

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8705 HOUSE RESOURCES

CONFIRM

HEARING

FRANK

RUE

4/21/95



Alaska State Legislature House of Representatives

Official Business

DATE: 4/24/95

COMMITTEE REPORT

Speaker Gail Phillips
House of Representatives
Capitol Building

MADAM SPEAKER:

In Accordance with AS 39.05.080, the House Resources Committee has reviewed the qualifications of the following and recommends that the appointment be forwarded to a joint session for consideration:

COMMISSIONER - DEPARTMENT OF FISH AND GAME

FRANK RUE

This does not reflect an intent by any of the members to vote for or against this individual during any further sessions for the purposes of confirmation.

Representative Green
Co-Chair

Representative Williams
Co-Chair

Representative Ogan
Vice-Chair

Representative Barnes

Representative Kott

Representative Austerman

Representative Davies

Representative MacLean

Representative Nicholia

HOUSE RESOURCES COMMITTEE
Roll Call and Members' Bill Votes

* (indicates first public hearing)

Room 124, Capitol Bldg.

Mon., Wed., Fri.

Date: 4-21-95

Tape# 95-52 Joint _____

Time: 8:10 (am)pm Time Adjourned: 10:05 (am)pm

ROLL CALL:	PRES	ABS	TIME AR	_____	_____	_____
Rep. Joe Green	✓	_____	_____	_____	_____	_____
Rep. Bill Williams	✓	_____	_____	_____	_____	_____
Rep. Scott Ogan	✓	_____	_____	_____	_____	_____
Rep. Alan Austerman	✓	_____	_____	_____	_____	_____
Rep. Ramona Barnes	_____	_____	_____	_____	_____	_____
Rep. John Davies	_____	_____	<u>8:13</u>	_____	_____	_____
Rep. Pete Kott	✓	_____	_____	_____	_____	_____
Rep. Eileen MacLean	_____	_____	_____	_____	_____	_____
Rep. Irene Nicholia	_____	_____	<u>8:15</u>	_____	_____	_____

Other Legislators Present _____

AGENDA:

Bill No.	Short Title	Action Taken
	<u>Confirmation Hearing: Frank Rue Commissioner ADF + C1</u>	<u>No Action Taken</u>
_____	_____	_____
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_____	_____	_____
_____	_____	_____
_____	_____	_____

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Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf ·

House Resources Committee
Confirmation Hearing: Frank Rue
4-21-95 8:10AM
Tape #95-52 Side A #100

Suggested Questions
Confirmation Hearing for Frank Rue
Commissioner Designee, Department of Fish and Game

1. As you look at the proposed budget reductions, how will you prioritize reductions within the Department? Specifically, I would like to know how your priorities will relate to such items as:

Title 16 permits essential for economic development
Forest Practices Act monitoring
long-term research projects
federal legislative initiatives
international initiatives (United Nations proposals, for instance)
departmental discretionary activities

2. In a recent budget memo to OMB, you offered some indication of what your response would be to the proposed budget cuts. You said you would have to cut FPA inspections in half, but you would continue to comment on both state and federal land use plans. FPA inspections are mandated by state law. Do you consider comments on federal land use plans to be more important to your mission than activities that are required by state law? What, in your opinion, should determine the priorities of a state agency?
3. Do you personally support opening the 1002 area for oil exploration? Will you direct your agency to support the state's efforts to get federal approval for oil exploration on the Coastal Plain?
4. In your opinion, is preserving future wildlife management options a higher priority than protecting the present ability of Alaskans to provide a strong and stable economy for their families?
5. We hear a lot of talk about habitat damage due to road building. Could you give us some specific examples of places where road building activities have led directly to significant losses in fish populations? If this link cannot be clearly established, can we expect ADF&G to make an effort not to hinder road building efforts around the state under the guise of habitat protection?
6. The Coastal Zone Management laws are designed to provide a mechanism for cooperation between federal and state interests in the coastal areas. There has been some fear expressed in the field that your department will use the elevation mechanism to put the resource commissioners in the position of dictating what will or will not occur on federal land. Please speak to these concerns.

1. Stream buffers

A. The Forest Resources and Practices Act requires 66' stream buffers on private land. Some ADF&G biologists have suggested increasing this requirement to 100', or even 300'. Do you believe this would be appropriate, and if so, is your opinion based on verifiable data indicating a significant gain in salmon habitat protection?

B. Have you determined and can you document any increased benefits to salmon habitat protection from incremental increases in stream buffer width? Or are stream buffer benefits too site-specific to be generalized in this way? In other words, is it possible that in some instances we may need large buffers to protect some streams, and in other situations buffers would have little value relative to some other means of protecting fish habitat?

C. Do ADF&G biologists routinely include cost/benefit analysis as part of their decision making process? Is cost/benefit analysis a factor you think should be considered when evaluating buffer zones and variance trees on private timber lands?

D. If an ADF&G recommendation prevents a private landowner from harvesting timber, do you think there is a point at which such a state decision constitutes a taking which requires compensation to the landowner? What is that point?

E. In a letter from Habitat Division to the Kodiak Island Borough dated January 25, 1995, your department suggested a minimum buffer of 100' with larger buffers "where appropriate." This is nothing new, but what is of concern here is that the letter also suggested this standard should be applied to waters containing resident fish populations as well as anadromous fish streams. This would seem to greatly expand the application of buffer zones and result in what could be a significant impact on property use and value. Please tell the committee what your views on this are, including how you see such a move affecting economic development and the personal use of private property.

F. In evaluating variance tree requests, your field staff has a pretty good reputation with industry people. Most variance tree requests since the Forest Practices Act went into effect have been granted. Basically, the system has worked very well in the field, to the satisfaction of the affected private land owners. Unfortunately, last year's media flap gave the general public quite a different impression. It appears that that whole event was triggered by the belief, above the field staff level, that too many variance tree requests were being granted. It seems that the state's only interest in whether or not a particular variance tree is cut is whether it will have an adverse effect on fish habitat. That is what field staff are required to help determine. The appearance is that philosophical opposition to timber harvest plays a role in the Department's position on

variance trees. Do you believe this is the case, and if so, is it appropriate and what will you do about it?

2. General Timber Issues

A. Do you personally support maintaining a healthy forest products industry in Southeast Alaska built around a sustainable harvest on the Tongass National Forest?

B. No Name Bay on Kuiu Island was selected by the state under the Statehood Act for a remote subdivision. The selection has now been designated as "wildlife habitat" despite studies that show that the land has no special significance for wildlife health and viability. In fact, the parcel lies adjacent to more than 100,000 acres of wilderness area. As it turns out, the state parcel at No Name Bay is now an impediment to the harvest of Forest Service timber already approved for harvest under an Environmental Impact Statement that took more than a decade to develop. As Commissioner, what will you do to reduce these kinds of administrative barriers to responsible use of timber resources in Southeast Alaska? Should we expect the state to block timber harvests under the guise of wildlife protection without good scientific reason?

C. ADF&G employees have often said that logging has harmed salmon or other wildlife populations. There are, however, many documented salmon population declines that can be attributed to natural factors such as oxygen depletion due to heavy fish concentrations. In other cases, salmon population decreases have occurred in areas with minimal timber harvest activity. Furthermore, Alaska salmon harvests during recent years have been at record levels. Can you name some specific examples of salmon population declines where there is documented evidence that the principal cause was timber harvest? Will you work to ensure that your department does not cast blame on specific activities unless the connection can be scientifically supported?

D. ADF&G officials often assert that they represent the commercial fishing, subsistence and recreational users of the forest, and this sometimes results in ADF&G being in an adversarial relationship with the timber industry. DNR, on the other hand, says they cannot represent the same industry they regulate. So, given that the timber industry is a legitimate user of state forest resources, who in state government represents the timber industry's concerns? Will ADF&G, under your direction, make every effort to represent equally the various users of our resources?

E. Philosophically, do you believe that Alaskans should have access to public land and resources unless there is good reason to restrict that access? Or do you believe that state land should be locked up until the person goes to a regulator for permission to develop the resources?

X
F. I understand that your agency recently requested the cancellation of a Memorandum of Understanding between Alaska and the United States Forest Service which spelled out how and when the agencies would respond to proposed Environmental Impact Statements regarding timber sales. The MOU involved the state early in the process so that provisions not supported by the state could be identified going in, therefore reducing the time necessary to complete an EIS that would be satisfactory to both the state and the federal government. With the MOU cancelled, how will your department handle federal timber sale EISs? Should we anticipate time-consuming rewrites of EISs for timber sales on federal land?

3. Fisheries

Last year the department entered into an agreement to participate in an "ad hoc steering committee" for the "Identification of Pacific Salmon Stocks Potentially at Risk of Extinction in Alaska." I believe Tim Baker of CommFish is the Project Manager for the department. Please tell us about this study, how much state money is being spent on it, how many man/hours ADF&G has committed to it, how its findings might affect the Alaska fishing industry, and how you intend to justify continued participation in it considering the current budget crisis.

Bill -

The attached report shows 5 people from ADF&G involved in the project discussed in this last question. The highlighted parts on the third page indicate that the department has made a commitment to work on this in the future. Besides personnel + support costs (which may well be significant), the report seems to indicate (noted by the blue arrow) that ADF&G has made some funding commitments. Where did they get the authority (and the money) to do this? I wonder if this kind of policy call and commitment of funds ought not to have had some legislative oversight + approval.

8) At the most recent Board of Game meeting in Fairbanks the Board approved a wolf kill proposal, but then went back and rescinded their action to give the administration until January 1, 1996 to draft a proposal to deal with predator control. I realize it may be a bit early for you to tell me what is, or will be, in the plan...but I want to know what some of the philosophies are that the proposal will be built on. I understand you're proposing to do some kind of state-wide survey at a cost of \$300-thousand to \$500-thousand...I'd like to know more about how those survey results will be used. *Surely it won't just be a popularity poll, which way is least controversial*

✓
Note

9) Can habitat be used by man and protected at the same time?

(His standard line is that habitat is our "factory" which manufactures the fish and game that make Alaska so rich...lets see if he sticks to it.)

3

10) I don't want to believe this, but I'm beginning to see a pattern of agencies writing positive fiscal notes to bills that they don't like. Could you give me a thumbnail sketch of how you decide a bill will have an impact on your department?

6

11) At the federal level, our congressional delegation has been working to amend the Clean Water Act to allow us to develop some wetlands in Alaska. First, do you support this effort, and second, if the delegation is successful, how will your department react?

7

12) I'd like you to share your thoughts on the water quality standards prepared by the previous administration? Do you feel that they provide adequate protection now, or do you feel that they need to be redone.

★
Ch on [unclear] [unclear]
Frank Rue
Page 3

Notwithstanding the ^{current} Echo Bay / Cour d'Alain differences ---

2)
★

(15) A few days ago we had before the committee representatives of some of the larger mining operations in Alaska. One of them testified that ...and I'd like to quote from the minutes here ...and we're talking about the Red Dog Mine..."in regard to state issues with the mixing zone, a better response is received from the northern office than the Juneau office". They noted "the Juneau office is reluctant to move on reclassification of stream issues." This person told us that some of these permits were taking 3-5 years to get. I don't feel that is acceptable. Until a few months ago you were the Director of the Habitat Division, in Juneau. Why would someone get a different response from Fairbanks than Juneau? Why are these permits taking so long, and how can we fix it...other than throw money at it?

7)

Do you have any ~~present ideas~~ ^{present ideas} comments concerning the fire storm stirred up by the Governor's declaring ^{he'd like to see} the No. C.I. become the sports fishing capital of the world? other than the coordinator's compilation??

3) Very

thoughts about pro-active i.e.

2)

the satellite in my reference
= NWR ?

Good
concern

Plans commitment on cut too deep - you
adversely affect industry by
hree fish reaction of premature closures

12) [unclear] office for issue discussions

Questions for Frank Rue Confirmation
House Resources Committee
April 21, 1995

1) In your budget proposal to the House you requested an increase for additional staff to monitor the Endangered Species Act. What role do you see the Department taking with regards to ESA monitoring?

2) What departmental activities have you targeted for privatization or contracting out?

3) The state's handling of the Gold Creek fish kill here in Juneau has been...well, counterproductive. The press was given information that insinuated a possible connection between the dead fish and activities at the Echo Bay mine. When it became apparent that there was no connection, there was no apology to Echo Bay, or any attempt, to my knowledge, to correct the record. I want to know what you will do, as commissioner of Fish and Game, to prevent this kind of thing from happening, and I'd like to hear you state for the record that the State made a mistake by blaming Echo Bay?

4) What is restoration - I'd like a definition - and when do we know when it's finished? When do we know when the environment is restored? Does restoration include acquisition, and specifically, do you believe that locking up a piece of land "restores" another piece of land?

5) How do you feel about accelerated rehabilitation?

(ARCO has been promoting accelerated rehabilitation on the North Slope. The concept is that they clean up their pads sooner than they're required to, in exchange for mitigation credit. According to Becky Gay, it is a form of compensatory mitigation. Apparently federal agencies are split on the idea: EPA likes it, the Corps does not.)

6) What is your proposal to solve the subsistence problem in Alaska?

9th circuit out of appeals - Katie John Case - "Legislative
not
political"

results -
your plan -
appeal -

HOUSE RESOURCES COMMITTEE
Roll Call and Members' Bill Votes

* (indicates first public hearing)

Room 124, Capitol Bldg.

(Mon.), Wed., Fri.

Date: 4-24-95

Tape# 95-54 Joint _____

Time: 8:10 AM am/pm Time Adjourned: _____ am/pm

ROLL CALL:	PRES	ABS	TIME	AR	_____	_____	_____
Rep. Joe Green	✓	_____	_____	_____	_____	_____	_____
Rep. Bill Williams	✓	_____	_____	_____	_____	_____	_____
Rep. Scott Ogan	✓	_____	_____	_____	_____	_____	_____
Rep. Alan Austerman	✓	_____	_____	_____	_____	_____	_____
Rep. Ramona Barnes	_____	_____	_____	_____	_____	_____	_____
Rep. John Davies	_____	_____	_____	_____	_____	_____	_____
Rep. Pete Kott	✓	_____	_____	_____	_____	_____	_____
Rep. Eileen MacLean	_____	_____	_____	_____	_____	_____	_____
Rep. Irene Nicholia	_____	_____	_____	_____	_____	_____	_____

Other Legislators Present _____

AGENDA:

Bill No.	Short Title	Action Taken
	<i>Confirmation Hearings: Frank Roe</i>	_____
	<i>Henry Holmes</i>	_____
	<i>Walter Sampson</i>	_____
_____	_____	_____
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Mary Pagenkopf

*House Resources Committee
Confirmation Hearing - Frank Rue
4-24-95 8:10 AM
Tape #95-54, Side A, *000*

RESUME FOR FRANK RUE
7083 Hendrickson Road
Juneau, Alaska 99801

EDUCATION

University of Massachusetts, Department of Landscape and Architecture and Regional Planning, Master of Landscape Architecture, 1976

University of Pennsylvania, B.A., English, 1972.

Stanford University, Political Science and English, Summer, 1970.

PROFESSIONAL EXPERIENCE

Director, Habitat Division, Alaska Department of Fish and Game. March 1988 - Present.

As director I am responsible for a division with a \$3.5 million budget and 75 positions located in Juneau, Anchorage, Fairbanks, Sitka, Petersburg and Ketchikan. I directly supervise a deputy director, three regional supervisors and a pipeline coordinator. I represent the department on all land use and habitat issues. Recent accomplishments include: lead for the department in negotiating and securing passage of forest practices and mining reclamation legislation that were both developed and supported by consensus of a broad range of interests including the regulated industry, fishing organizations, native organizations and environmental groups; and, leadership of the department's participation in the Exxon Valdez oil spill response and cleanup.

