great state. The attending committee members have unanimously selected 8 of these proposals for funding consideration by yourself and the Legislature.

Each of these projects has been analyzed in terms of 14 criteria that the Committee established as a basis for determining their support. It is our belief, after careful analysis of these projects, that the infrastructure funding requested from the State of Alaska will truly result in solid economic growth as the private sector utilizes these improvements to create or expand their operations, thus creating long-term jobs and a more stable tax base for both the local communities and the State of Alaska.

Enclosed are brief summaries of these projects, as well as the committee's policy statement and membership list. Not enclosed, but available as needed, is a wealth of data on each project, including engineering studies, market analysis, and letters and resolutions of support from both private firms and local governments.

Thank you for your consideration of these projects. Working together, we can achieve the diversification of our economy that will be a focus of legislative activity during the next session. We are available to assist you in any way.

Sincerely yours,

George M. Sullivan  
Co-Chairman

In Concurrence:

Mayor Dorothy Jones, Mat-Su Borough  
Mayor John Dapcevich of Sitka  
Polly Prchal, Manager City of Nome  
Phil Younker, Fairbanks  
Wilson Hughes, Enserch

Tom Friessen, Ketchikan  
Jerry Harmon, Eastwind Construction  
Wally Burnett, Fairbanks  
Malcomb Roberts, Commonwealth North

STATE ECONOMIC RECOVERY COMMITTEE

Project Review

Project Title: Wishbone Hill Coal Project - Road Upgrade

**DESCRIPTION:** The Matanuska-Susitna Borough is seeking funds for road improvements along 13 miles of the Glenn Highway north of Palmer. The road upgrade will help facilitate the development of the Wishbone Hill Coal Field. Idimitsu-Kosan, Inc., an international development corporation, has, since 1983, conducted exploration and feasibility studies and applied for mining permits for their proposed coal mine. The highway to the site entry road will be widened, and passing lanes added to ensure the efficiency of the increased heavy vehicle traffic that will be required in support of the development.

**GOVERNMENT INFRASTRUCTURE INVESTMENT:** The construction costs are estimated between \$1,500,000 and \$5,820,000. The Mat-Su Borough is willing to commit \$500,000 towards the costs, with the remainder of the funds sought from the State of Alaska through the Department of Transportation.

**PRIVATE SECTOR INVESTMENT:** Idimitsu-Kosan has already spent nearly \$3,000,000 in the preliminary stages of this project, and is prepared to commit another \$40-50,000,000 to develop a fully operational facility. The project is scheduled to commence production activity in mid 1991.

**EMPLOYMENT:** This venture will create an estimated 180 long term jobs, most of which can be accommodated by the Southcentral work force. This development should positively impact regional support industries, particularly the trucking, fuel and machinery supply sectors.

**COMMITTEE ANALYSIS:** The Committee felt that this project has the potential to be a major economic boost to the economically ailing Mat-Su Borough. The Borough government is aggressively pursuing viable public/private partnership ventures and it is paying dividends.

Other coal mining concerns within the Borough should not be negatively impacted as this proposed mine will be extracting a different quality of coal with different markets also identified.

The developer will bear all site operating, maintenance and reclamation costs, but the highway arterial servicing the site will remain a government maintenance cost. Such costs are more than accommodated by the expanded state and local tax benefits created by the Wishbone Hill Mining activity.

The Committee endorses the State infrastructure funding requested by the Mat-Su Borough as part of a multi-phase effort to revitalize and stabilize our State's economy.

# Japanese electricity from an Alaskan wishbone

by Mark Harris

Why would Japan's largest independent oil company spend up to \$70 million to open a small coal mine 50 miles east of Anchorage? There are a lot of reasons that make perfectly good sense to the Japanese. The nice part is they make good economic sense for Alaska too.

Idemitsu Kosan (IK for short) wants to mine about one million tons a year of bituminous coal from the hills above Sutton. This integrated energy conglomerate owns several oil refineries and is active in coal and other mining developments worldwide. It supplies coal, gas and oil to many of Japan's electric utilities.

IK is serious about this Alaska venture. Serious enough to buy out the lease interests of two American coal developers, to form a U.S. subsidiary called Idemitsu Alaska, Inc., to hire a project management firm and spend \$4 million on exploration and pre-development work.

During U.S.-Japan trade negotiations in 1988, Japanese utilities came under pressure to buy U.S. coal. This Alaska project, while small by international standards, is seen as a good business deal and good for U.S.-Japan trade relations.

In 1987 IK gained 100 percent equity interest in what has become known as the Wishbone Hill Coal Project. The firm has been increasing its marketing efforts ever since. Existing electrical generating plants and those under construction in Japan are designed to use bituminous coal. So a long-term market is not a problem. Breaking into that market with Alaska coal is another matter.

Australia supplies 70 percent of Japan's coal along with South Africa and Columbia. Japan wants to diversify its sources. The Alaska project would come on line just as new coal-fired plants are ready for service in 1991.

Coal shipped from the Suncel Coal Terminal in Seward would have about four days fewer transport time than Australian coal. Seward is about 3,000 miles from Japan's main industrial ports — about 1,000 miles closer than Australia shipping points. Since shipping costs account for about 15 percent of coal costs, this presents a market advantage.

The advantage holds up when comparing Wishbone coal to bituminous coal from the western U.S. as well. Rail

costs to tidewater eat up what little distance advantage west coast terminals have over Alaska.

By international and Lower 48 standards this is a small project. Two mines in Wyoming alone produce 33 million



"If the railroad stays with its initial quotes, the project will simply go away," says David Germer. Mark Harris Photo.

tons a year. However, put in a more relevant context, Wishbone is quite large. Idemitsu currently imports about 6 million tons of coal annually for its own refineries and for power utility customers. At 1 million tons per year, the Wishbone project would hold a considerable share of new market

sources.

Wishbone Hill is noted for hard, dry bituminous coal. It burns at about 11,500 Btu and holds 6-9 percent moisture, according to David Germer, project manager for IK's Alaska engineering representative McKinley Mining Consultants, Inc. Germer is a former employee of Union Pacific Resources, a subsidiary of Union Pacific Railroad, which has been involved in the project since the early 1980s.

The Wishbone coal is expected to bring a slight premium over Australian coal. "Japanese power plant boilers are geared to use just this type of coal," Germer said. It is lower in sulfur and nitrogen than competitors' product. This makes it all the more attractive to environmentally conscious Japanese utilities, says Germer.

He tells of giant power plants surrounded by residential areas in Japan's cities. The plants are immaculately clean and feature elaborate landscaping so as to be pleasing to the eye and blend into the neighborhoods. Coal moves by trucks with hydraulically operated covers and in fully enclosed conveyor systems to eliminate dust problems.

IK has not given the final go-ahead for this project and may not for months. Feasibility studies are still ongoing. The company has yet to receive its first firm coal supply contract from utility customers but officials say there is strong interest. Some important factors remain up in the air that could tip the project over the edge of economic feasibility.

While this Alaska coal has the quality to demand a premium, it must still be priced competitively with coal from foreign producers. The base price of Australian coal is \$36.65 per metric ton f.o.b. (free on board ship). Feasibility studies have yielded a preliminary pricing number for Wishbone coal — but that's confidential.

A major consideration is in-state transportation fees. IK and the Alaska Railroad have yet to negotiate a haul rate. The railroad has submitted a proposal for haulage rates that may apply for an 80-car train as frequently as every other day.

