

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10407 HOUSE RESOURCES

**SB**

**156**

## Sponsor Statement

### SB 156 Best Interest Finding Under Alaska Land Act

SB 156 amends the Alaska Land Act to clarify the requirement that the Department of Natural Resources prepare a single, written Best Interest Finding for multi-phased development projects. In 1994, the Legislature passed SB 308 to amend the Alaska Land Act in response to several unfavorable Alaska Supreme Court decisions that threatened the state's leasing program. The legislation explicitly allowed project phasing and precisely defined the scope of the best interest finding determination. Since its passage, recent court decisions have continued to threaten the program and have concluded that the Department is "obliged, at each phase of development, to issue a best interests finding...relating to that phase before the proposed development may proceed."

Under SB 308, the original legislation, the Legislature intended that a Best Interest Finding would be prepared for the first phase, the disposal, and subsequent phases would be subject to the "Department's approval" and to separate reviews by extensive permitting processes that include public input and scrutiny of other agencies. The Legislature did not intend "approval" to be defined as a best interest finding determination as the Courts' have misinterpreted. The Legislature intended the Department to exercise their discretion to impose conditions in the best interest finding determination, issued for the disposal, which would minimize future impacts. Preparation of a Best Interest Finding determination for every phase would be a very costly, and time consuming process.

SB 156 elaborates the legislative findings for phasing under the Alaska Land Act and amends AS 38.05.035 so that it is clear that the Department of Natural Resources is required to issue a single written best interest finding for the disposal of state land. It also ensures the public the opportunity to comment at the exploration, production, and transportation phases of a project. By clarifying the Legislature's original intent, SB 156 will overturn the Courts' erroneous interpretation. SB 156 provides clear guidance to the Courts regarding the legislature's policy and will result in the avoidance of protracted litigation and associated delays or disruptions of the state's leasing program and development of already leased acreage.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 156  
 (S) Publish Date: 3/29/01  
 Dept. Affected: Natural Resources  
 BRU: Oil & Gas Development  
 Component: Oil & Gas Development  
 Component Number: 439

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title: Best Interest Finding under the  
Alaska Lands Act  
 Sponsor: Senate Resources  
 Requester: Senate Resources

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
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Equipment						
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Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill clarifies that a best interest finding is not required after the initial disposal phase.

Prepared by: Mark D. Myers Phone 269-8800  
 Division: Oil and Gas Date/Time 27-Mar-01  
 Approved by: Pat Pourchot Date 28-Mar-01  
 Agency: Natural Resources

For distribution information, call the Governor's Legislative Office

# ALASKA STATE LEGISLATURE



Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Rick Halford  
Senator Pete Kelly  
Senator Robin Taylor  
Senator Kim Elton  
Senator Georgianna Lincoln

## SENATE RESOURCES COMMITTEE

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### Sponsor Statement

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Under SB 308, the Legislature intended that a Best Interest Finding would be prepared for the first phase, the disposal. Subsequent phases would be subject to the "Department's approval" and to separate reviews by extensive permitting processes that include public input and scrutiny of other agencies. The Legislature did not intend "approval" to be defined as a best interest finding determination as the Courts' have misinterpreted. The Legislature intended the Department to exercise their discretion to impose conditions in the best interest finding determination, issued for the disposal, that would minimize future impacts.

Preparation of a Best Interest Finding determination for every phase would be a very costly and time consuming process. A typical Best Interest Finding for a lease disposal costs the Division of Oil and Gas approximately \$75,000, not including the costs for other agencies such as the Departments of Environmental Conservation and Fish and Game to gather information for the finding. Although the Division of Oil and Gas has never issued a Best Interest Finding for an exploration well, they estimate the minimum cost to prepare a finding at this phase would be \$50,000. There were approximately fifteen wells planned for the 2000-2001 drilling season on state land. At \$50,000 per well, the Division would spend an additional \$750,000. The Division has not estimated the cost of doing a best interest finding for the development phase of a project but that cost would be as expensive as for an exploration well.

SB 156 elaborates the legislative findings for phasing under the Alaska Land Act and amends AS 38.05.035 so that it is clear that the Department of Natural Resources is required to issue a single written best interest finding for the disposal of state land. It also ensures the public the opportunity to comment at the exploration, development, and transportation phases of a project. By clarifying the Legislature's original intent, SB 156 will overturn the Courts erroneous interpretation. SB 156 provides clear guidance to the Courts regarding the legislature's policy and will result in the avoidance of protracted litigation and associated delays to or disruptions of the state's leasing program and to development of already leased acreage.

**6 P.3d 270 KACHEMAK BAY CONSERVATION SOC'Y V. STATE (S. Ct. 2000)  
2000 Alas. Lexis 78**

**KACHEMAK BAY CONSERVATION SOCIETY, COOK INLET KEEPER,  
TRUSTEES FOR ALASKA, STACEY MARZ, MICHAEL O'MEARA,  
Appellants,**

**vs.**

**STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES; JOHN  
SHIVELY, Commissioner, Department of Natural Resources;  
KENNETH BOYD, Director, Division of Oil and Gas, Appellees.  
MARATHON OIL COMPANY; UNION OIL COMPANY OF CALIFORNIA; COOK  
INLET REGIONAL CORPORATION, INC.; FORCENERGY, INC.;  
ANADARKO PETROLEUM CORPORATION; ALASKA MENTAL HEALTH TRUST,  
Intervenors.**

Supreme Court No. S-8554, No. 5303  
SUPREME COURT OF ALASKA  
6 P.3d 270, 2000 Alas. LEXIS 78  
August 11, 2000, Decided

**<CASE SUMMARY>**

Appeal from the Superior Court of the State of Alaska, Third Judicial District, Anchorage, Sigurd E. Murphy, Judge pro tem. Superior Court No. 3AN-96-7909 CI.

**COUNSEL**

Patrick Lavin and Valerie L. Brown, Trustees for Alaska, Anchorage, for appellants.  
Lawrence Z. Ostrovsky and Jeffrey D. Landry, Assistant Attorneys General, Anchorage, and Bruce M. Botelho, Attorney General, Juneau, for appellees.  
Susan E. Reeves and Thomas P. Amodio, Foster Pepper Rubini & Reeves, LLC, Anchorage, for intervenors Marathon Oil Company, Union Oil Company of California, Forcenergy, Inc., Cook Inlet Regional Corporation, Inc., and Anadarko Petroleum Corporation.  
T. Henry Wilson, Assistant Attorney General, Anchorage, and Bruce M. Botelho, Attorney General, Juneau, for intervenor Alaska Mental Health Trust.