Natural Resource Manager II, Resource Allocation Section, Alaska Department of Natural Resources, Anchorage. January 1986 - March 1983.

Directly supervised five project managers in Juneau, Anchorage and Fairbanks who were responsible for developing the Copper River Basin, Kuskokwim, Northwest Alaska, Prince William Sound, and Prince of Wales Island regional land use plans. The plans established policies and made land allocations among competing uses for approximately 30 million acres of state uplands, tidelands and submerged lands. Negotiated with agencies, local governments, coastal resource service area boards, and interest groups to develop land use policies. Worked with the section chief and project managers to devise creative approaches to staffing and project design so that plans could be completed in the face of lower budgets. Designed and managed professional services contracts. Conducted public meetings.

Acting Chief, Resource Allocation Section, Alaska Department of Natural Resources, Anchorage. August 1985 - January 1986.

Responsible for overall supervision of fourteen professional planners, four cartographers, and two clerks located in Juneau, Anchorage, and Fairbanks. Directly supervised the project managers for the Statewide Settlement Plan, and the Kuskokwim, Northwest Alaska and Prince of Wales Island regional land use plans. Prepared and managed the section's \$1 million budget. Designed and implemented a computerized budget tracking system enabling managers to be cost accountable, and providing critical information necessary for effective and informed budget reductions.

Natural Resource Manager II, Resource Allocation Section, Alaska Department of Natural Resources, Anchorage. 1982 - 1985.

Directly supervised the project managers of the Bristol Bay and Southwest Prince of Wales Island regional land use plans for approximately 13 million acres of state land. Conducted public meetings and facilitated the negotiations between agencies, local government, coastal resource service area boards and interest groups to establish the area-wide policies for forestry, fish and wildlife, settlement, recreation, mining, oil and gas and other resources. The Bristol Bay Plan required coordination of federal and state agencies under the auspices of the Alaska Land Use Council. Upon completion of these first two plans supervised the project managers of the Kuskokwim, Northwest Alaska, and Prince of Wales Island plans. This included working with the managers to develop work plans, and methods of doing resource analysis, public participation and plan production. Primary author of the Haines State Forest and Chilkat Bald Eagle Preserve management plans.

Natural Resource Manager I, Commissioner's Office, Alaska Department of Natural Resources, Juneau. 1979 - 1982.

Initiated the first tidelands plan prepared by the department and was the project manager until moving to Anchorage to accept a promotion. Successfully facilitated day-to-day negotiations between agencies, local citizens, interest groups, and local governments (all with widely divergent views) on legislation establishing the Haines State Forest and Chilkat Bald Eagle Preserve. Played a significant role in developing the department's regional planning process and was the Land and Resource Planning Section's liaison with the commissioner's office during that process. Worked with an advisory group of local residents, representatives of interest groups, and state and federal agencies to allocate and manage \$500,000 in soils, hydrology, topography, and fish and wildlife research contracts in the Haines area. Negotiated a

proposed land exchange with the Cape Fox Corporation.
Developed state land selection recommendations.

Community Planner, Division of Community Planning, Department of
Community and Regional Affairs, Juneau. 1977 - 1979.

Worked with local governments throughout Southeast Alaska in
developing their district coastal management programs, and
assisted with general community planning and zoning questions.
Responsible for contract preparation, bidding and
administration. Designed and wrote a statewide management
handbook to explain the development of coastal management
programs to local districts. Participated in state and
federal planning projects.

PERSONAL DATA

Age: 40
Married with two children

REFERENCES

Available upon request.

CONFIRM

HEARING

DAVE

NORTON

08/28/95

J. DAVID NORTON, P.E.

1208 "S" Street
Anchorage, AK 99501
(907) 276-2530

EXPERIENCE**1995-Present HASKELL CORPORATION, Bellingham, Washington****Project Manager:**

Managing construction of \$20 million fueling facility at Anchorage International Airport for a consortium of cargo airlines. Facility includes tank farm, pipelines, Pump Station/Filter System, and fire suppression and control systems.

1988-1995 ALYESKA PIPELINE SERVICE COMPANY, Anchorage, Alaska**Manager of Engineering/Engineering Supervisor:**

Managed transition of 200-person technical staff to smaller, leaner organization that met reduced expectations of pipeline throughput. Supervised pipeline integrity monitoring and corrosion mitigation program that focused on "fit-for-service" life-cycle planning for pipeline maintenance and repair. Maintained technical standards as the Design Authority for the company. Primary technical interface with regulators.

Project Manager: Ballast Water Treatment System Expansion

Managed permitting, design, and construction of \$40 million expansion of Valdez Marine Terminal Tankership Ballast Water Treatment System to meet terms of National Pollution Discharge Elimination System (NPDES) Permit. Completed on time and within budget expectations.

1985-1988 MUNICIPALITY OF ANCHORAGE**Municipal Engineer, Department of Public Works:**

Manager of engineering division, \$6.5 million operating budget, 100-person staff. Responsible areas included: planning, design and construction of \$50 million/year capital improvement program, including roads, drainage, water quality, and traffic control; development of an automated mapping/facility management (AM/FM) system with an installed value of \$3.5 million; management of the private development/land use/subdivision process; and oversight of the traffic management system.

J. DAVID NORTON, P.E.

Page 2

1977-1985 ALYESKA PIPELINE SERVICE COMPANY, Anchorage, Alaska

Project Supervisor:

Provided project management for several pipeline/pump station repair and renovation projects, including a \$25 million above-ground pipeline reroute; a \$4 million line-wide pipeline corrosion study; installation of a pump station naphtha fuel conversion system; a line-wide fire foam system expansion; and rehabilitation of a fuel gas compressor/flare system.

Pipeline and Civil Supervisor:

Directed maintenance contractors in installation, operation, and repair of mainline pipe and appurtenances, including a fuel gas pipeline, drainage and river training structures, roads, and airports. Supervised hazardous waste spill response and clean-up in accordance with RCRA requirements within a 100-mile pipeline section.

Civil Engineer:

Responsibilities and projects included: geotechnical evaluation and foundation design for buildings, towers, and other pipeline facilities; thermal analysis of frozen soils relating to pipeline support; utilities delivery design for remote worker housing; and structural design and evaluation of pipeline components.

1974-1977 MICHAEL BAKER ENGINEERS, Fairbanks, Alaska

Field Engineer: Trans-Alaska Pipeline Project

Duties included: access road design and mineral material site planning; coordination of survey control for above-ground pipeline system; and supervision of construction engineering for above-ground pipe supports.

REGISTRATION: Professional Engineer: Alaska CE6253; Texas 58028 (inactive)

EDUCATION: RICE UNIVERSITY, Houston, Texas
Bachelor of Science in Civil Engineering, 1974

COMMUNITY: Member, Alaska State Water Resources Board
Former Member, Anchorage Public Transit Advisory Board
Member, Gov. Knowles Transition Team - Transportation

PROFESSIONAL: Member, American Society of Civil Engineers
Member, National Association of Corrosion Engineering
Member, Alaska Pipeline Builders Association

References available upon request.

April 17, 1996

Norton Confirmation Hearing Statement to Senate Resources Committee

Introduction

Mr. Chairman and members of the committee, my name is David Norton. Thank you for inviting me to address the committee. I am sorry I cannot be in Juneau today but the commission is holding hearings this week in Anchorage on Prudhoe Bay's plan of development. I appreciate the committee holding this hearing to consider me for the commissioner's seat.

To refresh the committee on the Alaska Oil and Gas Conservation Commission, I have attached a one-page overview of the commission's responsibilities and functions. I have also attached a one page review of the history of the AOGCC.

The commission's role is to ensure the efficient depletion of the State's hydrocarbon resources. This is accomplished in three ways: preventing waste of the resource, ensuring maximum ultimate recovery of the resource, and protecting correlative rights of adjacent owners of oil and gas properties. These three aspects of the AOGCC's mission are the basis of the term "conservation" as used in oil and gas regulation and are typical of the mission that all petroleum producing states provide through conservation agencies like the AOGCC.

Qualifications

I would like to address my qualifications as commissioner. The commissioner's seat I stand for today is reserved for an Alaskan "licensed engineer with an educational and professional background in the field of petroleum engineering". I believe you have my resume and a letter to Rep. Joe Green submitting additional detail of my qualifications.

After graduation from Rice University, I moved to Alaska in 1974 to work on the trans-Alaska pipeline. For the past twenty-two years, the majority of my career has been associated with design, construction and operation of the pipeline, including facilities for gas handling, refining, and metering. I have significant experience in managing development of complex oil and gas facilities in Alaska. I have been a licensed professional engineer in the state of Alaska since 1984.

I believe a commissioner is best qualified by a range of experience in the oil and gas industry that allows a broad perspective while maintaining an understanding of the technical challenges associated with public policy. There is a difference between technical staff work and the judgment required of a commissioner. The professional staff at the commission includes two petroleum engineers and a petroleum geologist. As do most commissioners and legislators, I will use my technical staff as is appropriate.

I believe I have a unique industry perspective because of my Alyeska pipeline experience. At Alyeska, I was required to obtain financial and technical approvals of the major owners: Arco, BP, and Exxon. As a result, I have intimate knowledge of the companies' various cultures, biases, and procedures. I am the only current commissioner with direct industry experience.

I would like to provide a response to criticism that I do not have appropriate petroleum engineering background for this seat.

Petroleum engineering is such a broad category that no one could claim experience in all areas under the commission's purview. Petroleum engineering can be viewed as encompassing three broad areas. It covers reservoir characteristics and petrophysics. It covers drilling and recovery techniques. And it covers surface equipment, processes and delivery. My background is in the area of surface equipment, processes and delivery.

The statute does not specifically require a licensed petroleum engineer. If the intent of the statute was to reserve the seat for licensed petroleum engineers, then according to state records only a small pool of about twenty people would be qualified, some of whom may have conflicts because of their employment. I am a licensed civil engineer with significant background in the oil and gas industry in Alaska.

I believe I am a good fit with the current commissioners and staff. We are working well together and I would like to apprise you of some current initiatives that I believe we should and can accomplish at the commission.

Initiatives

1. Regulation Revision

We are in the process of completing the first comprehensive revision of our regulations since 1986. The focus is on streamlining technical and procedural requirements for drilling and reservoir management. AOGA is a key industry partner in this effort. We are deleting obsolete requirements and providing less prescriptive regulations to allow more latitude to regulate rapidly changing oilfield techniques. We are anticipating new requirements for abandoning offshore platforms in Cook Inlet. The first phase was completed this quarter and we hope to adopt the finished set this summer.

2. Alaska Energy Infobank

The Infobank is an exciting joint industry and government initiative championed by Arco and BP that puts non-proprietary private and public petrotechnical data on a common shared database. The prize is significant cost savings in not maintaining duplicate sets of data. Since the AOGCC is the primary state archive of well and production data, there are opportunities and challenges for the commission to be more efficient at less cost. I am on the Infobank Steering Board, along with representatives of Arco, BP, Exxon, Unocal and DNR. For more information on the Infobank see the website at: <http://www.alaska.net/~infobank/index.html>

3. Budget Discipline

The commission is committed to efficient use of state funds, including the Oil and Gas Conservation Tax, to monitor safe oilfield practices and to promote maximum recovery of the state's petroleum resources. To gain the efficiencies to live within our means, we are evaluating several options, including moving facilities to reduce cost and share infrastructure, sharing resources with other agencies, and upgrading technology to take advantage of opportunities to cut costs.

In closing, I would like to use an analogy I picked up at the annual petroleum industry Alliance meeting last January. Dick Olver, John Morgan's boss at BP, had flown in to give his assessment of the state of the industry in Alaska. He spoke about a metaphorical bridge between today and tomorrow by comparing it to a real bridge over the Gulkana River. The real bridge was a critical link in the completion of the trans-Alaska pipeline and required extraordinary innovation, teamwork and cooperation to complete on time.

Mr. Olver said that the girders of the metaphorical bridge will be marginal oil fields developed with new emerging technologies. This bridge will require the same extraordinary efforts used on the Gulkana bridge and will span today's gap between Prudhoe Bay and future opportunities such as ANWR and a gas pipeline.

I worked on that Gulkana bridge twenty years ago as a young engineer. Now, as a more seasoned bridge builder, I look forward to working on today's bridge to tomorrow. Thank you.



Sec. 31.05.005. Alaska Oil and Gas Conservation Commission created. (a) There is created as an independent quasi-judicial agency of the state the Alaska Oil and Gas Conservation Commission, composed of three commissioners appointed by the governor and confirmed by the legislature in joint session.

(b) The governor shall designate one member of the commission as chairman of the commission. This member shall serve as chairman for a term of four years, but may be appointed for successive terms. (§ 1 ch 158 SLA 1978)

Sec. 31.05.007. Term of office; vacancy; removal. (a) The term of office of each member is six years. The governor shall designate who among the initial appointees shall serve respectively for terms of two years, four years and six years. A commissioner, upon the expiration of a term, shall continue to hold office until a successor is appointed and qualified.

(b) A vacancy arising in the office of a commissioner shall be filled by appointment by the governor and confirmed by the legislature in joint session, and an appointee selected to fill a vacancy shall hold office for the balance of the full term for which the predecessor on the commission was appointed.

(c) A vacancy in the commission does not impair the authority of a quorum of commissioners to exercise all the powers and perform all the duties of the commission.

(d) The governor may remove a commissioner from office for cause including but not limited to incompetence, neglect of duty or misconduct in office. A commissioner, to be removed for cause, shall be given a copy of the charges and afforded an opportunity to be publicly heard in person or by counsel in the commissioner's own defense upon not less than 10 days' notice. If a commissioner is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the commissioner and the governor's finding based on the charges, together with a complete record of the proceedings. (§ 1 ch 158 SLA 1978)

Sec. 31.05.009. Qualifications of members. Members shall be qualified as follows: one member shall be a licensed professional engineer with educational and professional background in the field of petroleum engineering; one member shall be a geologist with educational and professional background in the field of petroleum geology; one member need not be trained and experienced in the fields of petroleum engineering or petroleum geology. (§ 1 ch 158 SLA 1978)

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

ALASKA OIL AND GAS CONSERVATION COMMISSION

3001 PORCUPINE DRIVE
ANCHORAGE, ALASKA 99501-3192
PHONE: (907) 279-1433
FAX: (907) 276-7542

February 14, 1996

Representative Joe Green
Room 24 State Capitol
Juneau, AK 99801

Dear Representative Green:

Thank you for meeting with me to discuss my appointment to the Alaska Oil and Gas Conservation Commission. As we discussed, I am providing you with additional information on my educational and professional background in the field of petroleum engineering.

I received a B.S. in Civil Engineering from Rice University in 1974. I have previously provided a transcript of my undergraduate academic record at Rice to Jack Chenoweth, at his request. Rice does not offer a degree program in petroleum engineering. However, the field of petroleum engineering is derived from the major engineering branches of Mechanical, Chemical, and Civil, and the principal sciences of Geology, Materials Science, Mathematics, Computer Sciences, Physics, and Chemistry. I have completed coursework at Rice in all of these disciplines except for Chemical Engineering.

My relevant post-undergraduate work includes Arctic Engineering credit from the University of Alaska Anchorage and NACE certification in corrosion engineering and cathodic protection/coatings inspection. I have also received significant training in Safety, Loss Control, Risk Management, and Quality Assurance in the oil and gas industry in Alaska.