Of the rail costs, Germer said preliminary figures quoted

by the Alaska Railroad could bump the project out of feasibility range. Unofficial sources say the railroad wanted haulage fees in the same range as Usibelli Mine pays for coal hauled 358 miles from Healy to Seward. By comparison, Wishbone Hill coal would travel some 156 miles by rail. "Hopefully, we will be able to negotiate a fee proportional to the distance our coal is hauled compared to Usibelli coal," Germer said. "Also, we will be shipping up to 300,000 more tons per year than is Usibelli. So maybe we could get a better rail rate on a per-ton basis. If the railroad stays with its initial quotes, the project will simply go away."

ARR vice president Richard Knapp said, "You can't make a straight line comparison on distance alone. There are considerable fixed costs in equipment, maintenance, crews, fuel, etc. that apply regardless of the distance factor. The variable costs are not that big a part of the equation."

Other transportation costs come with contract agreements and load-out fees with Suncel Alaska, Inc., owner of the Seward coal terminal.

As for the highway transportation of coal to a railhead, it would be most economical for IK to use trucks pulling tandem trailers. Without an upgrade of a portion of the Glenn Highway, this would be prohibited. Single-trailer trucks can be used on the existing road but that means more trucks, more trips and more cost tacked onto an already tightly structured project.

Other major costs are those associated with land reclamation, labor and environmental stipulations. Developers in Alaska have little control over such costs and they eat into any geographic edge Alaska enjoys over other international coal marketers to the Pacific Rim.

"Almost a third of our cost is in reclamation. Australia and other international competitors don't have this cost," Germer said.

Labor is no small consideration, especially if an employer is to pay more than lip service to local-hire commitments. The Wishbone project will employ about 180 full time workers. It will have an annual payroll exceeding \$10 million.

## Heart of a historic coal district

by Mark Harris

Coal was mined from the Wishbone Hill area from 1916 to 1968. Coal from the old Jonesville Mine was used by the Alaska Railroad until equipment converted to diesel. Anchorage military bases used the coal until the early 1960s when conversion to newly discovered Cook Inlet gas took place.

As local markets dried up, there was no incentive to find new ones because it was believed all the surface mineable coal had been extracted. When the Evan Jones operation shut down in 1968, all the coal deposits that could be easily seen had been worked.

In 1982, Chuck Hawley began studying the geological material and determined

that more coal was waiting just under the gravel deposited by receding glaciers. The joint venture between Hawley Resource Group and Union Pacific Resources came about in 1983 to develop four lease blocks in the western portion of the district.

Union Pacific acquired three more coal leases in a 1985 state competitive lease sale and exploration continued. The next year, Union Pacific invited IK to joint venture in an exploration program in the eastern lease area. IK gain 50 percent equity interest in the exploration effort in early 1987. Another sliver of mineable coal was confirmed outside existing lease areas and the state of Alaska was asked to hold an-

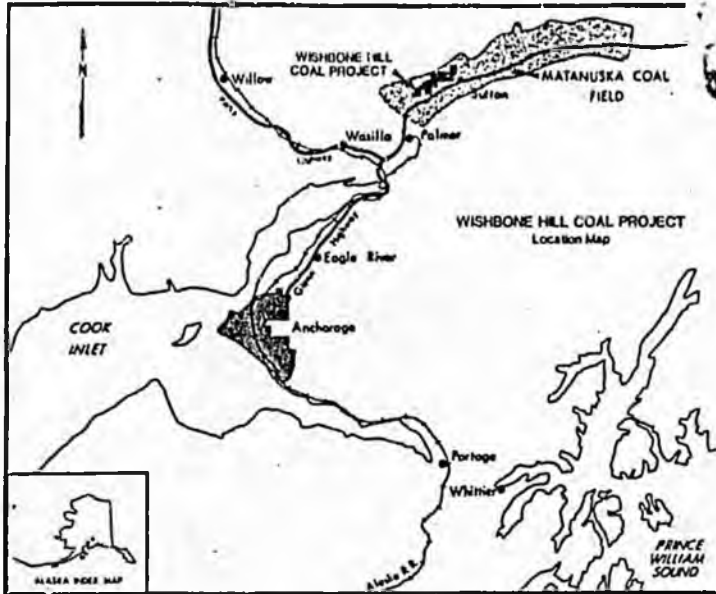
other lease sale. This took place in mid-year and the joint venture partnership gained an eighth lease block for a total of 2.5 sections of land.

About the same time, Union Pacific underwent a management change. A new CEO had plans to take the company in another direction. All the holdings were offered to Idemitsu Kosan. Exploration results were encouraging. A preliminary feasibility study indicated the economics looked good and a market study showed the hard, bituminous coal would sell in Japan. So IK gained 100 percent equity in the entire Wishbone Hill lease holdings.

**"IK is serious about the Alaskan venture. Serious enough to spend \$4 million on exploration and pre-development work."**



*Jim Helling (center), manager of permitting for McKinley Mining Consultants, Inc. discusses planning for the Wishbone Hill project with McKinley's project manager, David Gemmer and Engineering Manager, Fred Mirkonjich. Mark Harris Photo.*



The unitary tax is another factor. It is an accounting formula for determining how much of a corporation's income can be taxed by a state. In Alaska, it applies to the U.S. subsidiary of a foreign parent company. It allows state officials to see the books of Outside investors. This alone has prompted some Oriental firms to turn away from Alaska investments altogether. Gov. Steve Cowper has come out in favor of a "water's edge" method of applying the tax whereby U.S. subsidiaries of foreign companies are exempt.

Germer emphasizes that this project must stand on its own economic merit. "This is not political coal and this project is not a bone being thrown to the U.S. and Alaska for the sake of trade relations. Idemitsu Kosan is an independent company that, unlike a quasi-governmental entity, must live or die by the bottom line. At the same time, it is a major, broad based energy conglomerate with considerable resources behind this project. If this project falls through, it will be because of economic, not political reasons."

#### Mining Plan

IK will use a shovel-and-truck method rather than a massive dragline such as the Usibelli operation uses. The Wishbone area features numerous thin layers of coal that demand equipment flexible enough to get at all the reserve. IK may use three large hydraulic excavators for overburden removal and coal loading. End-dump trucks would

haul the coal to a nearby wash plant, which essentially removes a layer of shale.

The area presents few environmental problems, according to Jim Helling, McKinley's environmental and permitting manager. The mine site is on high ground and features a tight bedrock that precludes much ground water seepage into the pits. There are essentially no wetlands and surface water runoff can be easily handled, Helling said. Also, dust and emissions from any handling, testing and washing operations will be well within established standards.

#### Transportation Plan

From a washing plant at the mine site, highway-legal tandem-trailer trucks would travel a two-mile access road to the Glenn Highway then some 12 miles to a storage-loading area west of Palmer. IK is negotiating with ALAGCO for a holding area in that company's gravel pit just off the Glenn Highway. The coal would be stored below ground level, out of sight and out of the wind. Coal would be conveyed into rail cars. It looks like two full trains per week will be needed, Germer said.

From Seward, coal would be loaded onto 60,000 to 70,000 dwt ships for a 10-day trip to Okido or Tokyo terminals. Shipping time from Australia is 14 days. IK is now considering the construction of a new ship for the Alaska coal trade.

#### Not A New Project

It all started in 1982 when management at Union Pacific

Railroad was hot to cash in on exporting energy resources to the Pacific Rim. A subsidiary, Union Pacific Resources, saw an opportunity to market coal to Japan by 1991, when it was determined "a window of opportunity" would open up.

A joint venture was formed with Chuck Hawley, well known for his years of minerals expertise in Alaska. It was helpful that Hawley Resource Group held options on four state coal leases in the Wishbone Hill area near Sutton.

After a year of exploratory drilling and testing, an 11-million-ton surface mineable coal deposit was announced. That grew by 25 percent after further exploration in 1984. The group gained three more state leases that year and talk of a mine-mouth power plant started. The idea was shelved as Alaska's economy went on the skids in 1985.