**JUDGES**

Before: Matthews, Chief Justice, and Eastaugh, Fabe, Bryner, and Carpeneti, Justices.  
**AUTHOR: CARPENETI**

**OPINION**

**CARPENETI, Justice.**

the legislature, phasing is now expressly allowed. It is not for us to overturn that policy choice.

We note, however, that the legislature's policy choice does not, by any means, relieve DNR of its duty to take a continuing "hard look" at future development on the lease sale lands. To the contrary, DNR is obliged, at **each phase** of development, to issue a best interests finding and a conclusive consistency determination relating to **that phase** before the proposed development may proceed.<sup>83</sup>

## V. CONCLUSION

Because DNR has not impermissibly phased its review of the proposed lease sale, and because there is a reasonable basis for both DNR's best interests finding and conclusive consistency determination, the agency's actions are **AFFIRMED**.

## DISPOSITION

**AFFIRMED.**

## OPINION FOOTNOTES

1 "Phasing" consists of DNR's dividing a proposal into discrete parts -- e.g., exploration, construction of facilities, and production -- and examining each of these parts individually for compliance rather than examining the project as a whole.

2 928 P.2d 1206 (Alaska 1996). *Niniichik* is discussed in detail below.

3 See AS 38.05.035(l) (providing for judicial review of DNR's final written findings); Alaska R. App. P. 601(b) (providing for appeals of final decisions of administrative agencies to the superior court).

4 See *Bruner v. Petersen*, 944 P.2d 43, 47 n.5 (Alaska 1997) (citing *Handley v. State, Dep't of Revenue*, 838 P.2d 1231, 1233 (Alaska 1992)).

5 *Thane Neighborhood Ass'n v. City and Borough of Juneau*, 922 P.2d 901, 905-06 (Alaska 1996).

6 See *Trustees for Alaska v. State, Dep't of Natural Resources (Demarcation Point)*, 865 P.2d 745, 747 (Alaska 1993) ("DNR's best-interest determination is subject to deferential review by this court. Since the determination involves complex subject matter or fundamental policy formulations, this court reviews the decision only to the extent necessary to ascertain whether the decision has a reasonable basis.") (quoting *Trustees for Alaska v. State, Dep't of Natural Resources (Camden Bay I)*, 795 P.2d 805, 809 (Alaska 1990) (footnote, internal quotation marks and brackets omitted)); *Niniichik*, 928 P.2d at 1213 ("This court's review [of DNR's consistency analysis] is limited to ensuring that DNR's decision was not arbitrary, capricious, or unreasonable." (internal quotation marks omitted)) (quoting *Trustees for Alaska v. State, Dep't of Natural Resources (Camden Bay II)*, 851 P.2d 1340, 1347 (Alaska 1993)).

7 *Hammond v. N. Slope Borough*, 645 P.2d 750, 758-59 (Alaska 1982) (internal brackets omitted) (quoting *Moore v. State*, 553 P.2d 8, 36 n.20 (Alaska 1976)). See also Ch. 38, § 1(2), SLA 1994 ("each determination under AS 38.05 that the interests of the state will be best served is a policy decision involving facts unique to each proposed disposal, and complex issues the analysis and resolution of which are most appropriately left to the expertise of the agency making the determination").



State of Alaska  
**Division of Oil and Gas**  
Department of Natural Resources



**Chapter Eight: Governmental Powers to Regulate  
Oil  
and Gas Exploration, Development, Production, and  
Transportation**

**Table of Contents**

**Chapter Eight: Governmental Powers to Regulate Oil and Gas  
Exploration,  
Development, Production, and Transportation**

A. Alaska Coastal Management Program (ACMP) Review

B. Alaska Department of Natural Resources (ADNR)

C. Alaska Department of Environmental Conservation (ADEC)

D. Alaska Department of Fish and Game (ADF&G)

E. Alaska Oil and Gas Conservation Commission (AOGCC)

F. U.S. Environmental Protection Agency (EPA)

G. U.S. Army Corps of Engineers

H. Other Requirements

**Chapter Eight: Governmental Powers to Regulate Oil and Gas  
Exploration, Development, Production, and Transportation**

All oil and gas activities subsequent to an oil and gas lease sale, exploration, development, production, and transportation, are subject to numerous federal, state, and local laws, regulations, policies, and ordinances. Each successful bidder awarded a lease in a state oil and gas lease sale is obligated to comply with all federal, state, and local laws. A sample lease contract is contained in Appendix C. This portion of the finding discusses the broad powers that various government agencies have to prohibit, regulate, and condition any activities related to oil and gas which may ultimately occur on oil and gas leases. A list of important laws and regulations applicable to oil and gas activities is included in Appendix B. Each of the

buildings, roads, utilities, airstrips, and all other facilities and equipment necessary to conduct the proposed operations;

- plans for rehabilitation of the affected lease area after completion of operations or phases of those operations; and
- a description of operating procedures designed to prevent or minimize adverse effects on other natural resources and other uses of the leased area and adjacent areas, including fish and wildlife habitats, historic and archeological sites, and public use areas.

Other stipulations, in addition to the mitigation measures already developed at the lease sale stage, may be required at the plan of operations approval stage. These will address site-specific concerns directly associated with the proposed project. The stipulations and the terms and conditions of the lease are attached to the plan of operations approval and are binding on the lessee. Lease activities are field monitored by ADNR, ADEC, ADF&G, and AOGCC to ensure compliance with each agency's respective permit terms. Paragraph 16 of the lease contract requires that the lessee keep the area of activity open for inspection by authorized state officials. The lessee must post a \$500,000 statewide bond to cover a drill site. Lease operations approvals are generally granted for three years.

**Geophysical Exploration Permit:** The geophysical exploration permit is a specific type of land use permit issued by DO&G (11 AAC 96.010(a)(1)(E)). Seismic surveys are the most common activity authorized by this permit. The purpose of the permit is to minimize adverse effects on lands and resources while making important geological information available to the state.<sup>1</sup>

Seismic surveys in the Cook Inlet area are subject to individual 30-day ACMP reviews. If the survey is part of an exploration program, agencies will review the geophysical exploration permit application as part of the exploration well permit package.

The application must contain sufficient detail to allow evaluation of the activities' effects on the lands and resources. A map showing the general location and routes of travel, and a description of the activity and equipment that will be used must be included. Maps showing the precise location of the survey lines must also be provided, though this information is usually held confidential. A \$100,000 bond is usually required.

The permit will contain measures to protect the land and resources of the area. The permit is usually issued for one year or less but may be extended. If the permit is extended, the director may modify existing terms or add new ones when he issues the extension. The permit is revocable.