In response to your concern about my educational background, I have engaged additional formal and informal coursework in reservoir engineering and drilling practices. Formal coursework includes (see attached course outlines for content):

University of Texas Austin "Basic Reservoir Engineering for the Oil and Gas Professional" 3.0 Continuing Education Credits

University of Alaska Fairbanks "Introduction to Drilling and Production"
PETE 205 (audit)

MMS Well Control/Safety Certification, including drilling simulator

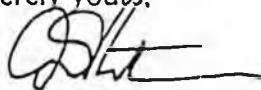
Rep. Green
2/14/96
page 2

I am also a member of the Society of Petroleum Engineers and avail myself to continuing educational and professional development opportunities afforded by membership in the Society.

My professional background includes management of highly technical projects and programs in pipelines and process facilities supporting North Slope development, and significant experience in regulatory affairs, including industrial wastewater treatment permitting and approval of "smart pigging" programs by regulators. I was Manager of Engineering at Alyeska Pipeline and was the single, designated Design Authority in the Alyeska Integrity Management System. I am also a member of the Alaska State Water Resources Advisory Board.

In summary, I believe my educational and professional background covers a significant portion of the oil and gas industry in Alaska, and I have endeavored to expand my knowledge base into the remaining areas of the Commission's responsible charge. I hope this information helps your understanding of my qualifications. If you have additional questions, I will be pleased to oblige.

Sincerely yours,



J. David Norton, P.E.
Commissioner

attachments

cc: Pat Pourchot, Office of the Governor
Senator Loren Leman, Chairman, Senate Resources Committee
John B. Chenoweth, Legislative Affairs Agency

Alaska State Legislature

WHILE IN SESSION
CAPITOL BUILDING
JUNEAU ALASKA 99801
307 482-4241
307 482-4177 FAX

INTERIM ADDRESS
100 WEST 17TH AVENUE
ANCHORAGE ALASKA 99501
307 258-3799
307 258-4077 FAX



CHAIR, RESOURCES COMMITTEE
VICE CHAIR, JUDICIARY COMMITTEE
MEMBER, STATE AFFAIRS COMMITTEE

FINANCE SUBCOMMITTEES
DEPT. OF NATURAL RESOURCES
DEPT. OF COMMERCE & ECONOMIC DEVELOPMENT
DEPT. OF ENVIRONMENTAL CONSERVATION

Representative Joe Green

District 12

November 7, 1995

The Honorable Tony Knowles
Governor of Alaska
State Capitol Building
Juneau, Alaska 99811

Governor Knowles:

It has come to my attention that you have appointed Mr. j. David Norton to a position on the Alaska Oil & Gas Conservation Commission (AOGCC) currently held by a registered professional petroleum engineer.

I have never met Mr. Norton, and certainly hold nothing against him personally. However, after reviewing his resume, I have grave concerns about his lack of qualifications for this position.

The statute establishing qualifications for AOGCC commissioners (AS 31.05.009) is very clear, as is the legislative intent reflected by the legislative record. Every version of the bill that created the commission required the seat to which Mr. Norton has been appointed to be filled by "a licensed professional engineer with educational and professional background in the field of petroleum engineering."

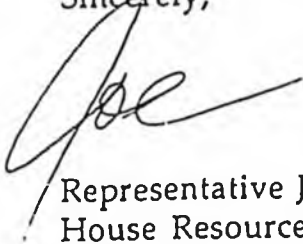
It is imperative from a safety, as well as a resource conservation standpoint, that the person filling the petroleum engineering position be proficient in subsurface hydrocarbon reservoir mechanics and the highly specialized technology required to analyze the design of drilling, completing, and producing oil and/or gas wells. The required level of expertise is only acquired through specific course study supplemented by actual field experience. As you learned during your days as a rig hand, drilling and completing oil and/or gas wells requires a specialized knowledge, skill, and implementation of proper safety precautions.

Governor Tony Knowles
November 7, 1995
Page 2

There is no single "blue print" or "go by" for this requirement as each well presents its own unique set of conditions. Mr. Norton is clearly deficient in this regard.

For the above reasons I cannot support, and feel compelled to oppose, Mr. Norton for the position to which you have appointed him.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe", written in black ink.

Representative Joe Green, Co-Chairman
House Resources Committee

cc: Members, 19th Alaska Legislature



OFFICIAL BUSINESS

Alaska State Legislature
Senate
Office of the Secretary

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3701
FAX: 465-2832

January 30, 1996

MEMORANDUM

TO: Senator Leman, Chair
Resources Committee

FROM: Nancy Quinto *NQ*
Secretary of the Senate

SUBJECT: Governor's Confirmations

Pursuant to AS 39.05.080, President Pearce has referred the following name for legislative confirmation to your committee for a hearing, recommendation and report:

Alaska Oil and Gas Conservation Commission
J. David Norton, P.E. - Anchorage
Appointed: 11/20/95; Expires: 12/31/00

NQ/vw

Resume attached

GOVERNOR APPOINTS ENGINEER TO ALASKA OIL & GAS CONSERVATION COMMISSION

Governor Tony Knowles today appointed David Norton of Anchorage as the third member of the Alaska Oil & Gas Conservation Commission. "David Norton brings 20 years of Alaska engineering experience to this commission and I welcome his expertise and enthusiasm," Knowles said.

The commission regulates everything from development and production of oil and gas drilling to recovery of hydrocarbon resources. The governor selects the commissioners who serve for six years.

"The North Slope has produced more than 10 billion barrels of oil and additional barrels are becoming more difficult to extract," Norton said. "With gas sales on the horizon, the commission's work will become more complex. I'm excited and honored to be selected to serve and I look forward to the challenge of guiding the efficient use of the state's oil and gas."

Norton is currently Haskell Corporation's project manager for a \$20 million fueling facility for a group of airlines at the Anchorage International Airport. Norton has previously worked for Alyeska Pipeline Service Company as manager of engineering and a project manager. During his 15 years of work with Alyeska, Norton supervised pipeline integrity monitoring and managed expansion of the Valdez Terminal ballast water treatment plant. Norton served as Anchorage's municipal engineer in the mid 1980s.

Norton has a degree in civil engineering from Rice University, is a registered professional engineer in Alaska, a member of the American Society of Civil Engineers and the National Association of Corrosion Engineers. Norton has served on the state's Water Resources Board for the last four years.

Norton replaces Russell Douglass whose term expired at the end of 1994. Norton begins work November 20, 1995 and will earn approximately \$78,000 annually.

Return to the October listing of Press Releases.

Posted by: R. Welton, 10/17/95, Alaska State Library

**STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION**

Commissioners: David W. Johnston, J. David Norton, P.E., Tuckerman Babcock

History

The Alaska Oil and Gas Conservation Act (1955) created the Alaska Oil and Gas Conservation Commission. The Commission was composed of the Governor of the Territory of Alaska, the Territorial Commissioner of Mines, and the Territorial Highway Engineer. Rules and regulations governing Commission activities became effective on October 1, 1958.

Under the State Organization Act of 1959, the Oil and Gas Conservation Commission was abolished, its function and authority transferred to the Department of Natural Resources, Division of Mines and Minerals. A group within the department was designated to hold hearings and issue decisions on oil and gas matters. This group was the Alaska Oil and Gas Conservation Committee which consisted of the Director of the Division of Mines and Minerals (Chairman), the State Petroleum Geologist, the State Petroleum Engineer, and the Deputy Commissioner of the Department of Natural Resources.

In 1968 the Division of Oil and Gas was created within the Department of Natural Resources. The new division arose from the Petroleum Branch of the Division of Mines and Minerals. The Alaska Oil and Gas Conservation Committee was placed within the new division, and consisted of the Director, Chief Petroleum Geologist and Chief Petroleum Engineer. In 1976 the word "conservation" was added to the division's title, and it became the Division of Oil and Gas Conservation.

With the advent of production from Prudhoe Bay in 1977, the Legislature became concerned that there was the appearance of a conflict of interest with the Department of Natural Resources, an owner of oil and gas rights, also acting as the regulator of other owners of oil and gas rights. To obviate its concern, the Legislature amended AS 31.05 by Chapter 158, SLA 1978 to restore the Commission, effective January 1, 1979, as an independent quasi-judicial agency within the executive branch of the state. Initially, the new Commission was housed within the Department of Natural Resources, but in 1980 it was transferred to the Department of Commerce and Economic Development. More recently, Governor Hickel transferred the Commission to the Department of Administration on February 17, 1994.

The Commission continues to function as the regulatory agency overseeing the underground operation of the Alaska oil industry on private and public lands and waters. Its responsibilities include regulating drilling and production of oil and gas to ensure that physical waste does not occur, protecting the correlative rights of mineral interest owners, ensuring maximum ultimate resource recovery and managing the Class II Underground Injection Control (UIC) program for oil and gas wells in Alaska as authorized by the U. S. Environmental Protection Agency on June 19, 1988.

The Commission compiles and maintains a data bank of drilling, production and reservoir statistics, including information on oil production, associated gas production, non-associated gas production, and injection volumes on an individual well, pool and field basis. Other data includes drilling permits, well histories, well logs, and public hearings testimony. The Commission also monitors oil and gas reservoir depletion in Alaska. A reservoir surveillance system allows the Commission to provide other state agencies with detailed reservoir information, including production decline estimates.

An inspection arm of the Commission oversees drilling rig blowout prevention equipment tests and other safety requirements of oil and gas exploration and production.

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

Overview of Statutory Responsibilities and Functions

The Alaska Oil and Gas Conservation Commission is an independent, quasi-judicial agency of the State of Alaska. It is established under the Alaska Oil and Gas Conservation Act, Title 31 of the Alaska Statutes; its regulatory authority is outlined in Title 20, Chapter 25 of the Administrative Code.

The Commission acts to prohibit the physical waste of crude oil and natural gas, ensure maximum ultimate resource recovery, and protect the correlative rights of persons owning oil and gas interest in lands subject to Alaska's police powers. It also administers the UIC program for oil and gas wells in Alaska, and oversees metering operations to determine the quality and quantity of oil and gas produced in the state. The Commission holds hearings and/or adjudicates decisions, which require the combined expertise of geology and reservoir and petroleum engineering.

Physical waste can occur at the surface from the failure of surface and subsurface equipment or below ground from inappropriate reservoir management practices. Surface waste is prevented by reviewing each drilling proposal to ensure proper well design (i.e., casing/tubing program, cement program, casing setting depth, etc.), well control equipment (i.e., mud system, diverter, blowout prevention equipment, etc.), hydrogen sulfide detection equipment, well logging program, production practices, plugging and abandonment procedures, and to check for shallow geohazards and over-pressure zones. The Commission's field inspection staff then verifies that operations are conducted in accordance with approved procedures and regulations.

Waste below ground has the potential for even greater impact to the state's economy since it directly determines the amount of oil and natural gas that will be recovered. It is prevented by ensuring proper reservoir management practices, and hinges on Commission decisions about well spacing, completion techniques, production rates, injection fluid type and rates, injection well pattern, gas/oil/water ratios, and pressure maintenance efforts. Findings and conclusions of the Commission are rendered in pooling rules and conservation orders.

Maximizing ultimate recovery is similar to preventing waste, but requires detailed understanding of the physical parameters of the reservoir (e.g., porosity, permeability, stratigraphy, faulting, reservoir pressure and drive mechanism), and its production performance over time (i.e., production decline curve analysis).

Correlative rights is the right of opportunity to produce an owner's just and equitable share of a reservoir, is generally accomplished by establishing drilling units and by unitized operations of pools and plans of development.

The UIC program requires the Commission to verify the mechanical integrity of injection wells, determine appropriate injection zones and overlying confining strata, determine the presence or absence of freshwater aquifers, ensure their protection, and prepare quarterly reports of both in-house and field monitoring for the U. S. Environmental Protection Agency.

The Commission's metering responsibilities require verification of the accuracy of crude oil sales meters used for royalty and severance tax determinations. In the field, Commission engineers and inspectors monitor water drawing and calibration of volumetric provers, and witness proving operations. Meter factor calculations and fluid volume calculation are verified to ensure that correct temperature and pressure factors were used.

In addition, the Commission also acts as Alaska's jurisdictional agency for the Natural Gas Policy Act as administered by the Federal Energy Regulatory Commission (FERC), and for qualifying enhanced recovery operations under the Windfall Profits Tax Act (1978) for the U. S. Treasury.

The Commission requires reports, data and material from operators ranging from drilling, testing and completion reports, production and injection volumes, well logs, cuttings, cores, maps, cross-sections, pressure and material balance reports, Gas/Oil Ratio reports, ownership and unitization agreements and development plans.

The University of Texas at Austin
College of Engineering

presents

a 5 day short course

Basic Reservoir Engineering
for the
Oil and Gas Professional

January 8 - 12, 1996

Presented by

Petroleum & Geosystems Engineering Department

Administered by

Continuing Engineering Studies

UT AUST

Schedule

January 8, 1996 (Monday)

8:30	am	Welcome - Mike Jackson, Introductory remarks - Mark Miller
10:00	am	Break
10:15	am	Nature of petroleum reservoirs
11:45	am	Lunch
1:15	pm	Properties of petroleum reservoir fluids
2:45	pm	Break
3:00	pm	Properties of petroleum reservoir fluids (cont.)
4:30	pm	Adjourn

January 9, 1996 (Tuesday)

8:30	am	Properties of petroleum reservoir rocks
10:00	am	Break
10:15	am	Properties of petroleum reservoir rocks (cont.)
11:45	am	Lunch
1:15	pm	Volumetric determination of initial oil and gas in-place
2:45	pm	Break
3:00	pm	Natural drive mechanisms and recovery factors
4:30	pm	Adjourn

January 10, 1996 (Wednesday)

8:30	am	Material balance
10:00	am	Break
10:15	am	Reserves
11:45	am	Lunch
1:15	pm	Flow of fluids in reservoirs
2:45	pm	Break
3:00	pm	Flow of fluids in reservoirs (cont.)
4:30	pm	Adjourn

January 11, 1996 (Thursday)

8:30	am	Pressure transient testing of oil and gas wells
10:00	am	Break
10:15	am	Pressure transient testing of oil and gas wells (cont.)
11:45	am	Lunch
1:15	pm	Deliverability testing of oil and gas wells
2:45	pm	Break
3:00	pm	Rate vs. time forecasting
4:30	pm	Adjourn

January 12, 1996 (Friday)

8:30	am	Decline curve analysis
10:00	am	Break
10:15	am	Reservoir simulation
11:45	am	Lunch
1:15	pm	Enhanced oil and gas recovery
2:45	pm	Break
3:00	pm	Enhanced oil and gas recovery (cont.)
4:30	pm	Adjourn

U.A.F.