#### Mat-Su Borough Likes It

The Matanuska-Susitna Borough is doing a social impact study on the project. Officials expect to see some spin-off economic benefits in addition to more than 150 jobs for borough residents. There would be economic benefits through the sale of fuel, tires, parts, gravel, explosives and food supplies, and all manner of services.

Some consideration has been given to writing job descriptions and required qualifications a year in advance of mine start up. This would allow time for job applicants to get training in the various fields. Truck drivers, heavy equipment operators and mechanics

will be in high demand. Public sentiment toward the project is generally positive. In a region plagued with double digit unemployment rates for most of the 1980s, the prospect for up to 180 jobs is welcome news.

Mat-Su officials would like to see a million tons of coal per year shipped out of a borough owned port proposed for Point MacKenzie. That would require about a 18-mile rail spur and a coal loading facility at the port.

The Alaska Railroad would be glad to construct a rail line to the port if somebody else comes up with the money. That isn't likely to be IK. Financing railroad construction at today's cost of about \$1 million a mile isn't economic for a \$50 million to \$60 million mining operation with a 12-14-year lifespan.

As soon as IK started making serious mine development noises, borough and state people started thinking about rebuilding a rail line to Sutton on an old right-of-way still owned by the railroad. The public took to the rail concept as opposed to truck transport of the coal. However, environmental considerations, a construction timetable of five years and high costs all but killed the rail idea by late 1988. Alaska Railroad vice president R. J. Knapp said to expect a \$20-million price tag for the 13-mile extension from Palmer to Sutton. This alone puts it out of financial feasibility for IK.

The project remains feasible, however, with trucks hauling tandem belly-dump trailers 12 miles to an existing loading facility on the Glenn

Highway west of Palmer.

Palmer residents concerned about heavy trucks rumbling past town at all hours has been mollified by assurances of careful scheduling and the lure of a multi-million dollar upgrade of the Glenn Highway between Sutton and the loadout facility. This would include greater pavement thickness, road widening, turn pockets at intersections, climbing lanes on hills and special signage. IK has indicated it would supply a sanding truck for use when road conditions warrant.

The Glenn Highway upgrade is not part of the Department of Transportation's current six-year plan. Funding this project would likely delay or bump another off the books. A preliminary DOT report puts the highway upgrade at \$9.075 million. Idemitsu Kosan is being asked to fund \$3.4 million of that.

Such a project would create more jobs and vastly improve the worst stretch of a major tourist and commerce route. Project backers feel the highway upgrade will surely be funded and built at some point if IK decides to start mining the leases.

Some federal money would come by convincing the Federal Highway Administration to extend a Glenn Highway project already slated for 1991. DOT officials say the agency seems receptive to the idea. A request for \$1 million in state general funds is pending as well.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 6  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: 2-Feb-89 Agency Affected: Natural Resources  
 Title: Supporting the development of BRU: Mining Management  
coal mining at Wishbone Hill.  
 Sponsor: Uehling,Szymanski,Kertulla,Jones,Halford,Kelly,Sturgulewski,Fiaks  
 Requestor: Senate Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Larry Ostrovsky Phone: 465-2400  
 Division: Commissioners Office Date: 2-Feb-89  
 Approved by Commissioner: Lennie Gorsuch Date: 2-Feb-89  
 Agency: Department of Natural Resources

Distribution (by preparer) :  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

## BRIEFING PAPER

WISHBONE HILL COAL DEVELOPMENT/  
GLENN HIGHWAY IMPROVEMENTS  
MILEPOST 35-56

January 31, 1989

A reconnaissance study which evaluated the Glenn Highway improvements related to the development of the Wishbone Hill Coal Mine was forwarded to the mine developers on December 21. A meeting was held on January 12 between representatives of McKinley Mining Consultants, Idemitsu Kosan Co. Ltd., Alaska Industrial Development and Export Authority, and the department to discuss these improvements and the mine development. This meeting was very positive and a close working relationship is anticipated between the mine developers and the department. At the present time, this proposed coal mine development appears to be viable and proceeding in a manner which indicates the project will begin operation in late 1991 as proposed by the developers.

A meeting between the department and the FHWA was held on January 23 and 24 to review and conduct a field survey of the Glenn Highway improvements associated with this coal mine. The cost estimate for the Glenn Highway safety and capacity improvements desirable to accommodate the coal haul operation associated with this mine development is estimated to range between \$9-10 million. If a decision is made to proceed with the development of the Glenn Highway improvements on a schedule corresponding to the extent possible with the beginning of coal haul operations in mid to late 1991, the highway improvement construction phase funding should be programmed in FFY'90 or FFY'91.

Other projects which may need to be delayed to accommodate this funding change should be identified, reviewed and tentatively approved prior to meeting with the mine developers to conceptually agree on a course of action for financing and scheduling the highway improvements. The next meeting with the mine developers on this project is proposed for the middle of February to achieve conceptual agreement on financing and scheduling road improvements. We expect to know by this meeting what aspects of the Glenn Highway improvements associated with this proposed coal haul activity the FHWA is willing to participate in financing.

By late February, Central Region will have recommendations developed regarding the budget adjustments necessary to accommodate the inclusion of the Glenn Highway improvements associated with this project. Prior to formalizing any budget modifications to accommodate these highway improvements, an agreement regarding cost sharing needs to be approved by the department and the mine developers. Once agreement has been reached between the department and the mine developers and Central Region's recommended budget modifications have been reviewed and approved by the Commissioner, the necessary CIP budget adjustment documents will be forwarded for inclusion in the Governor's budget. This is expected to be accomplished by early March.

The following schedule summarizes the actions anticipated in the immediate future to address the Glenn Highway improvements:

Briefing Paper  
Page 2

January 23-24	Meeting with FHWA to review the proposed highway improvements.
Early February	Central Region develops draft budget modifications for the Commissioner's review to accommodate the highway improvements.
Mid-February	Meet with mine developers to achieve conceptual agreement on financing highway improvements.
Early March	Formal agreement on highway improvement financing developed and approved by the department and the mine developers.
Early March	Budget modifications forwarded to the Governor's Office.

RM:kc

# Japanese electricity from an Alaskan wishbone

by Mark Harris

Why would Japan's largest independent oil company spend up to \$70 million to open a small coal mine 50 miles east of Anchorage? There are a lot of reasons that make perfectly good sense to the Japanese. The nice part is they make good economic sense for Alaska too.

Idemitsu Kosan (IK for short) wants to mine about one million tons a year of bituminous coal from the hills above Sutton. This integrated energy conglomerate owns several oil refineries and is active in coal and other mining developments worldwide. It supplies coal, gas and oil to many of Japan's electric utilities.

IK is serious about this Alaska venture. Serious enough to buy out the lease interests of two American coal developers, to form a U.S. subsidiary called Idemitsu Alaska, Inc., to hire a project management firm and spend \$4 million on exploration and pre-development work.

During U.S.-Japan trade negotiations in 1988, Japanese utilities came under pressure to buy U.S. coal. This Alaska project, while small by international standards, is seen as a good business deal and good for U.S.-Japan trade relations.

In 1987 IK gained 100 percent equity interest in what has become known as the Wishbone Hill Coal Project. The firm has been increasing its marketing efforts ever since. Existing electrical generating plants and those under construction in Japan are designed to use bituminous coal. So a long-term market is not a problem. Breaking into that market with Alaska coal is another matter.

Australia supplies 70 percent of Japan's coal along with South Africa and Columbia. Japan wants to diversify its sources. The Alaska project would come on line just as new coal-fired plants are ready for service in 1991.