**Table 8a & 8b: Typical Permit Process Onshore and Offshore**

*for Cook Inlet*

ID	Name	M	J	J	A	S	O	N	D	J	F	M	A	M
1	ACMP Preapplication Conference	█												
2	ACMP Consistency Determination - AS 46.40				█									
3	DNR DO&G - Lease Plan of Operations Review				█									
4	DNR Parks - Cultural Resource Survey		█											
5	DNR DW - Temporary Water Use Permit				█									
6	DEC - Oil Spill Discharge and Contingency Plan				█									
7	DEC - Certificate of Reasonable Assurance				█									

## **C. Governmental Powers to Regulate Oil and Gas Exploration, Development, Production, and Transportation**

All post-lease sale activities, exploration, development, production, and transportation are subject to numerous federal, state, and local laws, regulations, policies, and ordinances. Each successful bidder awarded a lease in a state oil and gas lease sale is obligated to comply with all federal, state, and local laws. A sample lease contract is contained in Appendix C. This section does not provide an exhaustive description of all laws and regulations that may be applicable to such activities. However, it does provide a sufficient illustration of the broad powers of various government agencies to prohibit, regulate, and condition any activities related to oil and gas which may ultimately occur on sale leases. A list of important laws and regulations applicable to oil and gas activities is included in Appendix B. Each of the regulatory agencies, (state, federal, and local) has a different role in the oversight and regulation of post-lease sale activities.

Each lease issued as a result of the sale will grant the lessee exclusive rights to subsurface mineral interests. However, as discussed in the previous section, a lease does not authorize subsequent activities. The lessee's rights are subject to the terms of the sale and the provisions of the lease (including the mitigation measures contained in Chapter Seven), all applicable state and federal laws and regulations, and may allow the lease holder to drill for, extract, remove, clean, process, and dispose of any oil, gas, or associated substances that may underlie the lands described by the lease.

Permits and approvals that each agency requires are presented below, with additional information on the review process (see Table 1.1). There is, however, no "typical" project. Actual processes, terms and conditions will vary with time-certain, site-specific operations. Each agency has field monitors assigned to ensure that operations are conducted as approved. The appropriate statutes and regulations should be consulted when specifics are required as agency procedure will change from time to time.

### **1. Alaska Coastal Management Plan Review**

Permit applications for post-lease sale activities must be as detailed as necessary for a comprehensive agency review. If an activity affects or occurs within a coastal area, an ACMP review of the permit application will be conducted to determine whether the activity is consistent with the ACMP standards. Following the review, each agency will approve or disapprove the permit and determine whether any additional protective stipulations or permit terms are required prior to approval.

The public is provided the opportunity to participate in ACMP reviews. For example, most permits needed for exploratory wells require public notice. The ACMP permitting process goes through a 50-day agency review, and if approvals are needed by many agencies, the review is coordinated by Division of Governmental Coordination (DGC). This process provides for coordinated agency reviews, public input, and insures consistency with the ACMP and local coastal district plans. The coastal district plan applicable to this sale is the NSBCMP.

Application packages are distributed to affected coastal resource districts and permitting agencies by the lessee or designated operator, and DGC. Consistency review is initiated, and additional information must be requested within 25 days. Public and agency review of comments are due on or before day 34, and a consistency finding is issued on or before day 44. Requests for additional review must be received on or before

**Table 1.1: Permit Process: North Slope Onshore Exploration Well**

ID	Task Name	J A S O N D						J F M A M				
		1	Exploration Well - Permitting and Drilling									
2	DNR Parks - Cultural Resource Survey											
3	North Slope Borough Development Permit											
4	ACMP Pre-application Conference											
5	Permits that may also be Subject to ACMP Corrdinated Individual Project Review											
6	ACMP Consistency Determination - AS 46.40											
7	DNR DO&G - Plan of Operation Review											
8	DNR DO&G - Geophysical Exploration Permit											
9	DNR DL - Cross Country Travel or Ice Road Land Use Permit											
10	ADFG - Fish Habitat Permit, Water Sources and Stream Crossings											
11	DNR DW - Temporary Water Use Permit											
12	DEC - Authorzallon for Temporary Storage of Drilling Wastes											
13	DEC - Oil Spill Discharge and Contingency Plan											
14	DEC - Solid Waste Disposal Permit											
15	DEC - Air Quality Control Permit to Operate (Title V)											
16	DEC - Wastewater Disposal Permit											
17	Other Permits											
18	EPA - NPDES Coverage Under General North Slope Permit for Wastes											
19	USFWS - LOA for Incidental Take of Polar Bears											
20	AOGCC - Conservation Order											
21	AOGCC - Permit to Drill											
22	Ice Construction - Drilling - Demobilization											

Project: North Slope

Task

Public Notice/Comment

LIBRARY  
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TABLE 8A: Typical Permit Process - Onshore Exploration Well in Cook Inlet Area

ID	Name	M	J	J	A	S	O	N	D	J	F	M	A	M
1	ACMP Preapplication Conference	<input type="checkbox"/>												
2	ACMP Consistency Determination - AS 46.40			<input type="checkbox"/>										
3	DNR DO&G - Lease Plan of Operations Review			<input type="checkbox"/>										
4	DNR Parks - Cultural Resource Survey	<input type="checkbox"/>												
5	DNR DW - Temporary Water Use Permit			<input type="checkbox"/>										
6	DEC - Oil Spill Discharge and Contingency Plan			<input type="checkbox"/>										
7	DEC - Certificate of Reasonable Assurance			<input type="checkbox"/>										
8	DEC - Solid Waste Disposal Permit			<input type="checkbox"/>										
9	DEC - Wastewater Disposal Permit			<input type="checkbox"/>										
10	ADFG - Special Areas Permit			<input type="checkbox"/>										
11	Army Corps of Engineer - Sec. 404 Permit			<input type="checkbox"/>										
12	AOGCC - Conservation Order							<input type="checkbox"/>						
13	AOGCC - Permit to Drill							<input type="checkbox"/>						
14	AOGCC - Application for Sundry Approval							<input type="checkbox"/>						
15	Construction and Drilling									<input type="checkbox"/>				
16	Demobilization and Rehabilitation											<input type="checkbox"/>		