PETE 205: COURSE OUTLINE (SPRING 1996)

- Week 1 (1/23, 1/26) - Introduction to early days of oil activities, Geology of Pet. Reservoirs.
- Week 2 (1/30, 2/2) - Drilling Practices
- Week 3 (2/6, 2/9) - Drilling Fluids
- Week 4 (2/13, 2/16) - Drilling Problems dependent on drilling fluid control
- Week 5 (2/20, 2/23) - Drilling Hydraulics
- Week 6 (2/27, 3/1) - Well Control and BOP, Casing Program
- Week 7 (3/5) - Cementing - 3/8
(3/8) - Mid-Semester Exam - 3/5 @ BA
- Week 8 (3/12, 3/15) - SPRING BREAK
- Week 9 (3/19, 3/22) - Early Production Methods, Field Development
- Week 10 (3/26, 3/29) - Formation Evaluation (logging, coring, etc)
- Week 11 (4/2, 4/5) - Completing the well
- Week 12 (4/9, 4/12) - Well testing, Production Concepts
- Week 13 (4/16, 4/19) - Production Methods, Improved Recovery Techniques
- Week 14 (4/23, 4/26) - Surface Production Equipment
- Week 15 (4/30, 5/3) - Production Problems & Workover Operations, Stimul. Methods
- Week 16 (5/7) - FINAL EXAM



STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF EDUCATION

ALASKA VOCATIONAL TECHNICAL CENTER

701 E. Tudor, Suite 270 • Anchorage, Alaska 99503

Phone: (907) 561-4436

Fax: (907) 561-3563



Pctof

Brian Gillispie

(512) 471-3163

Fax (512) 471 944

CURRICULUM FOR 32 HOUR MMS CLASS

FIRST DAY

Morning:

- Intro
- Formation pressures
- Causes of kicks
- Warning signs of kicks
- U - tube concept
- Pressure relationships - HP, SIDPP, SICP, HP loss due to influx
- Indicators of changing formation pressures
- Shut-in procedures
- Circulating pressures, ECD, slow pump rates and choke line friction if necessary
- Constant bottom hole pressure methods - drillers, wait & weight, concurrent

Afternoon:

- Boyles gas law - regarding expansion of gas during migration vs. circulating
- Wait & Weight method of well control - kill sheet
- Necessary math

SECOND DAY

Morning:

- MMS regs - Federal guidelines for drilling on leases
- Review constant bottom hole methods - advantages/disadvantages

Afternoon:

- Diverter operation
- Leak-off tests/formation integrity tests
- Pressure on the shoe
- Surface pressure limitations
- Riser displacement - if necessary
- Removal of stack gas - if necessary

Post-It® Fax Note	7571	Date	# of Pages
To	James Hankshaw	From	Brian
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	



STATE OF ALASKA
TONY KNOWLES, GOVERNOR



DEPARTMENT OF EDUCATION
ALASKA VOCATIONAL TECHNICAL CENTER

701 E. Tudor, Suite 270 • Anchorage, Alaska 99503
Phone: (907) 561-4436 Fax: (907) 561-3563

THIRD DAY

Morning:

Tripping
Correct fill
Trip margin/overbalance
HP loss pulling pipe and not filling the hole
Kicks with pipe off bottom
Safety valve/inside dart valve
Stripping - using bag or rams

Afternoon:

Difference between gas/water kicks
Volumetric well control
Lubrication
Lost circulation

FOURTH DAY

Morning:

Horizontal well control
Completion activities
Review

Afternoon:

Testing - written and simulator

Simulator is used twice a day. Slides and videos also shown periodically to emphasize topics

CONFIRM

HEARING

JOHN

SHIVELY

2/14/95

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3718

February 14, 1995

The Honorable Gail Phillips
Speaker of the House
State Capitol
Juneau, AK 99801-1182

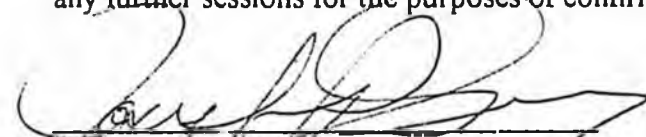
Dear Madam Speaker:

In Accordance with AS 39.05.080, the House Resources Committee has reviewed the qualifications of the following and recommends that appointment be forwarded to a joint session for consideration:


Commissioner of the Department of Natural Resources

John Shively


This does not reflect an intent by any of the members to vote for or against this individual during any further sessions for the purposes of confirmation.



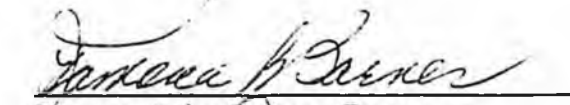
Representative Joe Green
Co-Chairman



Representative Bill Williams
Co-Chairman

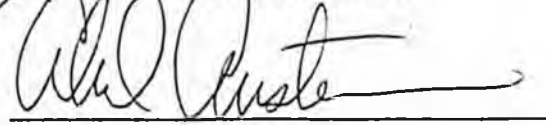


Representative Scott Ogan



Representative Ramona Barnes


Representative Pete Kott



Representative Alan Austerman

Representative John Davies

Representative Eileen MacLean



Representative Irene Nicholia

Resume of:
JOHN TERRY SHIVELY

Birthday: July 1, 1943

Wife: Alexandra

Daughter: Natasha

Residence: Anchorage, Alaska

Telephone: (907) 274-6472

EMPLOYMENT BACKGROUND

March 1992 - September 1994

Senior Vice President and Chief Operating Officer
NANA Development Corporation

Oversaw the business operations of NANA, including tourism, oilfield operations, security company, joint ventures, and Red Dog activities. Managed certain lobbying efforts in Washington, D.C.

October 1986 - March 1992

Senior Vice President
NANA Regional Corporation

Supervised the Anchorage office which included oilfield operations, security company, joint ventures, Red Dog activities, and finance and accounting functions. Also, participated in lobbying efforts in Washington, D.C.

April 1987 - January 1988

Chairman and CEO
United Bancorporation Alaska, Inc.
and United Bank Alaska (UBA)

Served as Chairman and CEO during a process in which the holding company and the two banks (one of which was failing) it owned were merged with another failing bank which received new capital from the FDIC and private sources.

October 1985 - October 1986

Consultant
Self-employed

Clients included Alaska Federation of Natives, NANA Regional Corporation, Alascom, and Brice, Inc. Worked as a lead lobbyist on AFN's 1991 legislation.

December 1983 - July 1985

Chief of Staff to Governor Bill Sheffield, State of Alaska.

Was the Governor's chief advisor on major policy issues, and oversaw the day to day operations of the Governor's office and the Cabinet.

September 1975 - November 1983

Vice President of Operations
NANA Regional Corporation

Worked directly for the President of NANA in overseeing day-to-day business operations. Also responsible for lobbying efforts both in Juneau and Washington, D.C. on matters such as oil and gas taxation and land claims issues.

In May, 1977, transferred to the NANA Development Corporation office in Anchorage to work as Vice President of Operations. Duties continued in a similar vein, except no responsibility for operations in Kotzebue. Worked directly for the President of NANA Development Corporation in administering NANA's construction company, pipeline and oil field services, utilities and security companies. Promoted to Senior Vice President in 1982.

September 1974 - May 1975

Alaska Community College
(Part-time)

Taught a three-credit course on the history and interpretation of the Alaska Native Claims Settlement Act.

December 1972 - August 1975

Alaska Federation of Natives
Executive Vice President

Served as Executive Vice President responsible for overseeing the financial and administrative matters of the Alaska Federation of Natives, including \$10 million worth of grants and programs. These programs provided services in the fields of health, education, housing and business technical assistance. Also assisted in lobbying and working with the Congress, the Alaska State Legislature, and various state and federal organizations on matters relating to the Trans-Alaska Pipeline, Native Land Claims, Coastal Zone Management and OCS impact.

November 1969 - December 1972

Rural Alaska Community Action Programs
Deputy Director, Executive Director

Served as Deputy director for a little over a year and was then hired as Executive Director. Responsible for overseeing the programs of the Community Action Program for Rural Alaska, including Headstart, Village Development, Heavy Equipment Program, Emergency Food and Medical Services Program, and several other programs. Annual budgets totaled approximately \$4 million.

May 1969 - November 1969

Alaska Federation of Natives
Consultant

Served as a consultant to set up the health program that I developed while working for the Greater Anchorage Area Community Action Agency.

September 1968 - May 1969

Health Planner
Greater Anchorage Area Community Action Program

Developed and worked on funding for a major health grant for the communities of Nome and Bethel. Also worked on funding proposal for Comprehensive Health Planning Grant for Anchorage.

July 1965 - August 1968

VISTA Volunteer

Served as a VISA Volunteer working in Bethel, Yakutat, and Fairbanks, Alaska. Worked primarily with youth groups and the court system in Bethel. In Yakutat worked as Assistant to the Mayor and with youth. While stationed in Fairbanks, was supervisor of 30 VISTA Volunteers for northern and western Alaska.

EDUCATION

Taft School, Watertown, Connecticut;
University of North Carolina, Chapel Hill, North Carolina. Bachelor of Arts Degree in Political Science.

SELECTED MEMBERSHIPS AND ASSOCIATIONS:

Governor's Rural Affairs Council (1971 - 1976)

Governor's Manpower Commission (1971)

Greater Anchorage Area Comprehensive Health Planning Council
(1974 - 1975)

Alaska Public Interest Research Group (AKPIRG) Board of Directors
(1975, Founding Board Member), (1986 - 1991, Chairman 1987 -

1988)

Alaska Federation of Natives Steering Committee on Oil and Gas
Taxation (1976 - 1977)

Unicorp, Inc., Board of Directors (Bank Holding Company)
(1977 - 1983) (1987)
City of Kotzebue OCS Impact Committee (1977)

Board of Regents, University of Alaska (1979 - 1983)

Alaska Commission on Postsecondary Education (1980 - 1982)

Alaska United Drilling, Inc. (1980 - 1983)

Alaska Board of Game (1983), Chairman (1983)

All Saints Episcopal Church Vestry (1988 - 1990)

Alaska Federation of Natives, Legislative Committee
Chairman (1989 -)

Anchorage Symphony Board of Directors (1991 -)

Junior Achievement of Alaska, Inc. Board of Directors
(1991 - 1994)

Democratic Leadership Council Board of Directors (1993 -)

Who's Who in the World

Who's Who in Business and Finance

Who's Who in the West

PUBLICATIONS

"The Educational Needs of Alaska's Native Population and the Means to Improve School Programs as seen by the Rural Alaska Community Action Program" (22nd Alaska Science Conference, University of Alaska, August 18, 1971)

"An Assessment of the Alaska Native Claims Settlement Act"
(Alaska Public Intere. Research Group, December 31, 1974)

"An Assessment of the Alaska Native Claims Settlement Act"
(Manual of Indian Law, American Indian Law Training Program,
Inc. 1976)

"Alaska Native Corporations and Native Lands" (Rocky Mountain
Mineral Law Foundation, 1978)

"State of Alaska and the Alaska Native Claims Settlement Act"
(Conference on Alaska's Future Frontiers, December 1979)

"Subsistence Hunting in Alaskan Parks" (National Parks, March
1981)

13 Feb 1995

Senate Resource Committee
Senator Loran Lemmon, Chair

The following letter voices my concern with the appointment of John Shively for Commissioner of Natural Resources. I will appreciate any consideration given to my concern.

Thank you

Dale Bondurant

Please furnish the House Resource Committee with a copy of my letter.

13 Feb 1995

To All Legislators

I am well aware and very concerned about the history of some of Mr. John Shively's involvement in the Natural Resources of Alaska. I am most concerned about what I consider his contempt for the peoples input and interest in such a public matter as the States Natural Resources.

I remember a series of meetings, held several years ago at which the subject was the attempt to gain private ownership of the public and navigable waters encompassed within the Native land selections. These meetings were well represented by Federal and Corporations interests but with very little presence for the most important interest of the people of the State.

Our Nation's past and present history reflects that these waters and the underlying lands and natural resources are retained, for the benefit of the public as a whole, by the State. In this instance the potential is in untold Natural Resource wealth (ie primary source of the Alaska Permanent Fund and State finance revenues) and most important the constitutional right of continued free public access to the waters.

At one of this series of meeting I, as one of only two public members present, well

Page 2

remember an off-hand remark by Mr Shively. His related remark was a lack of concern for the voiced public opposition by "two sportsmen" as they would not have the "money" to stay actively involved in this matter. To me such a statement, no matter who's interests a person may represent, shows a lack of respect for the public, no matter their size or concerned involvement.

Alaskans must ask if Mr Shively's position, in this Water and Natural Resources ownership matter also showed a personal obligation to a lesser concern for the good of the people as a whole; as was his "mistake" in the Fairbanks debauchery of the public's interests. I believe that such a cavalier attitude, as Mr Shively displayed in these two public incidents, is not an acceptable commitment to the public as is required of any Commissioner. I had hoped that Governor Knowles would reexamine his proposed appointment of Mr Shively Commissioner of Alaska's public Waters and Natural Resource.

Now I request legislators to withhold confirmation of Mr Shively to this most important position, in the interest of All Alaskans

Dale Bondurant

Phone 262-0818

HC 1 Box 1197

Soldotna AK 99669

ADF & G

OVER-

VIEW

1/30/95

STATE OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

TONY KNOWLES, GOVERNOR

8800 GLACIER HWY, #109
JUNEAU, AK 99801
(907) 789-6150 Licensing Calls
(907) 789-6160 Other Business
(907) 769-6170 FAX

CFEC OVERVIEW
FOR
HOUSE RESOURCES COMMITTEE

JANUARY 30, 1995

OVERVIEW OF THE COMMISSION

Limited entry was established in Alaska in response to public demand to protect the diminishing fishery resources and to stabilize the economic health of the commercial fishing industry. After years of disastrous salmon seasons in the 1960's, the industry was in serious decline and Alaskan fishers in a financial crisis. Fearing the loss of their fisheries, Alaskans voted in 1972 to amend the constitution and created a system of fishery limitation (Art VIII, Sec 15). Governor Egan assembled a study team and the Legislature approved the current Limited Entry Act in the 1973 session. Interim-use permits were first issued by the Commission in 1974 and the first permanent limited entry permits were issued in 1975. In 1976 the public again voted almost two to one to keep the limited entry system and in 1984 the U.S. Supreme Court let stand a decision of the Alaska Supreme Court upholding the constitutionality of the program. The 1973 Act created the Commercial Fisheries Entry Commission as an exempt, independent and quasi-judicial agency to regulate and control entry into the commercial fisheries of Alaska in the public interest.

Absent limited entry, many of the State's high-valued fisheries would experience increased effort by new entrants (many from other states). Such increases in effort would raise management costs and threaten the resource stocks and livelihood of many Alaskans in coastal communities where commercial fishing is the cornerstone of the economy. Unchecked growth in commercial demands would also threaten subsistence and other public uses of the resource. In extreme cases, unlimited access would require fishery managers to close some fisheries thereby losing the means of earning a living for many Alaskan families and their communities.

Through the Commercial Fisheries Entry Commission more than 10,000 limited entry permits are held by Alaskans who are granted permanent access to the State's fishery resource. Significantly, 78% of all permanent entry permits are held by Alaskans. Of these permits more than half (56%) are held by Rural Alaskans where other sources of cash are fairly limited. These percentages have remained fairly constant since the beginning of the program. It remains essentially a reflection of the distribution of participants when the limited entry program was instituted. To date, CFEC has protected Alaskan's access to their valuable fishery resources by limiting entry into 50 unique fisheries. At this time, the Commission is in various stages of considering petitions to limit 19 additional fisheries. (Appendix A & H).

The Commercial Fisheries Entry Commission (CFEC) has become an essential component of Alaska's billion dollar fishing industry. CFEC's statutory duty is to promote the conservation and sustained yield management of Alaska's fisheries resources and the economic health and stability of the industry by regulating entry into commercial fisheries in the public interest.

After twenty years of operation, CFEC remains a small agency with a limited budget. (Appendix B). In fact, the CFEC FY95 budget approximates the budget of 12 years ago in FY83, however responsibility to protect access has grown substantially. The Commission now issues 50,000 permits and vessel licenses each year, manages permit allocations in all limited fisheries throughout the state, supervises 1,800 permit transfers each year and annually contributes over \$5 million in revenues to the general fund. (Appendix C).

The Commission is a quasi-judicial agency comprised of three commissioners who hold hearings, conduct judicial review and issue final decisions in disputed cases. (Appendices D and E). In addition, the Commission is organized into four major sections: adjudications, licensing, data processing and research. (Appendix F). There are 32 persons currently employed at CFEC. (Appendix G).