Coal shipped from the Suncel Coal Terminal in Seward would have about four days fewer transport time than Australian coal. Seward is about 3,000 miles from Japan's main industrial ports — about 1,000 miles closer than Australia shipping points. Since shipping costs account for about 15 percent of coal costs, this presents a market advantage.

The advantage holds up when comparing Wishbone coal to bituminous coal from the western U.S. as well. Rail

costs to tidewater eat up what little distance advantage west coast terminals have over Alaska.

By international and Lower 48 standards this is a small project. Two mines in Wyoming alone produce 33 million



"If the railroad stays with its initial quotes, the project will simply go away," says David Germer. Mark Harris Photo.

tons a year. However, put in a more relevant context, Wishbone is quite large. Idemitsu currently imports about 6 million tons of coal annually for its own refineries and for power utility customers. At 1 million tons per year, the Wishbone project would hold a considerable share of new market

sources.

Wishbone Hill is noted for hard, dry bituminous coal. It burns at about 11,500 Btu and holds 6-9 percent moisture, according to David Germer, project manager for IK's Alaska engineering representative McKinley Mining Consultants, Inc. Germer is a former employee of Union Pacific Resources, a subsidiary of Union Pacific Railroad, which has been involved in the project since the early 1980s.

The Wishbone coal is expected to bring a slight premium over Australian coal. "Japanese power plant boilers are geared to use just this type of coal," Germer said. It is lower in sulfur and nitrogen than competitors' product. This makes it all the more attractive to environmentally conscious Japanese utilities, says Germer.

He tells of giant power plants surrounded by residential areas in Japan's cities. The plants are immaculately clean and feature elaborate landscaping so as to be pleasing to the eye and blend into the neighborhoods. Coal moves by trucks with hydraulically operated covers and in fully enclosed conveyor systems to eliminate dust problems.

IK has not given the final go-ahead for this project and may not for months. Feasibility studies are still ongoing. The company has yet to receive its first firm coal supply contract from utility customers but officials say there is strong interest. Some important factors remain up in the air that could tip the project over the edge of economic feasibility.

While this Alaska coal has the quality to demand a premium, it must still be priced competitively with coal from foreign producers. The base price of Australian coal is \$36.65 per metric ton f.o.b. (free on board ship). Feasibility studies have yielded a preliminary pricing number for Wishbone coal — but that's confidential.

A major consideration is in-state transportation fees. IK and the Alaska Railroad have yet to negotiate a haul rate. The railroad has submitted a proposal for haulage rates that may apply for an 80-car train as frequently as every other day.

Of the rail costs, Germer said preliminary figures quoted

by the Alaska Railroad could bump the project out of feasibility range. Unofficial sources say the railroad wanted haulage fees in the same range as Usibelli Mine pays for coal hauled 358 miles from Healy to Seward. By comparison, Wishbone Hill coal would travel some 156 miles by rail. "Hopefully, we will be able to negotiate a fee proportional to the distance our coal is hauled compared to Usibelli coal," Germer said. "Also, we will be shipping up to 300,000 more tons per year than is Usibelli. So maybe we could get a better rail rate on a per-ton basis. If the railroad stays with its initial quotes, the project will simply go away."

ARR vice president Richard Knapp said, "You can't make a straight line comparison on distance alone. There are considerable fixed costs in equipment, maintenance, crews, fuel, etc. that apply regardless of the distance factor. The variable costs are not that big a part of the equation."

Other transportation costs come with contract agreements and load-out fees with Suncel Alaska, Inc., owner of the Seward coal terminal.

As for the highway transportation of coal to a railhead, it would be most economical for IK to use trucks pulling tandem trailers. Without an upgrade of a portion of the Glenn Highway, this would be prohibited. Single-trailer trucks can be used on the existing road but that means more trucks, more trips and more cost tacked onto an already tightly structured project.

Other major costs are those associated with land reclamation, labor and environmental stipulations. Developers in Alaska have little control over such costs and they eat into any geographic edge Alaska enjoys over other international coal marketers to the Pacific Rim.

"Almost a third of our cost is in reclamation. Australia and other international competitors don't have this cost," Germer said.

Labor is no small consideration, especially if an employer is to pay more than lip service to local-hire commitments. The Wishbone project will employ about 180 full time workers. It will have an annual payroll exceeding \$10 million.

## Heart of a historic coal district

by Mark Harris

Coal was mined from the Wishbone Hill area from 1916 to 1962. Coal from the old Jonesville Mine was used by the Alaska Railroad until equipment converted to diesel. Anchorage military bases used the coal until the early 1960s when conversion to newly discovered Cook Inlet gas took place.

As local markets dried up, there was no incentive to find new ones because it was believed all the surface mineable coal had been extracted. When the Evan Jones operation shut down in 1968, all the coal deposits that could be easily seen had been worked.

In 1982, Chuck Hawley began studying the geological material and determined

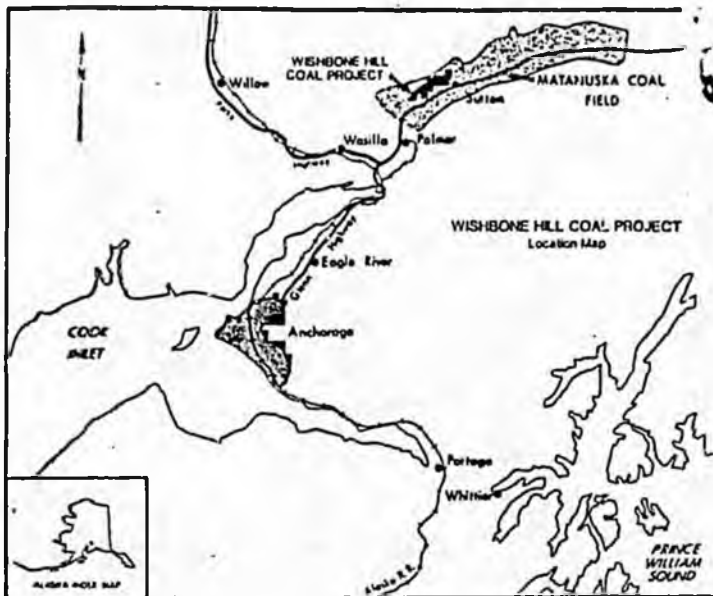
that more coal was waiting just under the gravel deposited by receding glaciers. The joint venture between Hawley Resource Group and Union Pacific Resources came about in 1983 to develop four lease blocks in the western portion of the district.

Union Pacific acquired three more coal leases in a 1985 state competitive lease sale and exploration continued. The next year, Union Pacific invited IK to joint venture in an exploration program in the eastern lease area. IK gain 50 percent equity interest in the exploration effort in early 1987. Another sliver of mineable coal was confirmed outside existing lease areas and the state of Alaska was asked to hold an-

other lease sale. This took place in mid-year and the joint venture partnership gained an eighth lease block for a total of 2.5 sections of land.

About the same time, Union Pacific underwent a management change. A new CEO had plans to take the company in another direction. All the holdings were offered to Idemitsu Kosan. Exploration results were encouraging. A preliminary feasibility study indicated the economics looked good and a market study showed the hard, bituminous coal would sell in Japan. So IK gained 100 percent equity in the entire Wishbone Hill lease holdings.

"IK is serious about the Alaskan venture. Serious enough to spend \$4 million on exploration and pre-development work."



Jim Helling (center), manager of permitting for McKinley Mining Consultants, Inc. discusses planning for the Wishbone Hill project with McKinley's project manager, David Gemmer and Engineering Manager, Fred Mrkonjich. Mark Harris Photo.