Project: Onshore Permit Activity  Public Notice   
 Date: 3/5/96

TABLE 8B: Typical Permit Process - Offshore Exploration Well in Cook Inlet Area

ID	Name	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A
1	ACMP Preapplication Conference			<input type="checkbox"/>															
2	ACMP Consistency Review			<input type="checkbox"/>															
3	DNR DO&G - Lease Plan of Operations Review			<input type="checkbox"/>															
4	DEC - New Oil Spill Discharge and Contingency Plan			<input type="checkbox"/>															
5	DEC - Annual Injection under General Permit			<input type="checkbox"/>															
6	DEC - Air Quality Permit to Operate			<input type="checkbox"/>															
7	DEC - 401 Certificate of Reasonable Assurance			Variable	<input type="checkbox"/>														
8	Army Corps of Engineer - Sec. 10 Permit			<input type="checkbox"/>															
9	EPA - Individual NPDES Waste Disposal Permit			Variable	<input type="checkbox"/>														
10	AOGCC Conservation Order						<input type="checkbox"/>												
11	AOGCC - Permit to Drill						<input type="checkbox"/>												
12	AOGCC - Application for Sundry Approvals						<input type="checkbox"/>												
13	Drill Rig on Location								<input type="checkbox"/>										
14	Discharge and Environmental Monitoring									<input type="checkbox"/>									

Project: Offshore Permit Activity  Public Comment Period   
 Date: 3/5/96

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1  
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 Dept. Affected: Natural Resources  
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<b>CAPITAL EXPENDITURES</b>						
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**FUND SOURCE** (Thousands of Dollars)

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1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
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Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

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Prepared by: Mark D. Myers Phone 269-8800  
 Division: Oil and Gas Date/Time 27-Mar-01  
 Approved by: Pat Pourchot Date 28-Mar-01  
 Agency: Natural Resources

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## CS SB 156 ~ BEST INTEREST FINDING UNDER AK LAND ACT

TO: House Resources Committee Members

DATE: April 18, 2001

Alaska Conservation Alliance and Alaska Conservation Voters are sister nonprofit organizations dedicated to protecting Alaska's environment through public education and advocacy. Our 44 member organizations and businesses represent over 35,000 registered Alaskans, many of whom participate in public notice and comment opportunities during the state's review of development projects of all types. This ability of concerned citizens to meaningfully express their opinions about activities that involve the disposal of state land or an interest in state land is a protected right under our Alaska constitution.

In essence, CSSB 156, in an effort to avoid inconvenience and cost for the oil and gas industry, significantly limits the public's ability to evaluate disposals of state land. Why shouldn't DNR be obliged to take a "big picture," hard look and issue a best interest finding at subsequent phases of a multiphase project that may span 6 years or more?

This legislation provides for public notice and comment on subsequent phases through the Alaska Coastal Management Program (ACMP) process for projects within coastal districts. For projects outside of a coastal district, the bill is unclear whether or not DNR will adopt new regulations. The ACMP process for public participation is NOT a reasonable alternative to a best interest finding process. The Byzantine ACMP process is extremely difficult to navigate for any Alaskan who is not familiar with the intricacies of state law.

ACV encourages committee members, through amendments to SB 156, to provide DNR some direction as to what to include in the new public notice and comment regulations the agency may adopt for projects not covered by the ACMP. Unless SE 156 requires DNR to adopt rules that truly allow Alaskans a meaningful opportunity to evaluate subsequent phases of multi-year projects both within and outside of coastal districts, ACV urges you to oppose this legislation for the simple reason that while it may be in the oil industry's best interests, it clearly is not in the public's.

Susan Schrader, Conservation Advocate

Conserve Alaska. It's Only Natural.

**SB**

**158**

# ALASKA STATE LEGISLATURE



Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Rick Halford  
Senator Pete Kelly  
Senator Robin Taylor  
Senator Kim Elton  
Senator Georgianna Lincoln

## SENATE RESOURCES COMMITTEE

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## Sponsor Statement

### SB 158

#### Preparation of an Export Report on State Participation in a Gas Pipeline Project

Commercialization of North Slope natural gas has been one of the legislature's priorities. Potential benefits of commercialization include short and long-term employment, additional state and municipal revenues, opportunities for new industries, and cheap, clean energy for the state. This bill would direct the Commissioner of the Department of Revenue to retain a financial expert to examine whether the state should participate in either ownership or financing of a natural gas pipeline project. The expert would examine any benefit or detriment to a project caused by the state's participation. In the past, the state has retained financial experts to advise it on the possibility of the state participating in a project. Those reports need to be updated.

The bill would ensure that the legislature participates in the preparation of the report by:

- (1) requiring that the chairs of the Senate and House Resources Committees periodically meet with the expert to review data and information about the report; and
- (2) requiring that the commissioner provide progress reports to the chairs every 60 days. The bill would require the commissioner to prepare a comprehensive report, with recommendations, addressing the state's options by January 31, 2002 and submit it to the legislature and the governor.

# ALASKA STATE LEGISLATURE



Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Rick Halford  
Senator Pete Kelly  
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## SENATE RESOURCES COMMITTEE

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## Sectional Analysis

SB 158

### "Report: State Participation in Natural Gas Pipeline"

**Section 1** - directs the commissioner of the Department of Revenue to retain a financial expert to examine whether the state should participate in either ownership or financing of a natural gas pipeline project and, if so, how the state should participate. The expert would examine any benefit or detriment to a project caused by the state's participation. The legislature will participate in the preparation of the report through the requirements that: (1) the chairs of Senate and House Resource Committees periodically meet with the expert to review data and information about the report; and (2) the commissioner provide progress reports to the chairs every 60 days. The commissioner must prepare a comprehensive report, with recommendations, addressing the state's options by January 31, 2002 and submit it to the legislature and the governor.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
Bill Version: SB 158  
(S) Publish Date: 3/29/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title: State Participation in Natural Gas Pipeline BRU: Administration & Support  
Sponsor: Senate Resources Committee Component: Commissioner's Office  
Requester: Senate Resources Committee Component Number: 123

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	15.0					
Contractual	200.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>215.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	215.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>215.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation directs the commissioner of Revenue to report to the governor and the legislature no later than Jan. 31, 2002, on the "options for the state to participate in the commercial development of the state's natural gas resources through ownership of or provision of financing for a gas pipeline project." The legislation sets out a comprehensive list of questions to be answered in the report and directs the commissioner to contract with suitable, qualified firms to perform the work.