APPENDICES

Appendix A	CFEC Limited Fisheries
Appendix B	CFEC Budget 1991-1996
Appendix C	CFEC Revenue
Appendix D	CFEC Adjudication Decisions Completed
Appendix E	CFEC Adjudication Cases Pending
Appendix F	CFEC Organization Chart
Appendix G	CFEC Position Count
Appendix H	CFEC Requests for Fishery Limitations

LIMITED FISHERIES (WITH QUALIFICATION DATE)

The following 50 fisheries are under a program of entry limitation:

Salmon

Southeastern purse seine (1/1/73)
Southeastern drift gill net (1/1/73)
Statewide hand troll (1/1/80)
Statewide power troll (1/1/73)
Yakutat set gill net (1/1/73)
Prince William Sound purse seine (1/1/73)
Prince William Sound drift gill net (1/1/73)
Prince William Sound set gill net (1/1/73)
Cook Inlet purse seine (incl. beach seine) (1/1/73)
Cook Inlet drift gill net (1/1/73)
Cook Inlet set gill net (1/1/73)
Kodiak purse seine (1/1/73)
Kodiak beach seine (1/1/73)
Kodiak set gill net (1/1/73)
Chignik purse seine (1/1/73)
Peninsula-Aleutian Islands purse seine (incl. beach seine) (1/1/73)
Peninsula-Aleutian Islands drift gill net (1/1/73)
Peninsula-Aleutian Islands set gill net (1/1/73)
Bristol Bay drift gill net (1/1/73)
Bristol Bay set gill net (1/1/73)
Upper Yukon gill net (1/1/76)
Upper Yukon fishwheel (1/1/76)
Kuskokwim gill net (1/1/76)
Kotzebue gill net (1/1/76)
Lower Yukon gill net (1/1/76)
Norton Sound gill net (1/1/76)

Herring

Southeastern purse seine (1/1/77)
Prince William Sound purse seine (1/1/77)
Prince William Sound gill net (1/1/79)
Kodiak purse seine (1/1/81)
Kodiak gill net (1/1/81)
Southeastern gill net (1/1/78)
Cook Inlet purse seine (1/1/77)
Nelson Island gill net (1/1/87)
Nunivak Island gill net (1/1/88)
Cape Romanzof gill net (1/1/87)
Norton Sound beach seine (1/1/87)
Norton Sound gill net (1/1/87)

Herring Spawn on Kelp Pound

Prince William Sound (1/1/87)

Northern Southeast (Hoonah Sound) (1/1/95)

Southern Southeast (Craig/Klawock) (1/1/95)

Herring Spawn on Kelp

Togiak (1/1/89)

Crab

Southeastern red and blue king crab pot (1/1/84)

Southeastern brown king crab pot (1/1/84)

Southeastern Tanner crab pot (1/1/84)

Cook Inlet Dungeness crab pot (1/1/93)

Cook Inlet Dungeness crab ring net (1/1/93)

Sablefish

Northern Southeast Inside longline (1/1/85)

Southern Southeast Inside longline (1/1/85)

Southern Southeast Inside pot (1/1/85)

Moratorium

Southeastern Dungeness crab pot and ring net (1992-1996)

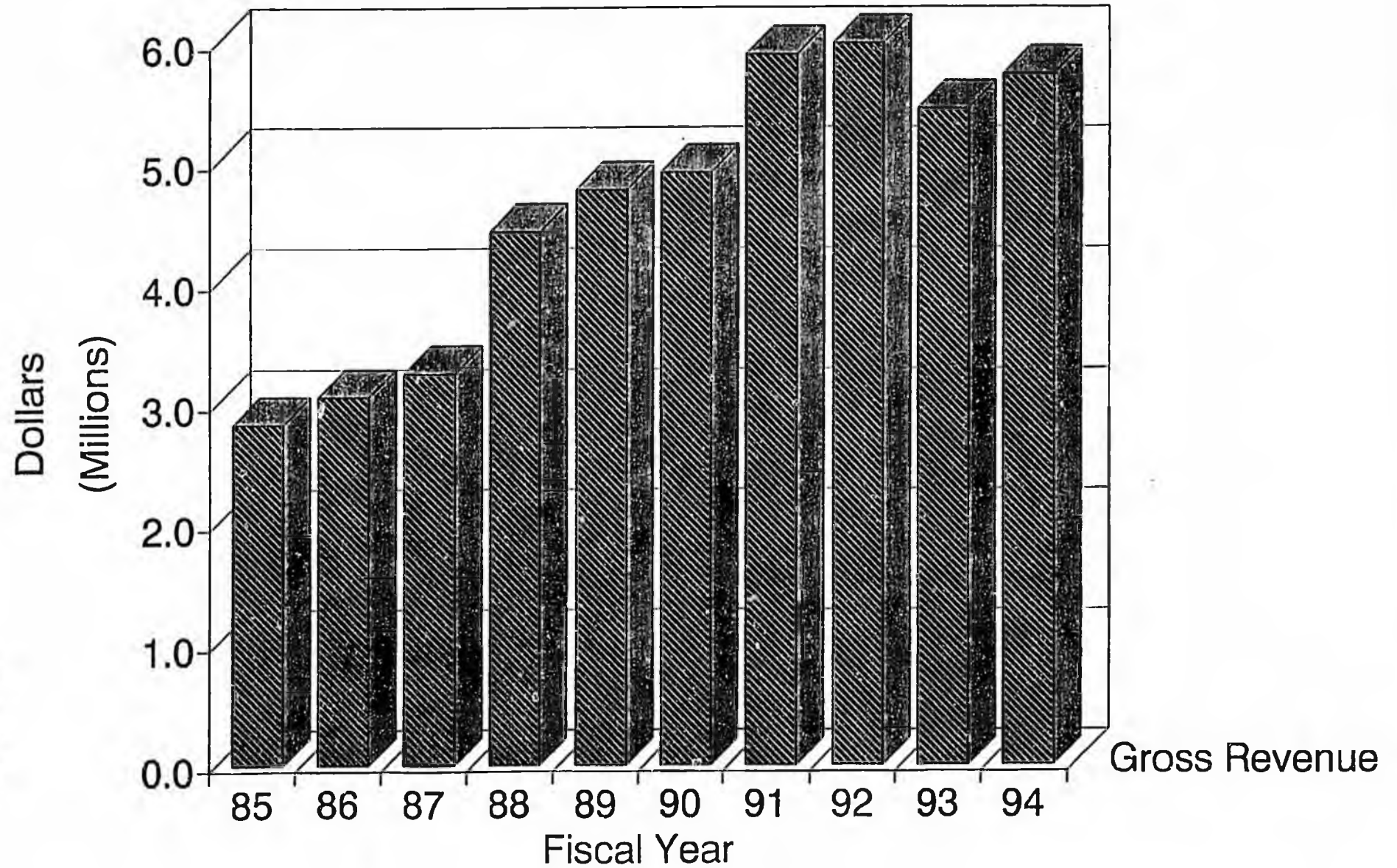
Commercial Fisheries Entry Commission

Authorized Budget

	91	92	93	94	95	96 *
Authorized	2648.1	2643.0	2747.2	2747.2	2715.6	2715.6
General Fund	2541.2	2534.6	2638.9	2638.9	2606.9	2606.9
Federal Receipts	106.9	108.4	108.3	108.3	108.7	108.7
Full-Time	38	35	33	32	32	32
Part-Time	3	4	4	5	5	5
Temporary	2	2	2	2	2	2
Staff Months	485.50	468.50	437.00	432.00	431.50	431.50