The unitary tax is another factor. It is an accounting formula for determining how much of a corporation's income can be taxed by a state. In Alaska, it applies to the U.S. subsidiary of a foreign parent company. It allows state officials to see the books of Outside investors. This alone has prompted some Oriental firms to turn away from Alaska investments altogether. Gov. Steve Cowper has come out in favor of a "water's edge" method of applying the tax whereby U.S. subsidiaries of foreign companies are exempt.

Gemmer emphasizes that this project must stand on its own economic merit. "This is not political coal and this project is not a bone being thrown to the U.S. and Alaska for the sake of trade relations. Idemitsu Kosan is an independent company that, unlike a quasi-governmental entity, must live or die by the bottom line. At the same time, it is a major, broad based energy conglomerate with considerable resources behind this project. If this project falls through, it will be because of economic, not political reasons."

#### Mining Plan

IK will use a shovel-and-truck method rather than a massive dragline such as the Usibelli operation uses. The Wishbone area features numerous thin layers of coal that demand equipment flexible enough to get at all the reserve. IK may use three large hydraulic excavators for overburden removal and coal loading. End-dump trucks would

haul the coal to a nearby wash plant, which essentially removes a layer of shale.

The area presents few environmental problems, according to Jim Helling, McKinley's environmental and permitting manager. The mine site is on high ground and features a tight bedrock that precludes much ground water seepage into the pits. There are essentially no wetlands and surface water runoff can be easily handled, Helling said. Also, dust and emissions from any handling, testing and washing operations will be well within established standards.

#### Transportation Plan

From a washing plant at the mine site, highway-legal tandem-trailer trucks would travel a two-mile access road to the Glenn Highway then some 12 miles to a storage-loading area west of Palmer. IK is negotiating with ALAGCO for a holding area in that company's gravel pit just off the Glenn Highway. The coal would be stored below ground level, out of sight and out of the wind. Coal would be conveyed into rail cars. It looks like two full trains per week will be needed, Gemmer said.

From Seward, coal would be loaded onto 60,000 to 70,000 dwt ships for a 10-day trip to Okido or Tokyo terminals. Shipping time from Australia is 14 days. IK is now considering the construction of a new ship for the Alaska coal trade.

#### Not A New Project

It all started in 1982 when management at Union Pacific

Railroad was hot to cash in on exporting energy resources to the Pacific Rim. A subsidiary, Union Pacific Resources, saw an opportunity to market coal to Japan by 1991, when it was determined "a window of opportunity" would open up.

A joint venture was formed with Chuck Hawley, well known for his years of minerals expertise in Alaska. It was helpful that Hawley Resource Group held options on four state coal leases in the Wishbone Hill area near Sutton.

After a year of exploratory drilling and testing, an 11-million-ton surface mineable coal deposit was announced. That grew by 25 percent after further exploration in 1984. The group gained three more state leases that year and talk of a mine-mouth power plant started. The idea was shelved as Alaska's economy went on the skids in 1985.

#### Mat-Su Borough Likes It

The Matanuska-Susitna Borough is doing a social impact study on the project. Officials expect to see some spin-off economic benefits in addition to more than 150 jobs for borough residents. There would be economic benefits through the sale of fuel, tires, parts, gravel, explosives and food supplies, and all manner of services.

Some consideration has been given to writing job descriptions and required qualifications a year in advance of mine start up. This would allow time for job applicants to get training in the various fields. Truck drivers, heavy equipment operators and mechanics

will be in high demand. Public sentiment toward the project is generally positive. In a region plagued with double digit unemployment rates for most of the 1980s, the prospect for up to 180 jobs is welcome news.

Mat-Su officials would like to see a million tons of coal per year shipped out of a borough owned port proposed for Point MacKenzie. That would require about a 18-mile rail spur and a coal loading facility at the port.

The Alaska Railroad would be glad to construct a rail line to the port if somebody else comes up with the money. That isn't likely to be IK. Financing railroad construction at today's cost of about \$1 million a mile isn't economic for a \$50 million to \$60 million mining operation with a 12-14-year lifespan.

As soon as IK started making serious mine development noises, borough and state people started thinking about rebuilding a rail line to Sutton on an old right-of-way still owned by the railroad. The public took to the rail concept as opposed to truck transport of the coal. However, environmental considerations, a construction timetable of five years and high costs all but killed the rail idea by late 1988. Alaska Railroad vice president R. J. Knapp said to expect a \$20-million price tag for the 13-mile extension from Palmer to Sutton. This alone puts it out of financial feasibility for IK.

The project remains feasible, however, with trucks hauling tandem belly-dump trailers 12 miles to an existing loading facility on the Glenn

Highway west of Palmer.

Palmer residents concerned about heavy trucks rumbling past town at all hours has been mollified by assurances of careful scheduling and the lure of a multi-million dollar upgrade of the Glenn Highway between Sutton and the loadout facility. This would include greater pavement thickness, road widening, turn pockets at intersections, climbing lanes on hills and special signage. IK has indicated it would supply a sanding truck for use when road conditions warrant.

The Glenn Highway upgrade is not part of the Department of Transportation's current six-year plan. Funding this project would likely delay or bump another off the books. A preliminary DOT report puts the highway upgrade at \$9.075 million. Idemitsu Kosan is being asked to fund \$3.4 million of that.

Such a project would create more jobs and vastly improve the worst stretch of a major tourist and commerce route. Project backers feel the highway upgrade will surely be funded and built at some point if IK decides to start mining the leases.

Some federal money would come by convincing the Federal Highway Administration to extend a Glenn Highway project already slated for 1991. DOT officials say the agency seems receptive to the idea. A request for \$1 million in state general funds is pending as well.

MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 88- 199

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH  
SUPPORTING THE MINING OF COAL FROM THE WISHBONE HILL  
FIELD.

---

WHEREAS, Idemitsu Kosan Corporation of Japan proposes to develop and export coal from the Wishbone Hill Field in the Buffalo Mine to Eska area of the Matanuska-Susitna Borough; and

WHEREAS, the Borough is generally supportive of the mining industry; and

WHEREAS, this endeavor would broaden and diversify the Borough economy in a basic sector creating an estimated 180 basic jobs and an even larger number of jobs in the secondary sector; and

WHEREAS, the Borough currently suffers one of the highest unemployment rates in the State; and

WHEREAS, coal mining is a traditional industry in the Borough and qualified people are available locally to fill most, if not all, positions that would be needed to conduct this mining enterprise;

NOW THEREFORE, BE IT RESOLVED, that the Assembly of the Matanuska-Susitna Borough strongly supports the efforts of Idemitsu Kosan Corporation to develop the Wishbone Hill Coal Field; and

STATE ECONOMIC RECOVERY COMMITTEE

Project Review

Project Title: Wishbone Hill Coal Project - Road Upgrade

**DESCRIPTION:** The Matanuska-Susitna Borough is seeking funds for road improvements along 13 miles of the Glenn Highway north of Palmer. The road upgrade will help facilitate the development of the Wishbone Hill Coal Field. Idimitsu-Kosan, Inc., an international development corporation, has, since 1983, conducted exploration and feasibility studies and applied for mining permits for their proposed coal mine. The highway to the site entry road will be widened, and passing lanes added to ensure the efficiency of the increased heavy vehicle traffic that will be required in support of the development.

**GOVERNMENT INFRASTRUCTURE INVESTMENT:** The construction costs are estimated between \$1,500,000 and \$5,820,000. The Mat-Su Borough is willing to commit \$500,000 towards the costs, with the remainder of the funds sought from the State of Alaska through the Department of Transportation.