The commissioner's office would contract with an investment banking firm for its expertise in the financing issues covered by the legislation. The expected cost of the contract is \$200.0, with \$15.0 requested for commissioner's office travel to meet with the contractor and others involved in the report.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469  
Division: Department of Revenue Date/Time March 28, 2001, 4 p.m.  
Approved by: Wilson Condon, Commissioner Date 03/28/2001  
Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

Gen. -

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GREEN

TO: CSSB 158(RES) am

- 1 Page 3, line <sup>9</sup>~~16~~, following "chair the":
- 2 Insert "Alaska Legislative Council and the"

Senators only -  
don't think Leg. Council  
should take lead on  
S.G. issues

**SB**

**164**

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 164  
 (S) Publish Date: 3/29/01

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title: No Gas Pipeline over Beaufort Sea  
 Dept. Affected: Natural Resources  
 BRU: Oil & Gas Development  
 Component: Pipeline Coordinator

Sponsor: Senators Torgerson, Halford, Pearce, et al.  
 Requester: (S) RES  
 Component Number: 1191

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: none  
 Check this box (X) if funding for this bill is included in the Governor's FY2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

There is no anticipated fiscal impact to the State Pipeline Coordinator's Office associated with implementation of this legislation.

Prepared by: Bill Britt Phone 271-4304  
 Division: State Pipeline Coordinator's Office Date/Time 27-Mar-01  
 Approved by: Pat Pourchot Date 28-Mar-01  
 Agency: Natural Resources

For distribution information, call the Governor's Legislative Office

# ALASKA STATE LEGISLATURE



Senator John Torgerson, Chair  
Senator Drue Pearce, Vice Chair  
Senator Rick Halford  
Senator Pete Kelly  
Senator Robin Taylor  
Senator Kim Elton  
Senator Georgianna Lincoln

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## SENATE RESOURCES COMMITTEE

### Sponsor Statement

#### SB 164

#### Prohibiting a Right-of-Way Lease for an Over the Top Gas Pipeline Route

Commercialization of North Slope natural gas has been one of the legislature's top priorities. The potential benefits of commercialization include short and long-term jobs, additional state and municipal revenues, opportunities for new industries, and cheap, clean energy for much of the state. Individually legislators have opposed the "over the top" route because it does not maximize these potential benefits. This bill would amend AS 38.35, the Right-of-Way Leasing Act, to preclude the DNR Commissioner from issuing a right-of-way lease for an over the top route. Passage of this bill shows that the legislature finds that this route would not be in the state's best interests.

The bill would amend the declaration of the legislative policy regarding the issuance of a right-of-way lease. AS 38.35.010 currently reflects that a pipeline:

1. can "significant[ly] contribut[e] to the welfare of the people of the state;" and
2. should "maximize the contribution to the development of human resources of this state, increase the standard of living for all of its residents, advance existing and potential sectors of its economy, strengthen free competition in its private enterprise system, and carefully protect its incomparable natural environment."

The bill would add these policies:

1. the constitutional requirements that the state's resources be developed for the "maximum use consistent with the public interest," and directing the legislature to provide for "the utilization, development, and conservation of all natural resources belonging to the State ... for the maximum benefit of its people;"
2. North Slope natural gas should be available to meet in-state demand;
3. North Slope natural gas should be developed to maximize short-term construction, and long-term operation and maintenance employment;

4. North Slope natural gas should be developed to add to the long term property tax base;
5. a North Slope natural gas pipeline to the North American market should be designed and located to enhance the possibilities for construction of new industries in Alaska and other pipelines to Alaska tidewater; and
6. a North Slope natural gas pipeline should use available infrastructure and utility corridors for construction of the pipeline and to minimize environmental impacts.

Finally, the bill would conclude that based on these policies, the commissioner may not grant a right-of-way across state lands in and adjacent to the Beaufort Sea for an over the top route until a southern route is built. Basically, the bill recognizes that an "over the top" route is not in the state's best interests.

*THIS COPY REFLECTS  
Jack Gintling Suggestion*

*Am*

22-LS0809\L

HOUSE CS FOR SENATE BILL NO. 164(O&G)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Offered:  
Referred:

Sponsor(s): SENATORS TORGERSON, Halford, Pearce, Leman, Donley, Kelly, Phillips, Taylor, Green, Wilken, Ward, Austerman, Cowdery, Therriault, Davis, Ellis, Elton, Hoffman, Lincoln, Olson

REPRESENTATIVES Croft, Whitaker

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting leases under the Right-of-Way Leasing Act on state land in or  
2 adjacent to the Beaufort Sea: and providing for an effective date."

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

4 \* Section 1. AS 38.35 is amended by adding a new section to read:

5       Sec. 38.35.017. Limitation on leases in or adjacent to the Beaufort Sea. (a)  
6 Consistent with and in furtherance of the statements of general state policy guiding  
7 resource development set out in art. VIII, sec. 1, Constitution of the State of Alaska,  
8 that the resources of the state be developed "by making them available for maximum  
9 use consistent with the public interest" and in art. VIII, sec. 2, Constitution of the State  
10 of Alaska, directing that provision shall be made by the legislature for "the utilization,  
11 development, and conservation of all natural resources belonging to the State . . . for  
12 the maximum benefit of its people." and consistent with and in furtherance of the  
13 general legislative declaration of policy for this chapter set out in AS 38.35.010, it is  
14 the policy of this state that the overall strategy for development, use, and control of a

1 pipeline or pipelines to develop the state's substantial North Slope natural gas  
2 resources be directed

3 (1) to enhance the standard of living of state residents by

4 (A) ensuring that, in conjunction with out-of-state market  
5 driven commercial demand for North Slope natural gas, state residents and  
6 businesses will have access, directly or indirectly, to that portion of the gas that  
7 will meet the reasonably foreseeable in-state demands for it, including  
8 substitution of the North Slope natural gas for depleting gas reserves in  
9 Southcentral Alaska in order to maintain a vital domestic and industrial energy  
10 source, and ensuring that the pipeline or pipelines for the transportation of  
11 North Slope natural gas will be designed and located to be responsive to these  
12 requirements;

13 (B) making the maximum contribution to the development of  
14 job opportunities in this state by

15 (i) providing direct short-term construction and long-  
16 term operation- and maintenance-related employment on the pipeline or  
17 pipelines, to the end that the resources be developed with qualified  
18 contractors and firms in this state for work to be performed, including  
19 the fabrication and installation of required facilities, and that state  
20 residents be employed, consistent with law; for purposes of this sub-  
21 subparagraph, a person is considered a resident if the person is  
22 physically present in the state with the intent to remain in the state  
23 indefinitely and has a home in the state, and a contractor or firm is  
24 considered as qualified if the contractor or firm qualifies as an Alaska  
25 bidder under AS 36.30.170(b); and

26 (ii) providing necessary support services; and

27 (C) adding significant long-term property value to the tax base  
28 of the state and local governments, thereby providing the means to support  
29 public education, public health, transportation, and other essential state and  
30 local government projects and services;

31 (2) to ensure that the design, location, and construction of a pipeline or

## Griffin Amendment.

P. 3 Ln 14

Following ~~Article~~ ~~indA~~

for dist. of N.G.  $\rightarrow$  market!