Net Revenue - All Sources

Fisherman's Fund Transfer Included

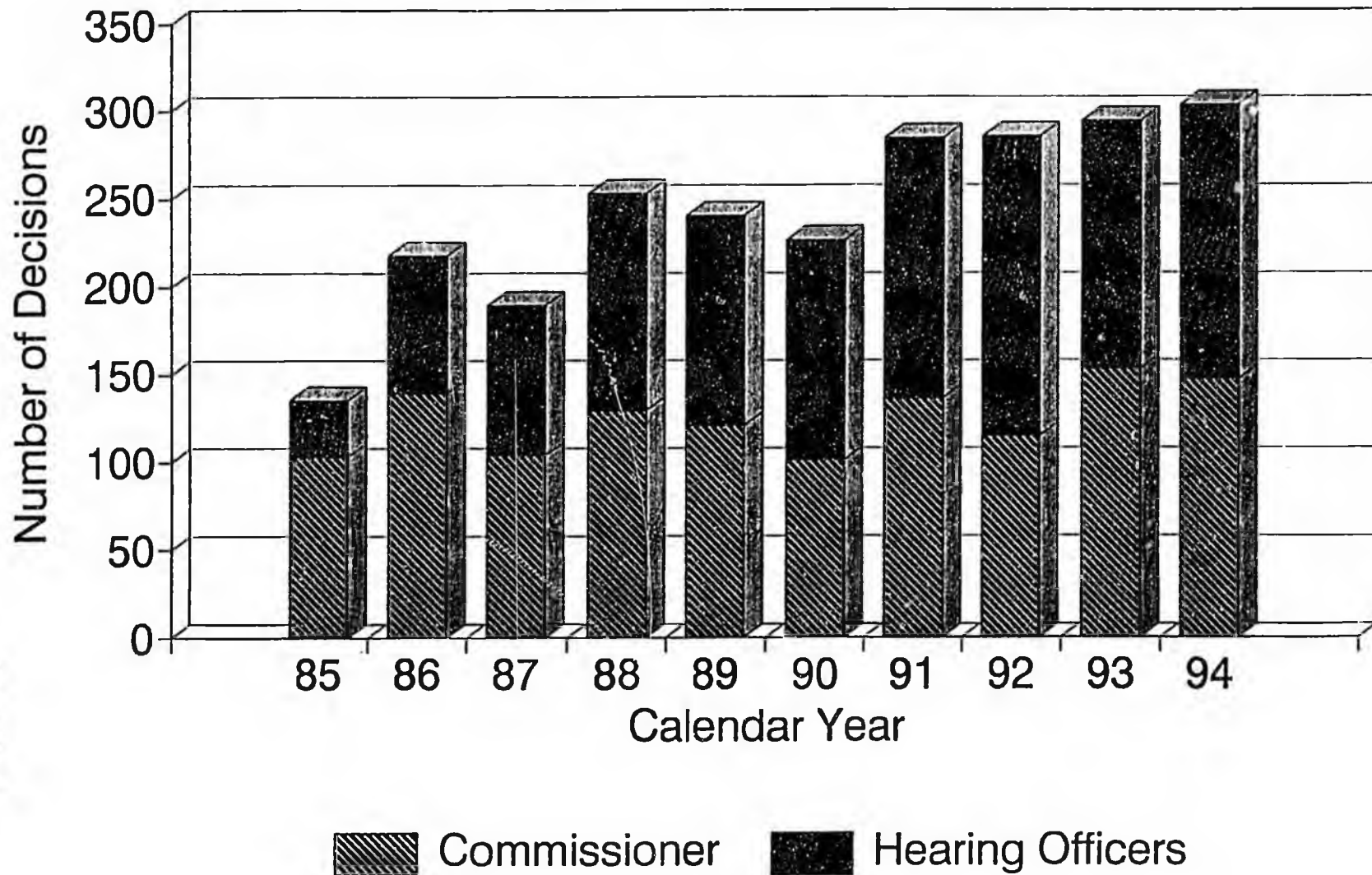


Appendix C

Gross Revenue

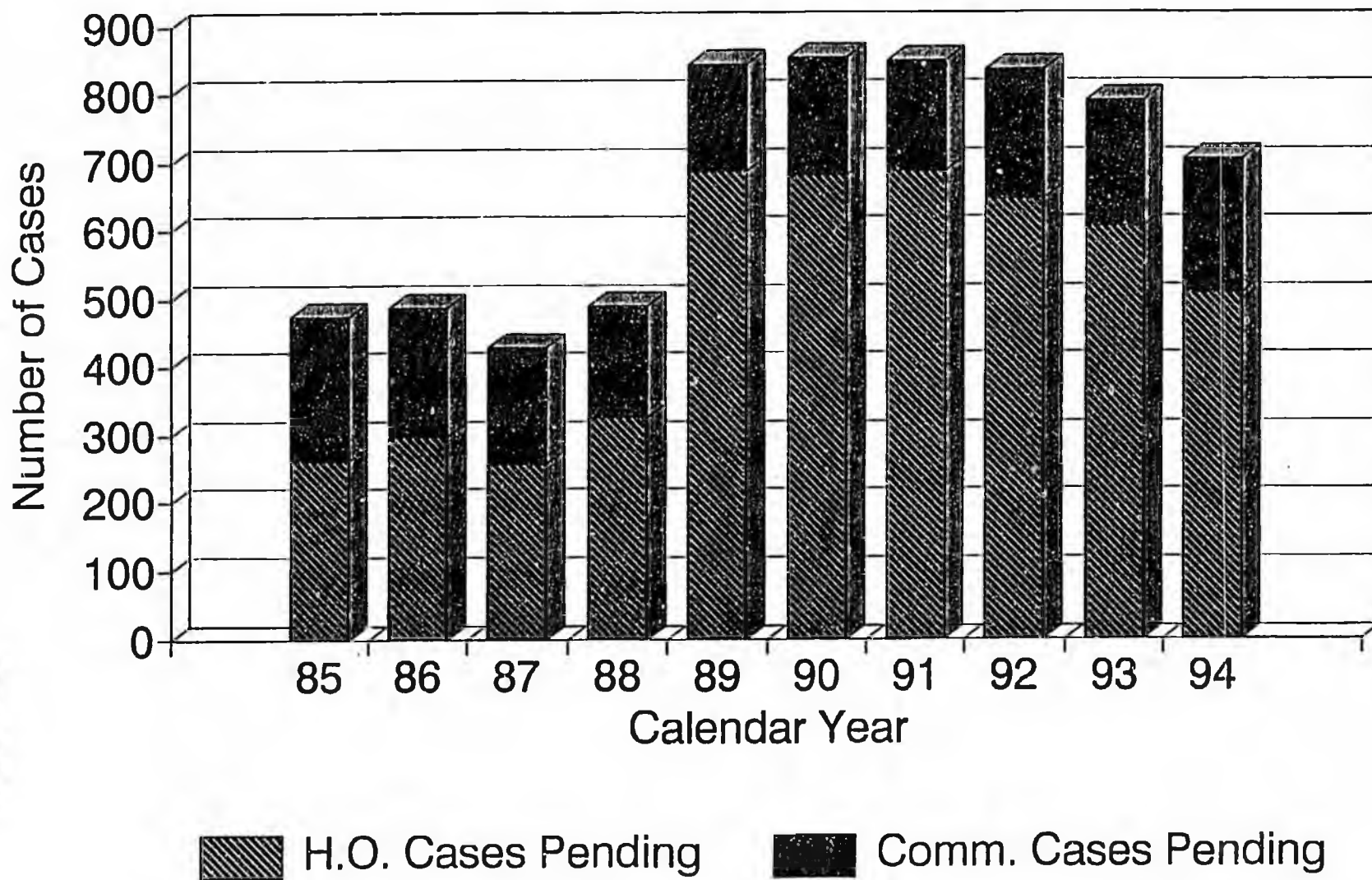
Decisions Completed

Commercial Fisheries Entry Commission



Cases Pending

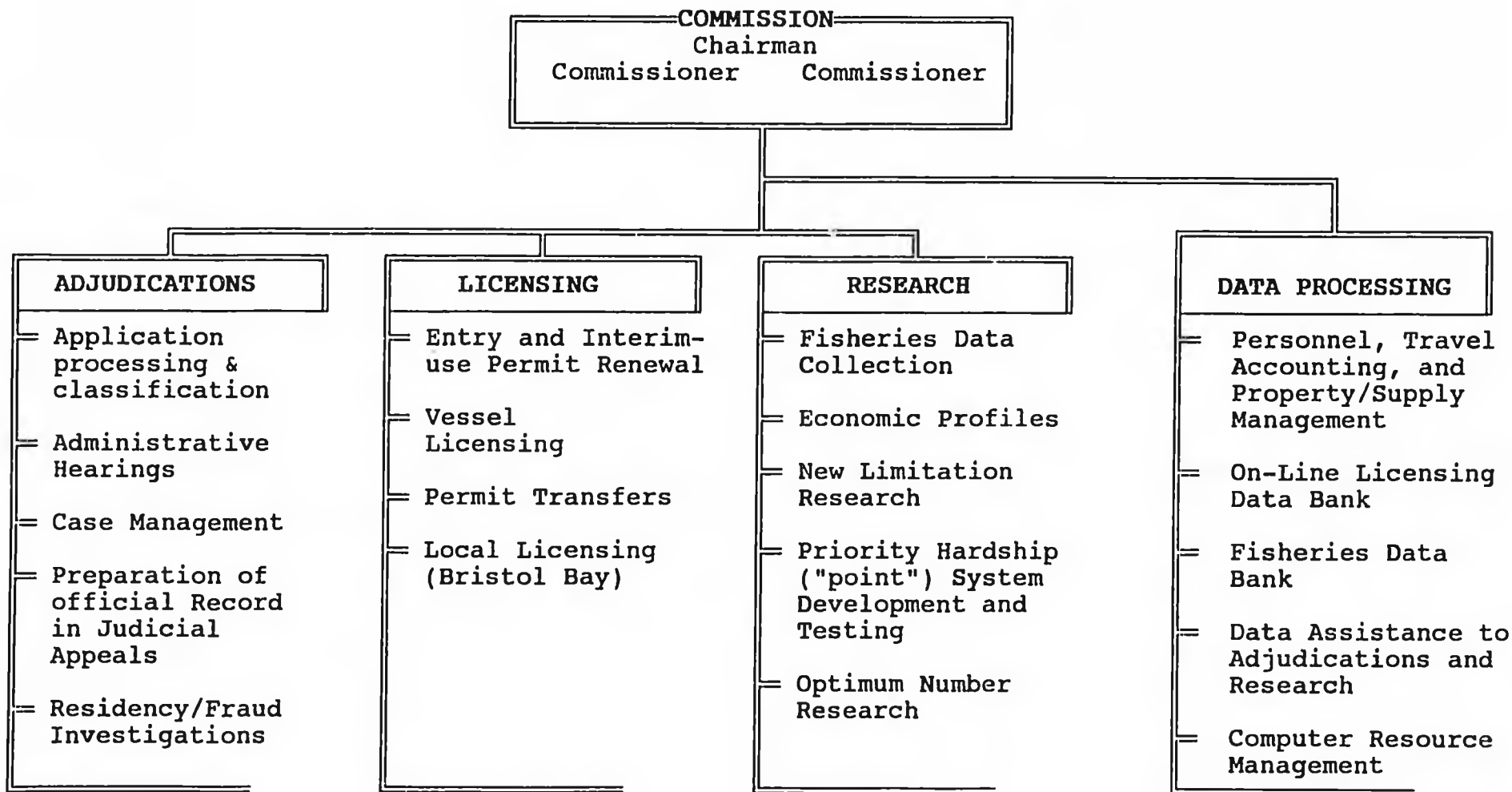
Commercial Fisheries Entry Commission



Appendix E

COMMERCIAL FISHERIES ENTRY COMMISSION

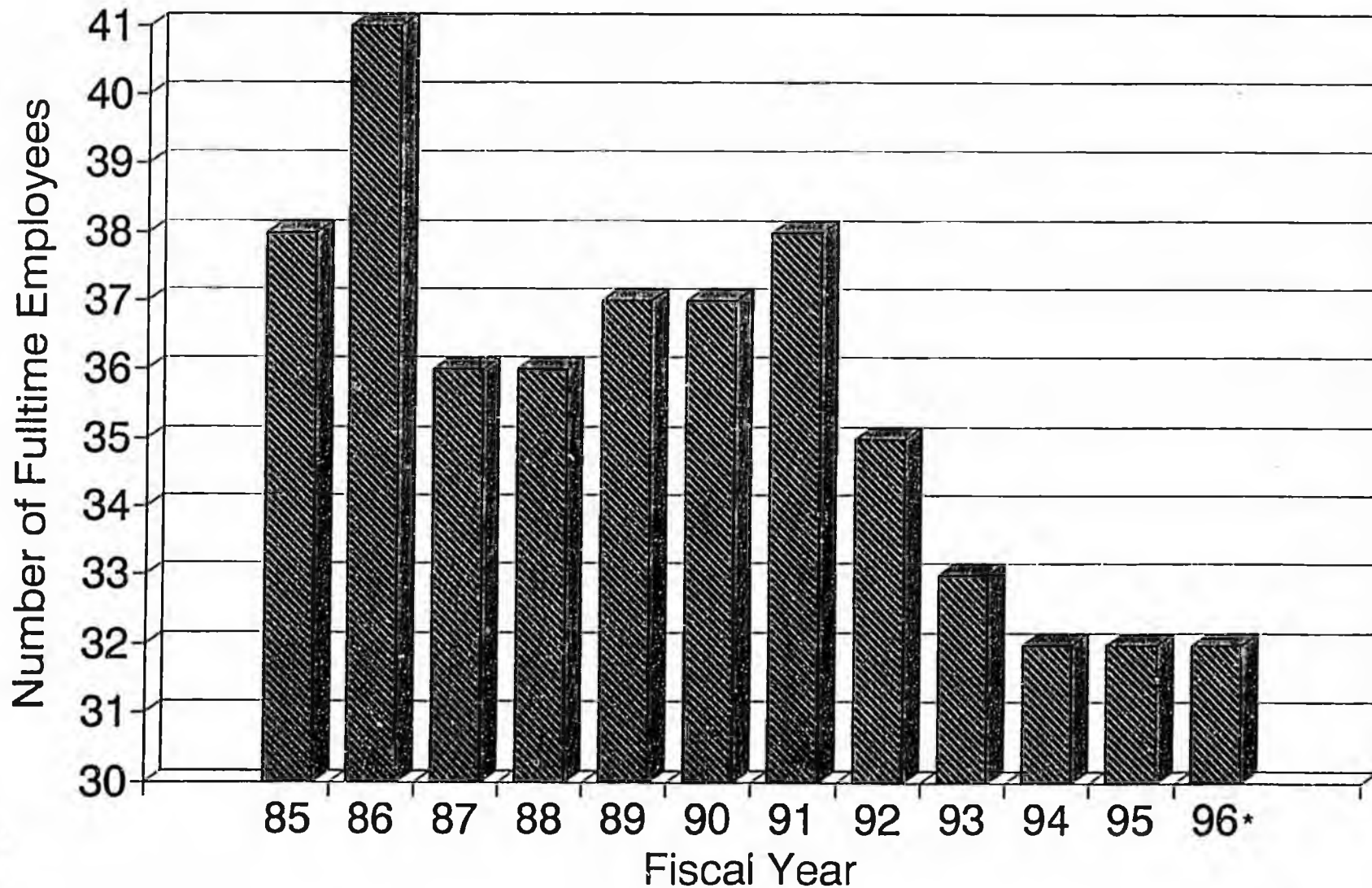
Organization by Agency Function*



*NOTE: The above Organizational Chart presents a general view of the Commission's primary functions. It by no means lists all activities undertaken to meet the Commission's statutory responsibilities as set forth in AS 16.43.010 - 990.

Position Count

Commercial Fisheries Entry Commission



COMMERCIAL FISHERIES ENTRY COMMISSION

Requests for Limited Entry in Additional Fisheries

The Commission has received petitions for the limitation of some nineteen (19) additional fisheries:

1. Security Cove/Goodnews Bay Herring gill net (10/87 & 1/93)
2. Togiak Herring purse seine (3/83, 4/88, 5/88, and 10/88)
3. Togiak Herring gill net (3/88, 4/88, 5/88, and 10/88)
4. Aleutian Herring (bait) purse seine (12/87)
5. Cook Inlet Tanner crab pot (10/84, 5/88, 7/88, 8/94 & 1/95)
6. Cook Inlet King crab pot (10/84, 5/88, 7/88, 8/94 & 1/95)
7. Cook Inlet Shrimp pot & trawl (10/84 & 1/95 (trawl only))
8. Prince William Sound Shrimp pot (11/84 & 4/87)
9. Prince William Sound Sablefish longline (7/85, 8/94, 10/94 & 11/94)
10. Prince William Sound Dungeness crab pot (8/82 & 11/91)
11. Prince William Sound Herring Spawn on Kelp diving (8/88 & 7/91)
12. Southeast King and Tanner crab ring net (7/85 & 1/89)
13. Southeast Abalone diving (12/87, 12/89, 6/90, & 7/93)
14. Southeast Sea Cucumber diving (5/90, 9/90, 1/91, & 7/93)
15. Southeast Geoduck & Sea Urchin diving (7/93)
16. Southeast Herring (bait/food) purse seine (2/92)
17. Kodiak Dungeness crab pot (1/94 & 2/94)
18. Scallop Moratoria in state waters (4/94)
19. Dutch Harbor Herring (bait/food) purse seine (10/94)

STATE OF ALASKA

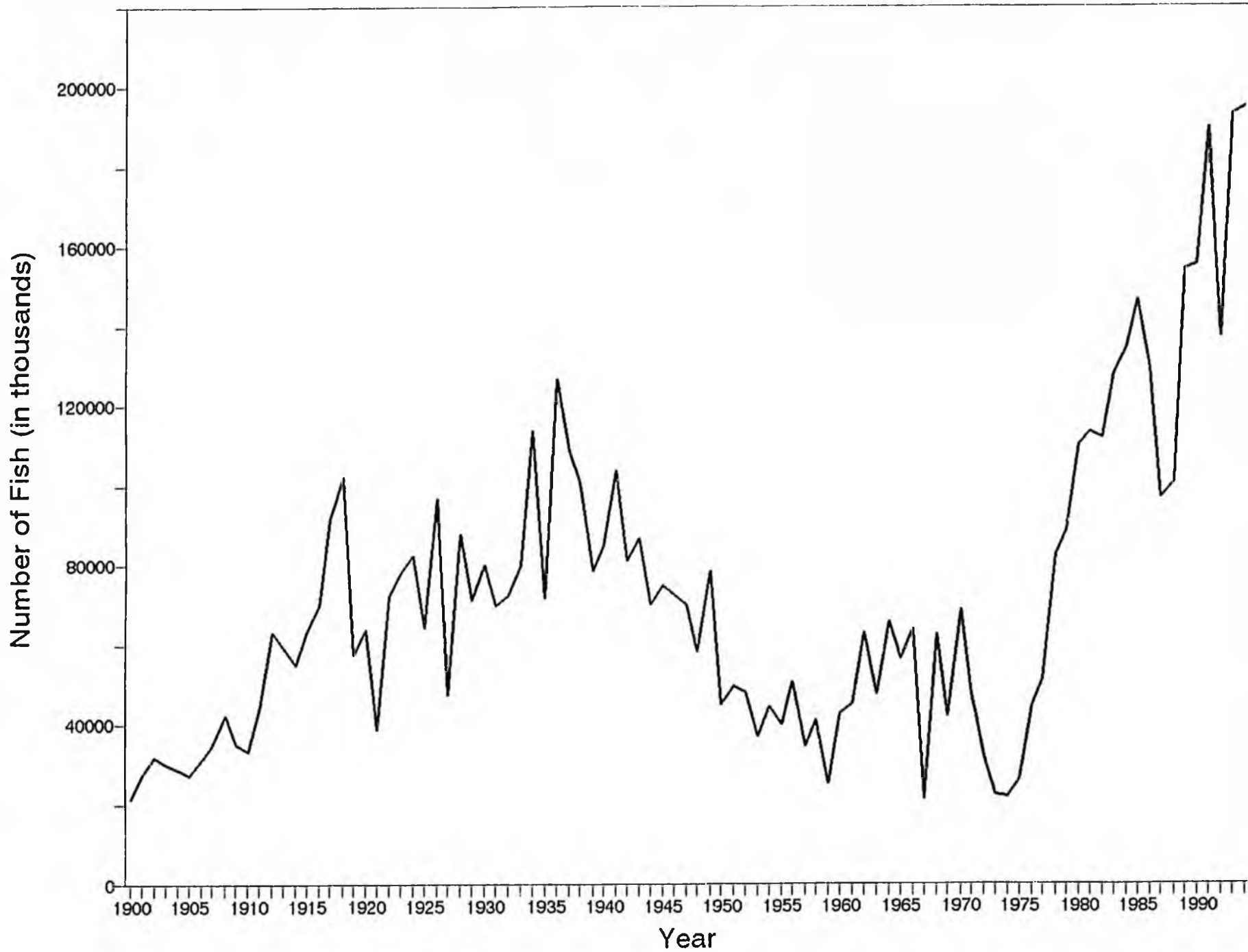
COMMERCIAL FISHERIES ENTRY COMMISSION

TONY KNOWLES, GOVERNOR

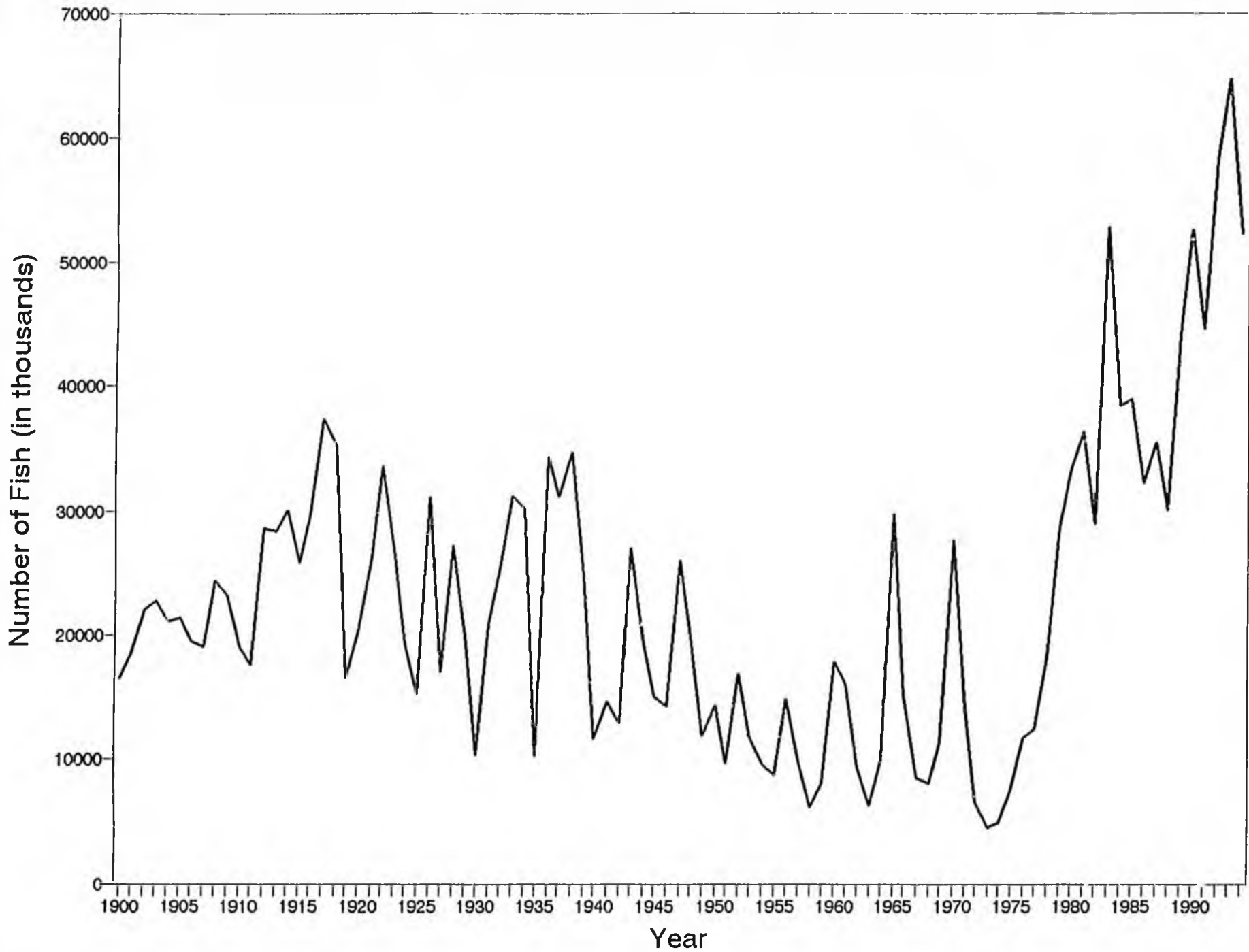
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HISTORICAL SALMON HARVESTS IN ALASKA 1900 - 1994