**PRIVATE SECTOR INVESTMENT:** Idimitsu-Kosan has already spent nearly \$3,000,000 in the preliminary stages of this project, and is prepared to commit another \$40-50,000,000 to develop a fully operational facility. The project is scheduled to commence production activity in mid 1991.

**EMPLOYMENT:** This venture will create an estimated 180 long term jobs, most of which can be accommodated by the Southcentral work force. This development should positively impact regional support industries, particularly the trucking, fuel and machinery supply sectors.

**COMMITTEE ANALYSIS:** The Committee felt that this project has the potential to be a major economic boost to the economically ailing Mat-Su Borough. The Borough government is aggressively pursuing viable public/private partnership ventures and it is paying dividends.

Other coal mining concerns within the Borough should not be negatively impacted as this proposed mine will be extracting a different quality of coal with different markets also identified.

The developer will bear all site operating, maintenance and reclamation costs, but the highway arterial servicing the site will remain a government maintenance cost. Such costs are more than accommodated by the expanded state and local tax benefits created by the Wishbone Hill Mining activity.

The Committee endorses the State infrastructure funding requested by the Mat-Su Borough as part of a multi-phase effort to revitalize and stabilize our State's economy.

**S C R**

**15**

SENATE COMMITTEE REPORT

FURTHER

FIN

2/22/89

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

RESOURCES

Committee considered

SCR 15

hydrogeological surveys on the Kenai Peninsula

and recommended

- replace with \_\_\_\_\_ CS SCR 15 (Resources)  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

- FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN
- new  updated  previous
- same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

*Craig Stungland*

*Al Johnson*

*[Signature]*

*[Signature]*

\_\_\_\_\_

\_\_\_\_\_

OTHER RECOMMENDATIONS

*Frank A. Stangor* No Rec

*Rich Halford* - Pass only with Zero Fiscal Note

\_\_\_\_\_

*[Signature]* → FISCAL NOTE

\_\_\_\_\_

*[Signature]* <sup>Do Pass</sup> - Bill creation

Chairman signature and recommendation ph. not

Committee Backup attached

Original sponsors: Szymanski, Kerttula,  
and Fischer

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SENATE CONCURRENT RESOLUTION NO. 15 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to hydrogeological surveys on  
6 the Kenai Peninsula.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the cities of Nikiski, Kenai, and Soldotna and their surround-  
9 ing communities include areas of extensive oil, gas, chemical, and indus-  
10 trial activity; and

11 WHEREAS these activities can contaminate water supplies; and

12 WHEREAS contamination of water supplies may be more effectively con-  
13 trolled when the movement of underground water is understood; and

14 WHEREAS the United States Geological Survey has conducted limited  
15 hydrogeological surveys on the Kenai Peninsula; and

16 WHEREAS in April 1988 a hydrogeological evaluation was proposed for  
17 the area around Sterling, Alaska, by the Department of Natural Resources,  
18 division of geological and geophysical surveys, to provide information  
19 about the ground water movement in the area; and

20 WHEREAS hydrogeological information would be very useful in locating  
21 facilities to handle future waste from Nikiski, Kenai, Soldotna, and their  
22 surrounding areas and in alleviating the problems of contamination that  
23 have occurred or may occur in the area; and

24 WHEREAS hydrogeological surveys should be performed for Nikiski,  
25 Kenai, Soldotna, and their surrounding areas and not just for the Sterling  
26 area;

27 BE IT RESOLVED that in order for the oil, gas, chemical, and indus-  
28 trial production in the Nikiski and central Kenai Peninsula areas to con-  
29 tinue in a manner that is consistent with the protection of the residents,

1 visitors, water supplies, and resources of the Kenai Peninsula, the Alaska  
2 State Legislature urges the Governor to direct the division of geological  
3 and geophysical surveys in the Department of Natural Resources

4 (1) to perform hydrogeological surveys of those parts of the  
5 Nikiski and central Kenai Peninsula areas that have not been surveyed by  
6 the United States Geological Survey to determine the movement and geology  
7 of the ground water in those areas; and

8 (2) to produce a comprehensive report for the Nikiski and cen-  
9 tral Kenai Peninsula areas based on the department's studies and the United  
10 States Geological Survey studies.

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**STATE OF ALASKA  
1989 LEGISLATIVE SESSION**

BILL VERSION: SCR 15  
PUBLISH DATE: \_\_\_\_\_

**FISCAL NOTE**

**REQUEST:**

Revision Date: 14-Mar-89 Agency Affected: Natural Resources  
Title: Relating to hydrogeological BRU: Geological Management  
surveys on the Kenai Peninsula  
Sponsor: Szymanski Components: Geological Mgmt  
Requestor: Senate Resources

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		130.0	50.0	50.0	55.0	55.0
TRAVEL		10.0	5.0	5.0	5.0	5.0
CONTRACTUAL		40.0	30.0	30.0	25.0	25.0
SUPPLIES		5.0	3.0	3.0	3.0	3.0
EQUIPMENT		15.0	12.0	12.0	12.0	12.0
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	200.0	100.0	100.0	100.0	100.0

CAPITAL						
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND		200.0	100.0	100.0	100.0	100.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	200.0	100.0	100.0	100.0	100.0

**POSITIONS:**

FULL-TIME		2.5	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

**ANALYSIS:**

This project will support a comprehensive investigation of the ground water and aquifers of the North Kenai, Sterling and Kenai areas. The goal is to provide residents, local governments, water managers and industry analyses and interpretations needed to maintain high quality ground water through a definition of the quantity, quality and movement patterns of the subsurface waters. A primary objective is a report on year's end and the establishment and maintenance of a ground water monitoring program.

Prepared by: Tom Smith, Deputy Director Phone: 474-7147  
Division: Geological Management Date: 14-Mar-89

Approved by Commissioner: Lennie Gorsuch Date: 14-Mar-89  
Agency: Department of Natural Resources

Distribution (by preparer) :  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Environmental Conservation  
 Title: Relating to hydrogeological survey BRU: Environmental Quality  
on the Kenai Peninsula  
 Sponsor: Senator Szymanski and Senator  
 Requestor: Senator Szymanski Kerttula Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:** None

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Amy D. Kyle Phone: 465-2600  
 Division: Commissioner's Office Date: 10 February 1989  
 Approved by Commissioner: A. D. Kyle Date: 2/10/89  
 Agency: Department of Environmental Conservation

**Distribution (by preparer):**

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 485-2400

March 14, 1989

The Honorable Bettye Fahrenkamp  
Chair, Senate Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

Subject: Senate Concurrent Resolution 15, relating to hydrogeological surveys on the Kenai Peninsula.

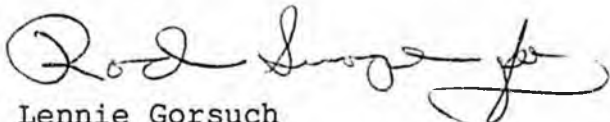
Position: The Department of Natural Resources supports the concept of performing a Kenai Peninsula hydrogeological survey, but would be unable to complete a project of the desired magnitude without additional funding.

Background: In January of this year, Kenai Peninsula residents concerned about contamination of groundwater supplies circulated a petition asking the state to complete a comprehensive study of local groundwater. Also in January, the Kenai Peninsula Borough Assembly passed a resolution asking the Legislature to fund a comprehensive hydrogeological survey of the Central Kenai Peninsula.

At the request of local residents and officials, hydrologists from the department's Division of Geological and Geophysical Surveys developed a suggested work plan for a Kenai water study (copy enclosed). To perform the work outlined in the suggested plan would require the funding described on the enclosed fiscal note.

Please let me know if you would like additional information about the proposed study.