Strike remaining sentence  
! Sub sec. C

Kerthula does not believe the am. changes intent:  
Torgy opposes.

teleconference

Jack Griffin ex. Dir. of Law  
Originating section on Amc.

- Says Torgy's legal opinion people cannot  
say a concern is invalid, only a court  
can do that but can say how a court  
should rule

Torgy: Testimony

legal opinion = all concerns = invalid.

Kerthula -

Scalzi -

Fate's Q. to Hurley -

if this bill is premature / when is an  
opportune time?

A. upon completion of ~~our~~ study

Fate = ~~offended~~ - we are participants - not  
observers - we have to act on a timeline

not by letter  
Green obj

Chen N  
Green N  
Stress N  
Fare N  
McDon N  
rest N  
Schri N  
Kassidy Y

AM  
Fails.

McDonnell  
N/BJ-  
→ FLS

Green wants to hear charges

ATTY & have last copy - I Faxed it

TO BJ - I don't want to hear charge

until 3rd Floor will

Support the Bill.

Legal  
we have conflicting opinions.

Spoked good point that legislators  
are accountable to their

"Share holders" to act!

hurry up process to get a pipe

Green - will support even though he  
would like to "see what he is saying"  
Rep Masarik agrees NO TO "

1 pipelines for delivery of North Slope natural gas to North American markets through  
 2 connection to the North American natural gas pipeline network enhance opportunities  
 3 for implementing gas deliveries using alternative technologies and the construction of  
 4 other pipelines to deliver North Slope natural gas to foreign and domestic markets; and

5 (3) to ensure construction of the pipeline or pipelines consistent with  
 6 careful protection of the state's natural environment, with minimum environmental  
 7 degradation, to the greatest extent possible, and with protection of fish, wildlife, and  
 8 biotic resources for the use of persons who depend upon them by using available  
 9 transportation infrastructure to initiate and complete project construction and  
 10 maintenance and by avoiding duplication of facilities.

11 (b) Consistent with the legislative policy and goals set out in (a) of this  
 12 section, the commissioner may not grant a lease across state land that is in or adjacent  
 13 to the Beaufort Sea for pipeline right-of-way purposes to authorize construction and  
 14 operation of a natural gas pipeline <sup>for distribution of nat gas markets</sup> following a "northern" or "over-the-top" route  
 15 ~~running east from the North Slope to Canada's Mackenzie River Valley, then south to~~  
 16 ~~link to existing pipeline networks to transport North Slope natural gas to North~~  
 17 ~~American markets.~~

18 (c) The limitation on leasing set out in (b) of this section does not apply on  
 19 and after the date on which a natural gas pipeline following a "southern" route that  
 20 parallels the Trans Alaska Pipeline System and the Alaska Highway to transport North  
 21 Slope natural gas to North American markets or Alaska tidewater for delivery to  
 22 foreign and domestic markets has been completed and has begun operation.

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

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 16 ~~link to existing pipeline networks to transport North Slope natural gas to North~~  
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 21 Slope natural gas to North American markets or Alaska tidewater for delivery to  
 22 foreign and domestic markets has been completed and has begun operation.

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

*this is more general  
 & speaks to Beaufort Sea  
 w/o including other  
 areas.*

209 - 8918

22-LS0809L

HOUSE CS FOR SENATE BILL NO. 164(O&G)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON OIL AND GAS

Offered:  
Referred:

Sponsor(s): SENATORS TORGERSON, Halford, Pearce, Leman, Donley, Kelly, Phillips, Taylor, Green, Wilken, Ward, Austerman, Cowdery, Therriault, Davis, Ellis, Elton, Hoffman, Lincoln, Olson

REPRESENTATIVES Croft, Whitaker

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting leases under the Right-of-Way Leasing Act on state land in or  
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3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 \* Section 1. AS 38.35 is amended by adding a new section to read:

5       Sec. 38.35.017. Limitation on leases in or adjacent to the Beaufort Sea. (a)  
6       Consistent with and in furtherance of the statements of general state policy guiding  
7       resource development set out in art. VIII, sec. 1, Constitution of the State of Alaska,  
8       that the resources of the state be developed "by making them available for maximum  
9       use consistent with the public interest" and in art. VIII, sec. 2, Constitution of the State  
10       of Alaska, directing that provision shall be made by the legislature for "the utilization,  
11       development, and conservation of all natural resources belonging to the State . . . for  
12       the maximum benefit of its people," and consistent with and in furtherance of the  
13       general legislative declaration of policy for this chapter set out in AS 38.35.010. it is  
14       the policy of this state that the overall strategy for development, use, and control of a

1 pipeline or pipelines to develop the state's substantial North Slope natural gas  
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3 (1) to enhance the standard of living of state residents by

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6 businesses will have access, directly or indirectly, to that portion of the gas that  
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9 Southcentral Alaska in order to maintain a vital domestic and industrial energy  
10 source, and ensuring that the pipeline or pipelines for the transportation of  
11 North Slope natural gas will be designed and located to be responsive to these  
12 requirements;

13 (B) making the maximum contribution to the development of  
14 job opportunities in this state by

15 (i) providing direct short-term construction and long-  
16 term operation- and maintenance-related employment on the pipeline or  
17 pipelines, to the end that the resources be developed with qualified  
18 contractors and firms in this state for work to be performed, including  
19 the fabrication and installation of required facilities, and that state  
20 residents be employed, consistent with law; for purposes of this sub-  
21 subparagraph, a person is considered a resident if the person is  
22 physically present in the state with the intent to remain in the state  
23 indefinitely and has a home in the state, and a contractor or firm is  
24 considered as qualified if the contractor or firm qualifies as an Alaska  
25 bidder under AS 36.30.170(b); and

26 (ii) providing necessary support services; and

27 (C) adding significant long-term property value to the tax base  
28 of the state and local governments, thereby providing the means to support  
29 public education, public health, transportation, and other essential state and  
30 local government projects and services;

31 (2) to ensure that the design, location, and construction of a pipeline or

1 pipelines for delivery of North Slope natural gas to North American markets through  
2 connection to the North American natural gas pipeline network enhance opportunities  
3 for implementing gas deliveries using alternative technologies and the construction of  
4 other pipelines to deliver North Slope natural gas to foreign and domestic markets; and

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16 link to existing pipeline networks to transport North Slope natural gas to North  
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19 and after the date on which a natural gas pipeline following a "southern" route that  
20 parallels the Trans Alaska Pipeline System and the Alaska Highway to transport North  
21 Slope natural gas to North American markets or Alaska tidewater for delivery to  
22 foreign and domestic markets has been completed and has begun operation.