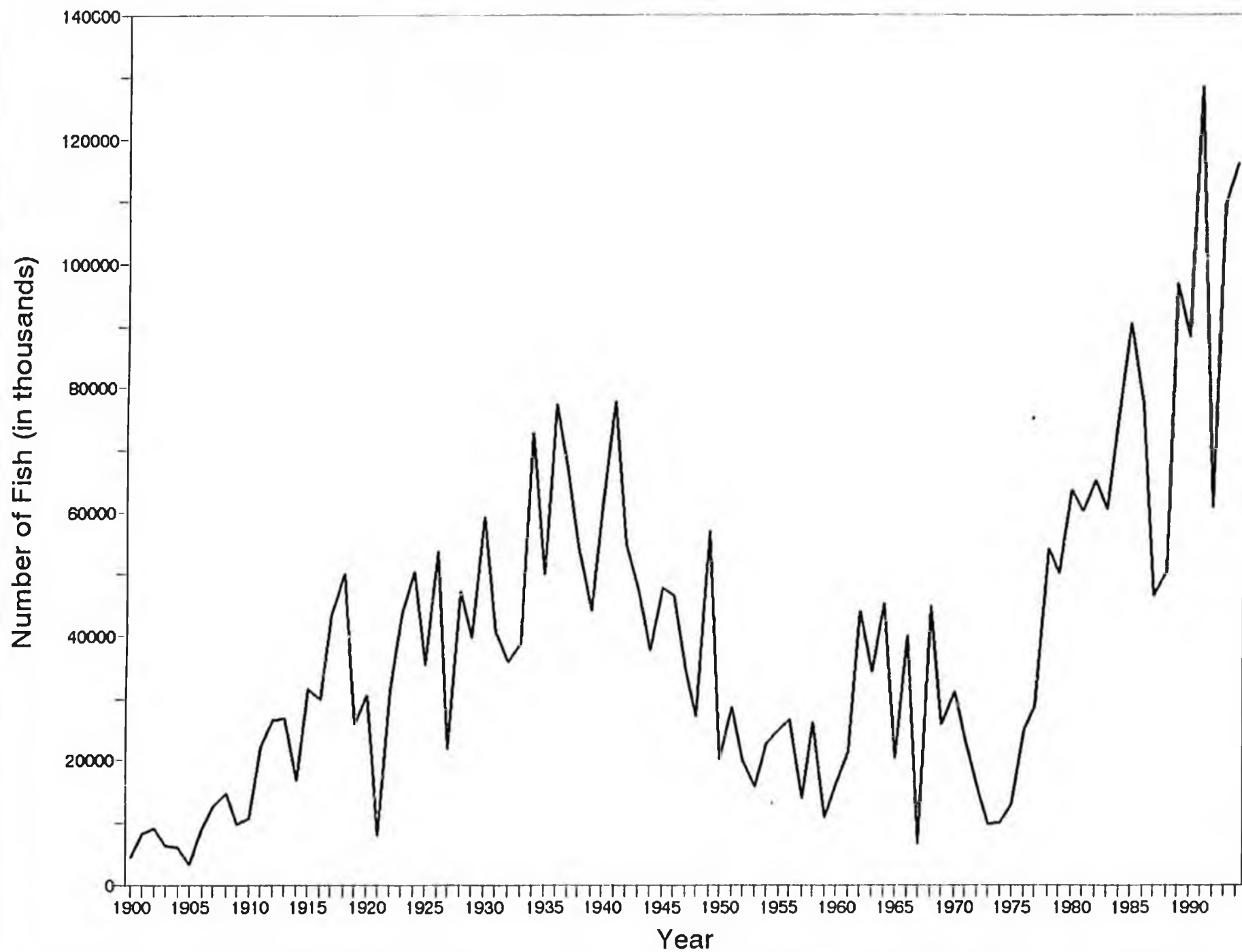
Statewide Commercial Salmon Harvests



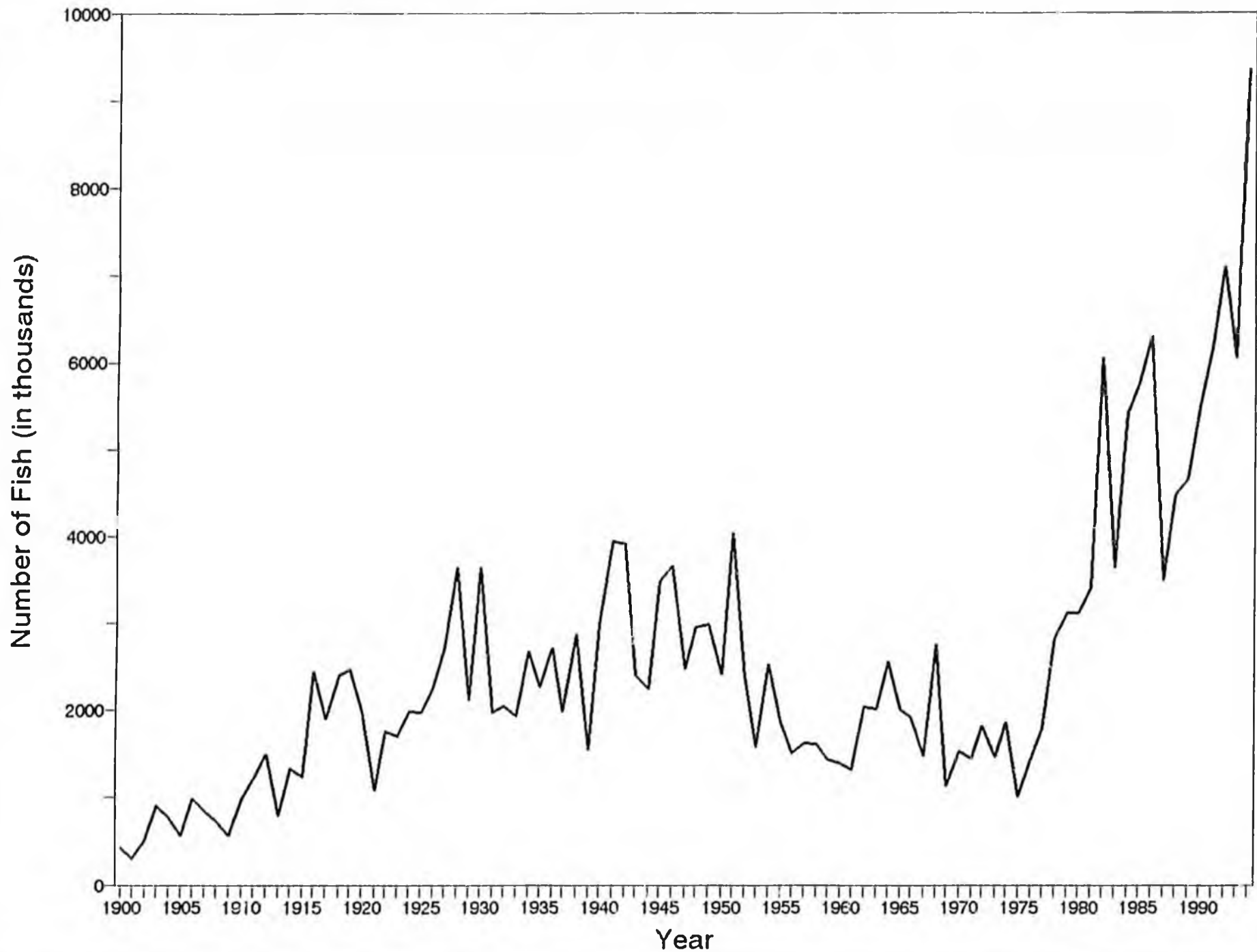
Statewide Commercial Sockeye Harvests



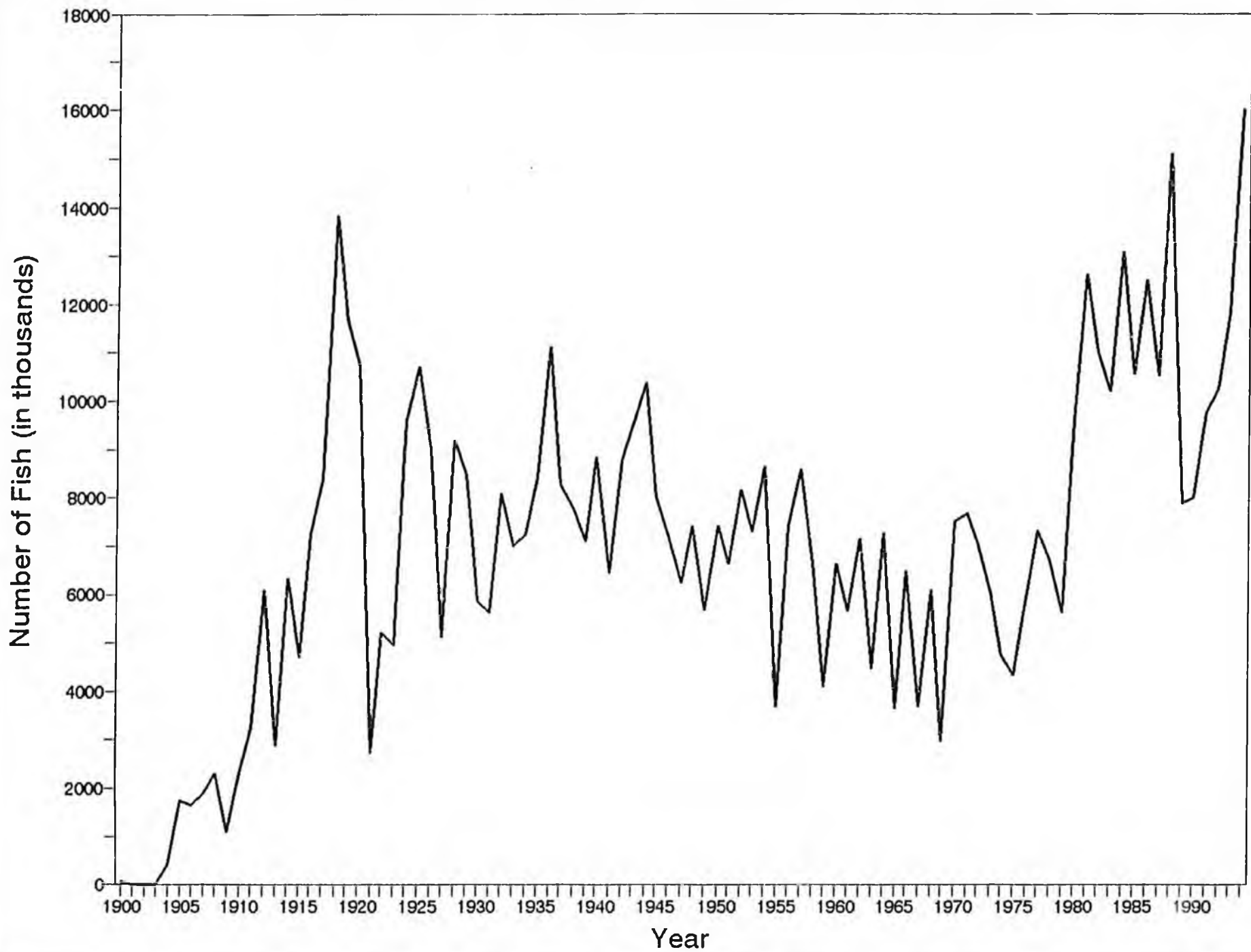
Statewide Commercial Pink Harvests



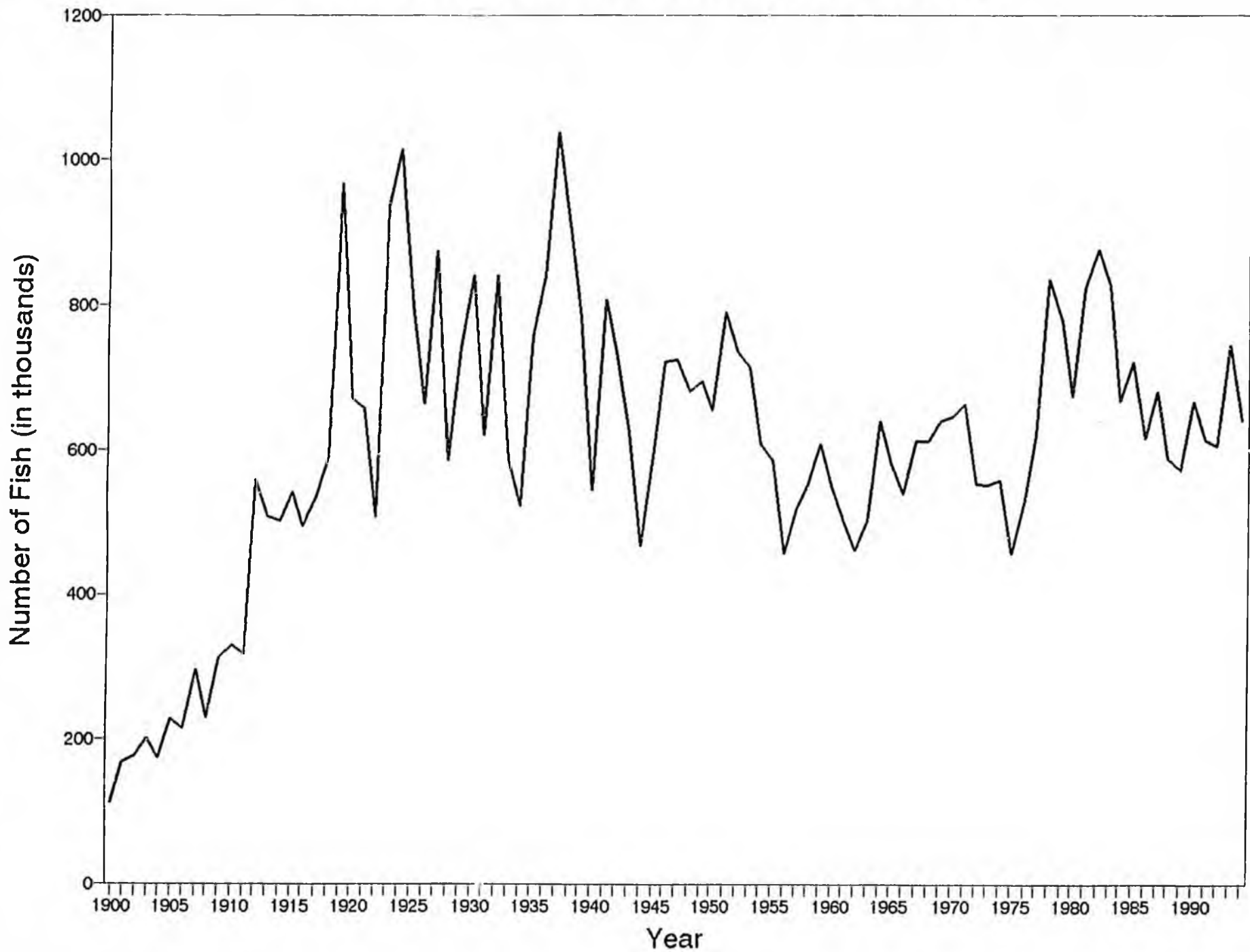
Statewide Commercial Coho Harvests



Statewide Commercial Chum Harvests



Statewide Commercial Chinook Harvests



HISTORICAL ALASKA COMMERCIAL HARVESTS (in thousands of fish)