Sincerely,



Lennie Gorsuch  
Commissioner

Enclosure

The Honorable Bettye Fahrenkamp -2-

March 14, 1989

cc: Committee Members  
Bill Sponsor  
Denby Lloyd, Special Staff Assistant  
Office of the Governor  
Bob Evans, Legislative Liaison  
Office of the Governor  
Commissioner Dennis Kelso  
Department of Environmental Conservation  
Robert Forbes, Director  
Division of Geological and Geophysical Surveys

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CSSCR 15 (Fin

PUBLISH DATE: 4/12/89

**FISCAL NOTE**

REQUEST: \_\_\_\_\_

REVISION DATE: \_\_\_\_\_ AGENCY: Natural Resources

TITLE: Relating to hydrogeological surveys on the Kenai Peninsula BRU: Geological Management

SPONSOR: Szymanski COMPONENTS: Geological Management

REQUESTOR: Senate Finance

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERS. SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND/BUILD.	0	0	0	0	0	0
GRANTS/CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

**FUNDING: (THOUSANDS OF DOLLARS)**

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Funding for this project is included in the FY 90 budget.

PREPARED BY: \_\_\_\_\_

*R. Uehling*  
SENATOR RECK UEHLING, CO-CHAIRMAN  
SENATE FINANCE COMMITTEE

DATE: April 11, 1989

PHONE No.: 465-4821

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Environmental Conservation  
 Title: Relating to hydrogeological survey BRU: Environmental Quality  
on the Kenai Peninsula  
 Sponsor: Senator Szymanski and Senator Components: \_\_\_\_\_  
 Requestor: Senator Szymanski Kerttula

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE</b>	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:** None

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Amy D. Kyle Phone: 465-2600  
 Division: Commissioner's Office Date: 10 February 1989

Approved by Commissioner: *A. D. Kyle* Date: 2/10/89  
 Agency: Department of Environmental Conservation

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION CS SCR 15 (Resources) (b)

PUBLISH DATE: 3/21/89

FISCAL NOTE

REQUEST:

Revision Date: 14-Mar-89 Agency Affected: Natural Resources  
 Title: Relating to hydrogeological BRU: Geological Management  
 surveys on the Kenai Peninsula  
 Sponsor: Szymanski Components: Geological Mgmt  
 Requestor: Senate Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		130.0	50.0	50.0	55.0	55.0
TRAVEL		10.0	5.0	5.0	5.0	5.0
CONTRACTUAL		40.0	30.0	30.0	25.0	25.0
SUPPLIES		5.0	3.0	3.0	3.0	3.0
EQUIPMENT		15.0	12.0	12.0	12.0	12.0
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	200.0	100.0	100.0	100.0	100.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		200.0	100.0	100.0	100.0	100.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	200.0	100.0	100.0	100.0	100.0

POSITIONS:

FULL-TIME		2.5	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

ANALYSIS:

This project will support a comprehensive investigation of the ground water and aquifers of the North Kenai, Sterling and Kenai areas. The goal is to provide residents, local governments, water managers and industry analyses and interpretations needed to maintain high quality ground water through a definition of the quantity, quality and movement patterns of the subsurface waters. A primary objective is a report on year's end and the establishment and maintenance of a ground water monitoring program.

Prepared by: Tom Smith, Deputy Director Phone: 474-7147  
 Division: Geological Management Date: 14-Mar-89

Approved by Commissioner: Lennie Gorsuch Date: 14-Mar-89  
 Agency: Department of Natural Resources

Distribution (by preparer) :  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

February 3, 1989

SENATE JOURNAL

p. 295

SCR 15

SENATE CONCURRENT RESOLUTION NO. 15 by Senators Szymanski and Kerttula,

Relating to hydrogeological surveys on the Kenai Peninsula.

was read the first time and referred to the Community and Regional Affairs Committee, the Resources Committee and the Finance Committee.

February 9, 1989

SENATE JOURNAL

p. 379

SCR 15

Senator Fischer moved and asked unanimous consent that he be shown as a co-sponsor on SENATE CONCURRENT RESOLUTION NO. 15 (Relating to hydrogeological surveys on the Kenai Peninsula). Without objection, it was so ordered.

February 22, 1989

SENATE JOURNAL

p. 481

SCR 15

The Community and Regional Affairs Committee considered SENATE CONCURRENT RESOLUTION NO. 15 (Relating to hydrogeological surveys on the Kenai Peninsula) and a majority of the committee recommended do pass. The report was signed by Senator Adams, Chair, and concurred in by Senators Szymanski and Pourchot. Senators Pearce and Frank signed "no recommendation."

Zero fiscal note published today from Department of Environmental Conservation.

SENATE CONCURRENT RESOLUTION NO. 15 was referred to the Resources Committee.

SCR 15

The Resources Committee considered SENATE CONCURRENT RESOLUTION NO. 15 (Relating to hydrogeological surveys on the Kenai Peninsula) and a majority of the committee recommended it be replaced with

CS FOR SENATE CONCURRENT RESOLUTION NO. 15  
(Resources)

and do pass. Senator Fahrenkamp, Chair, signed "do pass bill - question fiscal note." Senators Sturgulewski, Eliason and Kerttula signed "do pass." Senators Frank and Halford signed "do pass only with zero fiscal note" and Senator Zharoff signed "no recommendation."

Fiscal note for the committee substitute published today from Department of Natural Resources and zero fiscal note published today from Department of Environmental Conservation.

SENATE CONCURRENT RESOLUTION NO. 15 was referred to the Finance Committee.

SCR 15

The Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 15 (Relating to hydrogeological surveys on the Kenai Peninsula) and a majority of the committee recommended it be replaced with

CS FOR SENATE CONCURRENT RESOLUTION NO. 15 (Finance)

and do pass. The report was signed by Senators Uehling and Binkley, Co-Chairs, and concurred in by Senators Frank, Pearce and Fischer.

Zero fiscal note for the committee substitute forthcoming.

SENATE CONCURRENT RESOLUTION NO. 15 was referred to the Rules Committee.

April 12, 1989

SENATE JOURNAL

p. 1196

SCR 15

Zero fiscal note for Committee Substitute for Senate Concurrent Resolution No. 15 (Finance) (Relating to hydrogeological surveys on the Kenai Peninsula) published today from Senate Finance Committee.

April 14, 1989

SENATE JOURNAL

p. 1240

SCR 15

The Rules Committee considered SENATE CONCURRENT RESOLUTION NO. 15 (Relating to hydrogeological surveys on the Kenai Peninsula) and a majority of the committee recommended calendar. The report was signed by Senator Sturgulewski, Chair, and concurred in by Senators Kerttula, Eliason and Kelly.

SENATE CONCURRENT RESOLUTION NO. 15 is on today's calendar.

April 14, 1989

SENATE JOURNAL

p. 1249

SCR 15

SENATE CONCURRENT RESOLUTION NO. 15 (Relating to hydrogeological surveys on the Kenai Peninsula) was read the second time.

Senator Uehling moved and asked unanimous consent for the adoption of the Finance Committee Substitute offered on page 1173. Without objection, CS FOR SENATE CONCURRENT RESOLUTION NO. 15 (Finance) was adopted.

CS FOR SENATE CONCURRENT RESOLUTION NO. 15 (Finance) was read the second time.

Senator Halford moved and asked unanimous consent that CS FOR SENATE CONCURRENT RESOLUTION NO. 15 (Finance) be held to the April 17 calendar. Without objection, it was so ordered.