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

THE  
FOLLOWING  
DOCUMENT(S)  
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April 11, 2001

House Resources Committee  
State Capitol Building  
Juneau, Alaska 99801

810 N Street, Suite 202  
Anchorage, AK 99501  
duane@commonwealthnorth.org  
907-278-1414  
Fax 907-278-8350  
Founding Co-Chairman  
Former Governor  
Walter J. Hickel  
and the 1st Governor  
William A. Egan

Dear Representative Musek,

Commonwealth North is a statewide public policy organization whose mission is to educate its members and others on issues of importance to Alaska and Alaskans. To accomplish this mission, the organization frequently sponsors study groups to investigate and analyze timely issues.

Currently, Commonwealth North is involved in a study regarding the commercialization of North Slope gas. While the group is not yet prepared to report findings or recommendations, a number of public policy considerations have been identified that are relevant to any review of this complex issue. These are:

- Maintain a level playing field. All options should be open for discussion until sufficient information is generated to thoroughly evaluate alternatives. Competitive proposals should be encouraged.
- Any negotiation process between project proponents and the state should be open to public scrutiny and the criteria that defines the state's interest should be explicitly defined in policy and/or statute.
- Any negotiated agreement between project proponents and the state should be available to the public and legislature with sufficient time for review prior to approval.
- Adequate analytical and staff resources must be made available by the state to negotiate the state's interest effectively.

We are concerned that SB 164, "An Act prohibiting leases under the Right-of-Way Leasing Act on state land in or adjacent to the Beaufort Sea," could prematurely foreclose options available to the state for considering commercial projects. If the policy principles above are used as a guide, the public and legislature will have adequate opportunity to evaluate all options prior to implementation. We believe that a better use of state resources at this time would be to clearly identify and define the state's interests that will be used in the evaluation process.

Thank you for the opportunity to comment.

Sincerely,  
  
Nancy Bear Uvera  
President, Commonwealth North

# NORTH

### Officers

- Nancy Bear Uvera  
President
- Eleanor Andrews  
Vice President
- Joe Griffith  
Vice President
- Jonathan Kurnin  
Vice President
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### Executive Director

Duane Heyman



**CSSB-164**  
**Testimony to House Resources**  
**11 April, 2001**

Good Afternoon Mr. Chairman, members of the committee. My name is Michael Hurley and I am here today, representing the North American Natural Gas Pipeline Group, to express our concern about CSSB-164.

As you are aware, the three companies participating in the group (BP, ExxonMobil, and Phillips) are working diligently to develop an economically viable project to commercialize North Slope natural gas by pipeline through Canada to the Lower 48 market. And in doing that, it is incumbent on us to fully consider the options that could help accomplish that goal.

Indeed, the Federal Energy Regulatory Commission, before it issues a certificate of public convenience and necessity, requires us to analyze alternative pipeline route options as part of the application process.

This project has the potential to be the largest energy project in North America, and will require capital investments in the billions of dollars. Investment decisions cannot be taken lightly, and must be made with the confidence that can only be gained by a thorough evaluation of the alternatives, and an understanding of their relative strengths, weaknesses, risks, and rewards. Such an approach is fundamental to good business decision-making.

Our efforts are focused on creating and understanding opportunities, not prematurely discarding them. This legislation would do the latter. We believe that legislation that shuts down options before they are fully understood limits dialog and interferes with the fundamental dynamics of a free-market economy. One might question how this will encourage other investors to consider Alaskan projects.

It cannot be forgotten that any Alaskan gas project, whether it be LNG, GTL or pipeline technology, must be able to deliver products to the market at a competitive cost in order to succeed. There are many other competing sources of supply, and buyers will go elsewhere if a project fails in this regard. While our work may show that a Southern Route does offer the best combination of benefits and economic viability to Alaskans, it must be realized that efforts to prohibit the consideration of other development options such as a Northern route may impede an Alaska Natural Gas project from moving forward. If either project advances, the benefits to the state and its citizens and businesses will be substantial, and will make a significant contribution to Alaska's economic future.

Finally, the work we are undertaking this year will yield information we believe will be necessary for reasoned decision-making. We have been listening to the

views and concerns of the Alaska Legislature and of Alaska's citizens, and we will be evaluating alternatives on the basis of seven criteria:

- Overall project economics,
- Alaskan access to gas,
- Jobs for Alaskans,
- Revenues to the State,
- Safety,
- Environmental Protection, and,
- Project timing.

We do not feel we have enough information yet to make a route decision. Indeed, that is the reason for our aggressive work program. The effect this legislation may have on FERC or other agency permit applications is unknown. Again, we think that the interests of commercializing North Slope gas are best served by creating choices, not foreclosing them. We expect that there will be many future opportunities for legislative guidance and action.

Thank you Mr. Chairman for this opportunity to express our opposition to this bill.

**SB**

**208**



# LEGAL SERVICES

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

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


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

## MEMORANDUM

March 5, 2002

**SUBJECT:** HCSCSSB 208(Res) (Work Order No. 22-LS0788\L)

**TO:** Representative Drew Scalzi, Chair  
House Resources Committee  
Attn: Pat

**FROM:**   
Theresa L. Bannister  
Legislative Counsel

This memo accompanies a draft of the bill described above.

1. Title change. This bill draft changes the title of SB 208 as it came out of the Senate. To avoid violating the Uniform Rules, you have requested and been provided with a House Concurrent Resolution to suspend the Uniform Rules that relate to the change of title.
2. Inconsistent language. Please note that language in sec. 17.20.048(a)(2) is inconsistent with the definition of "farmed halibut, salmon, or sablefish product" in sec. 17.20.040(b). This does not present a problem for the operation of the individual sections, but does appear to represent an inconsistent approach to the identification of "farmed" fish. Per the committee's amendment in sec. 17.20.048(a)(2), the "or" was deleted and results in the phrase reading "in captivity under control." Also per committee amendment, the definition in sec. 17.20.040(b) was taken from the current definition of farmed salmon product and contains the phrase "in captivity or under positive control." I recommend determining which approach is the better one and making the two phrases consistent. I realize that this CS has passed out of your committee, but I want to bring it to your attention and to suggest that this concern be passed along to the next committee of referral.
3. Federal preemption issue. Please be aware that preemption by federal law is an issue whenever you require certain labeling on food, as the bill does in sec. 1, and even when the provisions are voluntarily, as in proposed sec. 17.20.048. Because this is a very complex area, I do not know how the provisions of this bill would be affected by the federal laws and regulations affecting this subject, but wanted you to be aware that the issue is present.