Year	Chinook	Sockeye	Coho	Pink	Chum	Total
1900	110	16,534	440	4,432	34	21,550
1901	168	18,582	301	8,118	0	27,169
1902	175	22,046	519	9,058	0	31,798
1903	201	22,735	901	6,263	0	30,100
1904	174	21,108	774	6,183	396	28,636
1905	226	21,400	564	3,351	1,720	27,261
1906	215	19,489	984	9,002	1,628	31,318
1907	296	19,058	851	12,578	1,864	34,648
1908	229	24,388	730	14,671	2,285	42,301
1909	312	23,236	560	9,756	1,079	34,944
1910	329	19,027	984	10,725	2,308	33,373
1911	318	17,535	1,216	22,006	3,238	44,312
1912	559	28,619	1,499	26,398	6,069	63,145
1913	508	28,373	796	26,778	2,859	59,314
1914	501	30,091	1,334	16,731	6,326	54,983
1915	542	25,787	1,240	31,399	4,694	63,662
1916	493	29,744	2,440	29,831	7,243	69,751
1917	535	37,440	1,901	43,326	8,371	91,573
1918	591	35,210	2,390	50,028	13,829	102,048
1919	967	16,505	2,460	25,767	11,675	57,375
1920	671	20,358	1,993	30,312	10,740	64,074
1921	657	26,210	1,088	7,899	2,722	38,577
1922	505	33,581	1,765	31,233	5,198	72,281
1923	935	26,972	1,717	43,448	4,924	77,995
1924	1,014	19,265	1,984	50,336	9,589	82,188
1925	798	15,225	1,972	35,446	10,710	64,151
1926	662	31,136	2,250	53,747	8,987	96,791
1927	875	17,009	2,720	21,814	5,106	47,524
1928	585	27,154	3,634	47,182	9,186	87,741
1929	741	19,948	2,127	39,814	8,482	71,112
1930	842	10,394	3,645	59,345	5,856	80,083
1931	619	20,861	1,967	40,583	5,605	69,635
1932	841	25,401	2,059	35,823	8,079	72,202
1933	584	31,182	1,933	38,940	6,993	79,632
1934	521	30,194	2,683	72,801	7,239	113,438
1935	757	10,249	2,266	49,836	8,398	71,506
1936	839	34,358	2,705	77,424	11,121	126,446
1937	1,038	31,117	1,981	66,283	8,276	108,695
1938	902	34,703	2,871	54,475	7,766	100,718
1939	783	24,805	1,549	44,139	7,071	78,348
1940	543	11,683	2,993	60,766	8,821	84,806
1941	809	14,588	3,937	77,840	6,442	103,616
1942	730	12,859	3,900	54,610	8,751	80,849
1943	624	26,991	2,391	47,249	9,469	86,723
1944	467	19,291	2,252	37,741	10,381	70,133
1945	600	15,010	3,486	47,783	7,993	74,872
1946	722	14,233	3,657	46,644	7,207	72,463
1947	724	25,989	2,481	34,450	6,222	69,866
1948	681	19,879	2,957	27,250	7,399	58,167
1949	694	11,837	2,979	57,006	5,660	78,177
1950	655	14,374	2,416	19,974	7,402	44,822
1951	790	9,653	4,031	28,426	6,611	49,511
1952	735	16,929	2,376	19,862	8,138	48,040
1953	713	11,793	1,580	15,671	7,292	37,049
1954	608	9,639	2,533	22,890	8,634	44,305
1955	585	8,711	1,855	24,825	3,654	39,629
1956	456	14,783	1,513	26,421	7,423	50,596
1957	518	9,891	1,630	13,754	8,582	34,375

1958	552	6,104	1,607	26,099	6,645	41,007
1959	607	8,077	1,433	10,930	4,086	25,133
1960	547	17,834	1,404	16,079	6,625	42,490
1961	504	16,081	1,314	21,536	5,631	45,035
1962	461	9,297	2,039	43,864	7,149	62,809
1963	501	6,215	2,022	34,276	4,464	47,479
1964	639	9,966	2,558	45,291	7,271	65,725
1965	581	29,770	1,998	20,347	3,644	56,341
1966	540	15,073	1,921	40,051	6,456	64,041
1967	611	8,576	1,489	6,559	3,654	20,890
1968	611	8,130	2,751	44,727	6,082	62,300
1969	639	11,417	1,133	25,767	2,953	41,910
1970	646	27,634	1,527	31,147	7,500	68,454
1971	662	14,180	1,448	23,528	7,679	47,497
1972	553	6,590	1,831	15,920	7,065	31,959
1973	551	4,490	1,457	9,801	6,015	22,313
1974	557	4,878	1,859	9,859	4,729	21,881
1975	455	7,453	1,014	12,984	4,323	26,229
1976	531	11,780	1,432	24,755	5,924	44,422
1977	620	12,465	1,789	28,647	7,326	50,847
1978	836	18,140	2,821	53,852	6,677	82,326
1979	779	28,696	3,122	50,137	5,608	88,343
1980	675	33,295	3,115	63,304	9,603	110,043
1981	823	36,348	3,416	60,089	12,613	113,296
1982	877	28,954	6,040	64,859	10,994	111,727
1983	828	52,874	3,636	60,359	10,222	127,921
1984	667	38,450	5,405	76,343	13,096	133,961
1985	721	38,983	5,749	90,335	10,570	146,363
1986	616	32,208	6,293	77,304	12,510	128,949
1987	680	35,431	3,493	46,493	10,527	96,626
1988	589	30,038	4,473	50,357	15,102	100,563
1989	572	44,139	4,656	96,869	7,895	154,130
1990	666	52,692	5,477	88,252	8,005	155,242
1991	613	44,646	6,153	128,336	9,769	189,702
1992	606	58,283	7,095	60,597	10,223	136,937
1993	746	64,684	6,050	109,631	11,842	192,990
1994	642	52,329	9,344	116,160	16,006	194,481

Source: Compiled from ADFG RIR No. 5J91-16 and preliminary 1994 ADFG fish ticket data.

AIR

QUALITY

REGS

House Resources Committee Hearing on Air Quality Regulations
Friday, February 9, 1996 9:00am
Speaking Notes for John Stone, ADEC

I. Title V Permits Program Status with EPA

- A. I am providing a copy of EPA's February 8 letter to the ADEC in which EPA states that Alaska's Title V program does not meet the minimum federal requirements.
- B. I am also providing you a copy of EPA's January 18, 1996 list of deficiencies in Alaska's Title V program.
- C. Several of the deficiencies must be addressed before EPA can approve Alaska's Title V program. *CI SAACSO*
- D. ADEC plans to propose Title V regulation changes to address these deficiencies next week, and accept public comment for 30 days.
- E. The remaining Title V deficiencies do not have to be addressed before securing EPA approval of Alaska's Title V program, however they will be addressed by ADEC over the next year.

II. Alaska Stakeholder's Coalition (ASC) Proposal

- A. The Alaska Stakeholder's Coalition submitted a proposal to ADEC for addressing their concerns on January 26, 1996. I have enclosed the proposal.
- B. I am providing you a copy of Commissioner Brown's February 8 response to the ASC proposal. ADEC agreed to address ASC's concerns, however we can not meet the tight schedule proposed by ASC. The Open Meetings Act notice requirements and the work that must be done to address ASC's concerns and federal approvability require more time than allowed for in the ASC proposal. We have committed to work as quickly as possible to address ASC's concerns.
- C. We are awaiting a response from the ASC on Commissioner Brown's counter-proposal. If ASC agrees, we will hold a meeting as quickly as possible, no later than the end of February.
- D. In this first meeting, we plan to prioritize ASC's concerns, schedule additional meetings, and discuss how the meetings will work.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, Washington 98101

February 8, 1996

Representative Joe Green
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Green:

This letter is intended to follow-up on questions raised during the recent House Resources Committee meeting regarding the State of Alaska's Air Quality Program. Specifically, one of the major issues being discussed was whether ADEC's proposed program was more stringent than it needed to be to receive approval from the U.S. Environmental Protection Agency (EPA).

I have attached a February 8, 1996, letter from our Region 10 Office of Air which confirms that the State of Alaska's currently proposed program is not more stringent than the federal requirements. In fact, the State's program is less stringent in many areas, some of which, if not corrected, will jeopardize federal approval.

I hope this information will remove any confusion regarding EPA's position on this matter. We appreciate the opportunity to provide input to your deliberations. Please contact me if we can be of any further assistance.

Sincerely,


Steven A. Torok
EPA Senior Representative

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

House Resources Committee Hearing on Air Quality Regulations
Friday, February 9, 1996 9:00am
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III. The Interior Coal-Burners Excess Emissions Issue

- A. The Coal Burners Group have requested changes to Alaska's emission standards so they can comply with the standards.
- B. I am providing a copy of our August 25, 1995 letter to Kathryn Lamal of GVEA describing how the coal burners could develop a new standard for federal approval.
- C. In addition, I am providing our December 4, 1995 Guide that describes how a member of the public, including operators of permitted facilities, can request changes to Alaska's federally-approved emission standards.
- D. It is our understanding that the coal burners are determining the extent of their noncompliance with the standards. This analysis is a prerequisite to determining how to set a new standard.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, Washington 98101

February 8, 1996

Representative Joe Green
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Green:

This letter is intended to follow-up on questions raised during the recent House Resources Committee meeting regarding the State of Alaska's Air Quality Program. Specifically, one of the major issues being discussed was whether ADEC's proposed program was more stringent than it needed to be to receive approval from the U.S. Environmental Protection Agency (EPA).

I have attached a February 8, 1996, letter from our Region 10 Office of Air which confirms that the State of Alaska's currently proposed program is not more stringent than the federal requirements. In fact, the State's program is less stringent in many areas, some of which, if not corrected, will jeopardize federal approval.

I hope this information will remove any confusion regarding EPA's position on this matter. We appreciate the opportunity to provide input to your deliberations. Please contact me if we can be of any further assistance.

Sincerely,


Steven A. Torok
EPA Senior Representative



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 10
1200 Sixth Avenue
Seattle, Washington 98101Reply To
Attn Of: OA-101

FEB 08 1996

Len Verrelli, Director
Division of Air and Water Quality
Alaska Department of Environmental Conservation
410 Willoughby, Suite 105
Juneau, AK 99801-1795

Dear Mr. Verrelli:

The purpose of this letter is to clarify that Alaska's Title V program is not more stringent than the federal requirements. EPA's review of the Alaska Title V program submittal identified many areas in which the Alaska program differed from the federal requirements and which, make the Alaska program less stringent than the federal program.

If the Alaska Title V program were more stringent or at least as stringent as the federal program, then EPA would be drafting a Federal Register notice granting full approval of the Alaska program. This is not the case. In my letter to you of January 18, 1996, I specifically identified as disapproval and interim approval issues those numerous provisions of the Alaska program that are significantly less stringent than is required by the federal Clean Air Act and its implementing regulations. Taken as a whole, the Alaska Title V program is clearly LESS stringent than federal law requires.

I hope that this information allays concerns that we have heard expressed that the Alaska program is inappropriately more stringent than EPA requires. If you have any questions please call me at (206) 553-1189 or you may call Elizabeth Waddell, of my staff, at (206) 553-4303.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bonnie Thie".

Bonnie Thie, Manager
Alaska-Washington Air Unit

cc: Steve Torok



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, Washington 98101
January 18, 1996

Reply To
Attn Of: AT-082

Leonard Verrelli, Director
Division of Air & Water Quality
Department of Environmental Conservation
410 Willoughby Avenue
Juneau, AK 99801-1795

Re: Alaska's Title V Program

Dear Mr. Verrelli:

Region 10 has nearly completed the regional review of Alaska's title V and section 112(1) submittal. The documents received thus far from your office show that Alaska has completed most of the elements necessary for an operating permits program under the federal Clean Air Act. Accordingly, the Region is working on finalizing the draft Federal Register notice proposing action on Alaska's submittal for review by EPA Headquarters. However, our regional review has identified a number of potential issues with the Alaska program submittal. The purpose of this letter, therefore, is to (1) notify you of several issues that EPA believes will require disapproval of the Alaska title V and 112(1) program if they are not addressed before EPA takes final action; (2) request a written commitment from the State to resolve the disapproval issues promptly; (3) notify you of the issues that Region 10 believes will require interim rather than full approval, even if the disapproval issues are addressed; and (4) request confirmation of EPA's understanding of certain implementation issues regarding Alaska's title V program.

Attachments to this letter describe issues relating to Alaska's title V program that have been identified by the regional staff. Because Region 10 has not yet received the final versions of the Alaska regulations, however, neither the Region nor EPA headquarters has completed their reviews. The attachments and the issues in each are summarized below:

Attachment 1 to this letter contains a list of issues which Region 10 believes will require disapproval of Alaska's title V program if they are not resolved before EPA takes final action on Alaska's submittal.

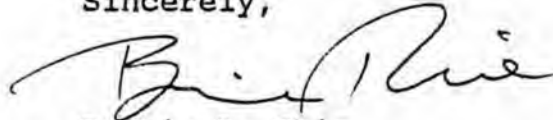
Attachment 2 contains a list of issues which EPA believes will require disapproval of Alaska's section 112(1) submittal if they are not resolved before EPA takes final action on Alaska's submittal.

REC-1
JAN 24 1996
State of Alaska
Dept. of Environmental Conservation
Air & Water Quality Division

Region 10 believes that the State can resolve the disapproval issues identified in Attachments 1 and 2 before EPA takes final action on Alaska's submittal. Region 10, therefore, is drafting the Federal Register notice in the alternative: the notice will propose disapproval of Alaska's submittal in the alternative with interim approval should Alaska complete the identified changes to its rules prior to final action by EPA on the submittal. In order to propose interim approval in the alternative, however, EPA must receive a commitment letter from the State along with the final version of the regulations. The letter needs to address the disapproval issues in order to complete the Federal Register docket, thereby allowing publication of the alternative proposals in the Federal Register.

If you any questions regarding the enclosed attachments, please call David Bray at (206) 553-4253 or Julie Vergeront at (206) 553-1497.

Sincerely,



Bonnie L. Thie
Alaska Washington Unit Supervisor