# Alaska State Legislature

Senator Mike Szymanski

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POSITION PAPER  
SCR 15

## NIKISKI HYDROGEOLOGICAL SURVEY

While considerable progress has been made during the past year to identify and begin cleaning up hazardous waste sites on the Kenai Peninsula, there is still considerable concern among residents of the Kenai/Nikiski area that pollutants from the Kenai industrial complex may potentially contaminate the local water supply. In order to monitor water quality on an on-going basis, the Division of Geologic and Geophysical Surveys of DNR has proposed to initiate a comprehensive groundwater survey of the North Kenai Peninsula area to better understand and manage the area's water resources.

This study would provide valuable information regarding the location, quality and flow patterns of groundwater on the North Kenai Peninsula; information which is necessary for the continued protection of the community's water supplies as well as the planning and siting of future industrial activities and waste disposal areas. Since good management of groundwater resources includes providing water for a variety of uses, it is necessary to know as much about the resource as possible.

The Division of Geologic and Geophysical Surveys has developed an outline for conducting a comprehensive study for the Kenai-Nikiski area which includes: reviewing existing groundwater data; collecting information on current water quality from existing monitoring wells; mapping underground water deposits; developing flow maps to chart water flow patterns; and monitoring changes in ground-water levels, quality and usage over time.

SCR 15 requests the Governor to direct the Division of Geologic and Geophysical Surveys to conduct a North Kenai Peninsula hydrogeologic study to insure clean water supplies for area residents and assist in site planning for future industrial projects.

Senate District E

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## Hydrogeologists lack money, staff for Nikiski groundwater study

By BEN SWAN  
Staff Writer

State water geologists have begun preliminary work on a groundwater survey of the Nikiski area but stressed any results may be long in coming without sufficient money or staff.

"The fact that we're here today means that we've started something," said Jim Munter, head hydrogeologist with the division of geological and geophysical surveys. The division is part of the state Department of Natural Resources. Munter spoke at the North Kenai Chamber of Commerce weekly luncheon Thursday in Nikiski about the process of a comprehensive groundwater survey.

Bill Long, the division's chief of water resources, prefaced Munter's talk with cold facts about the division's limitations.

"We're a small department with a small

budget," Long said. "We have 39 projects statewide and four of those projects are on the Kenai Peninsula. We understand you're concerned about groundwater and will try to integrate a program as far as funds are allowed."

Munter told the group that without additional funding any study would be slow. He also said the upcoming fiscal year did not indicate any study for the area.

"If there's going to be money from the state, it'll have to come from the Legislature," Munter said.

The division's interest in a groundwater survey stems from a petition coordinated by Nikiski resident Gary Superman. Superman gathered more than 250 signatures after it was determined that a Nikiski well was contaminated with tetrachloroethylene, an ingredient found in solvent, degreaser and dry

cleaning fluid.

The petition requested a comprehensive groundwater survey on the Nikiski industrial complex and the surrounding area, Superman said. Water flow, water quality, soil identification of upper confining levels and the depths of the aquifer levels — the region under the ground that contains water — would be examined in the survey.

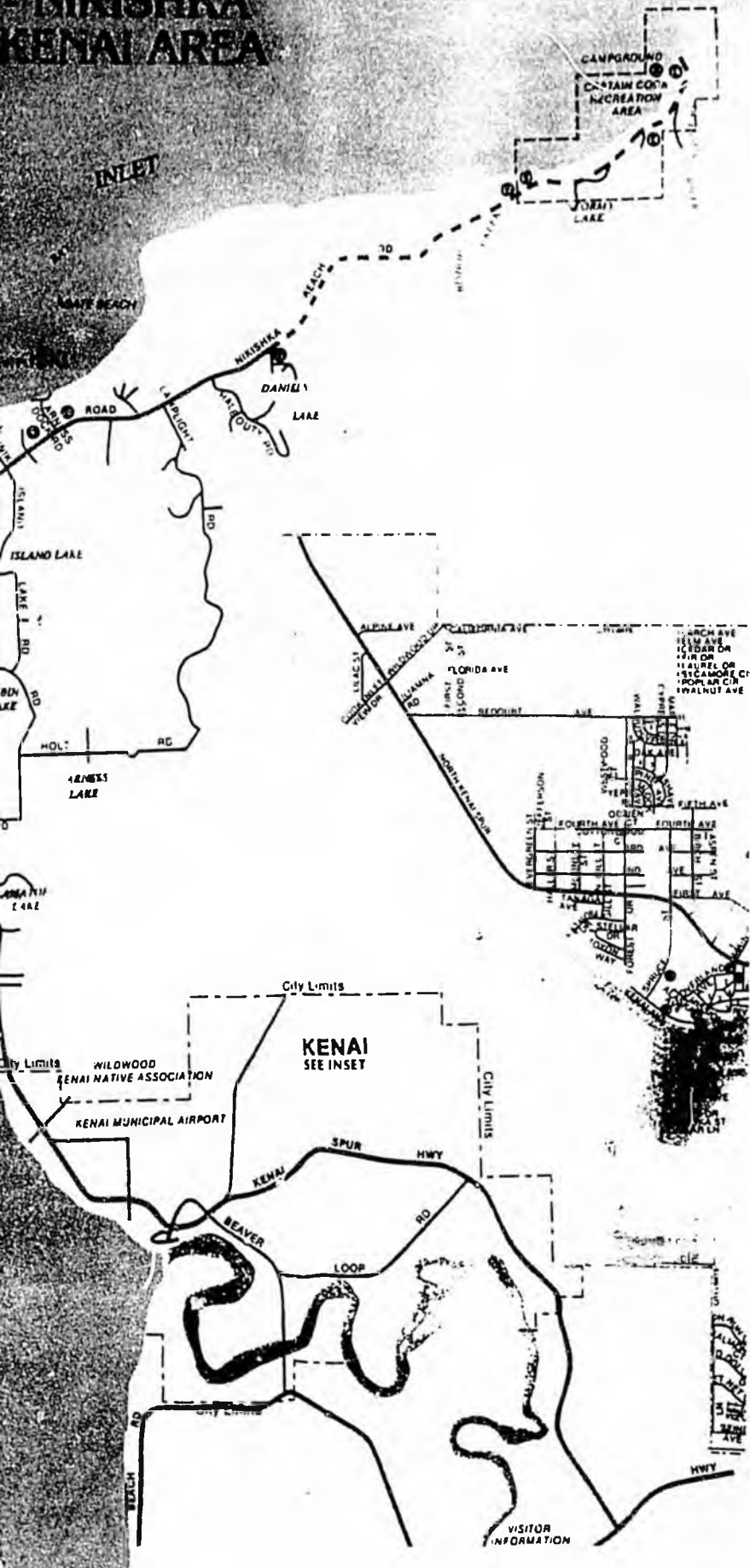
In a teleconference last week, hydrogeologists were asked to come to Nikiski and speak about the logistics of a comprehensive survey, Superman said.

"The timing for the petition was very good," Munter said. "It was a good thing to get us started (on a survey) because we don't just go into an area and tell the people a survey needs to be done."

Although a study has not been initiated, Munter said he was in Nikiski to solicit input and gather feedback from people about the water evaluation. He said any survey conducted should be done from the long-term perspective that the Nikiski groundwater would be the primary water source for years to come.

PENINSULA CLARION: 1/27/89

# NIKISHKA KENAI AREA





# Alaska State Legislature

Senator Mike Szymanski

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February 22, 1989

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## MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chair, Senate Resources  
FROM: Senator Mike Szymanski *MS*  
RE: Scheduling of SCR15: Nikiski Groundwater Study

This memo is to request a hearing in the Senate Resources Committee of SCR 15, a resolution relating to hydrogeologic studies on the Kenai Peninsula.

Attached are background materials and a fiscal note. I'd appreciate your scheduling SCR 15 for hearing at the earliest possible date.

Senate District E

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