If I may be of further assistance, please advise.

TLB:med  
02-253.med

Enclosure

# Check over

Sen. Ward's attempt -

Green? -

R. Samuelson - BB - support, amended language -  
400,000 tons cod by 2012 - 32 dif. colors  
wholesale/can pick -

DEC. J. Adair - CS - limits comments -

some concern prior versions apply to  
hatchery - amend on floor of senate -

#1 - pg 3 line 30 remove or  
passes

#2 9-10 -

~~#~~<sup>3</sup> 17.23.70 line 13  
adding def of  
farmed sal. or hal or sablefish  
BK moves - CS SB 208 amended

BK - label fish not

FATE move CS SB 208 as amended  
3x -



# Alaska State Legislature

REPRESENTATIVE DREW SCALZI  
State Capitol  
Juneau, Alaska 99801-1182

(907) 465-2689; (800) 665-2689

FAX: (907) 465-3472

Representative\_Drew\_Scalzi@legis.state.ak.us

Official Business

*Barnette  
Jerry  
6650*

February 27, 2002

To: George Utermohle  
Legal Counsel

From: Rep. Scalzi, co-chair  
House Resources

*Resolution intro SCR  
authorizing waiver  
of rule - by committee*

#Con Leg Ho waive Rules

Please prepare a Resources Committee Substitute for CSSB208 with the following amendments:

1. Page 3, line 30, remove or

*used already in statute -  
Definition*

2. Page 4, lines 9-10; after product, delete rest of sentence and replace with "includes halibut, salmon or sablefish or a food product made from halibut salmon or sablefish."

*means  
~~XXXXXX~~*

3. Page 3, line 13, using your legal expertise, incorporate definitions for farmed salmon, halibut and sablefish as per Section 17.20.370. *See enclosed.*

This third amendment was a "conceptual" amendment by Rep. Kerttula and she stated she would leave the exact language up to the drafter.

Thank you for your assistance.

Sec. 17.20.370. Definitions.

In this chapter,

(9) "farmed salmon product" means a food product that contains salmon that is propagated, farmed, or cultivated in a facility that grows, farms, or cultivates finfish in captivity or under positive control but that is not a salmon hatchery that is owned by the state or that holds a salmon hatchery permit under AS 16.10.400; in this paragraph, "positive control" has the meaning given in AS 16.40.199;

add halibut & sablefish for SC

(12)

CS just adds "sablefish"

22-LS0788J  
Bannister  
2/26/02

CS FOR SENATE BILL NO. 208( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATOR WARD

A BILL

FOR AN ACT ENTITLED

*Change from  
Senate*

1 "An Act relating to the labeling of, the advertising of, and the disclosure of certain  
2 information about halibut, salmon, sablefish, halibut products, salmon products, and  
3 sablefish products."

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

5 \* Section 1. AS 17.20.040 is amended to read:

6 Sec. 17.20.040. Misbranded foods. Food is misbranded if

- 7 (1) its labeling is false or misleading in any particular;
- 8 (2) it is offered for sale under the name of another food;
- 9 (3) it is an imitation of another food, unless its label bears, in type of  
10 uniform size and prominence, the word "imitation" and, immediately thereafter, the  
11 name of the food imitated;
- 12 (4) its container is made, formed, or filled so as to be misleading;
- 13 (5) it is in package form unless it bears a label containing (A) the name  
14 and place of business of the manufacturer, packer, or distributor; and (B) an accurate

1 statement of the quantity of the contents in terms of weight, measure, or numerical  
2 count; however, under (B) of this paragraph, reasonable variations are permitted, and  
3 exemptions for small packages shall be established by regulations prescribed by the  
4 department;

5 (6) a word, statement, or other information required by or under  
6 authority of this chapter to appear on the label or labeling is not prominently placed  
7 with the conspicuousness (as compared with other words, statements, designs, or  
8 devices, in the labeling) and in terms that [WHICH] make it likely to be read and  
9 understood by the ordinary individual under customary conditions of purchase and  
10 use;

11 (7) it purports to be or is represented as a food for which a definition  
12 and standard of identity has been prescribed by regulations as provided by  
13 AS 17.20.010, unless (A) it conforms to the definition and standard, and (B) its label  
14 bears the name of the food specified in the definition and standard and the common  
15 names of optional ingredients other than spices, flavoring, and coloring present in the  
16 food as required by regulation;

17 (8) it purports to be or is represented as (A) a food for which a  
18 standard of quality has been prescribed by regulations, and its quality falls below that  
19 standard, unless its label bears, in the manner and form the regulations specify, a  
20 statement that it falls below that standard; or (B) a food for which a standard of fill of  
21 container has been prescribed by regulation as provided by AS 17.20.010 and it falls  
22 below the applicable standard of fill of container, unless its label bears, in the manner  
23 and form as the regulations specify, a statement that it falls below that standard;

24 (9) it is not subject to the provisions of (7) of this section, unless it  
25 bears labeling clearly giving (A) the common or usual name of the food, if any, and  
26 (B) in case it is fabricated from two or more ingredients, the common or usual name of  
27 each ingredient; except that, however, spices, flavorings, and colorings, other than  
28 those sold as such, may be designated as spices, flavorings, and colorings, without  
29 naming each; however, to the extent that compliance with the requirements of (B) of  
30 this paragraph is impracticable, or results in deception or unfair competition,  
31 exemptions shall be established by regulations adopted [PROMULGATED] by the

1 department, but the requirements of (B) of this paragraph do not apply to food  
2 products that [WHICH] are packaged at the direction of purchasers at retail at the  
3 time of sale, the ingredients of which are disclosed to the purchasers by other means in  
4 accordance with regulations adopted by the department;

5 (10) it purports to be or is represented for special dietary uses, unless  
6 its label bears information concerning its vitamin, mineral, and other dietary properties  
7 the commissioner determines to be, and by regulations prescribes as, necessary in  
8 order fully to inform purchasers as to its value for those uses;

9 (11) it bears or contains artificial flavoring, artificial coloring, or  
10 chemical preservative, unless it bears labeling stating that fact; however, to the extent  
11 that compliance with the requirements of this paragraph is impracticable, exemption  
12 shall be established by regulations adopted by the department;

13 (12) the food is a farmed halibut, salmon, or sablefish product, unless

*Sec. 17, 2037D*

14 (A) the product is labeled to identify the product as farmed fish  
15 raised outside the state, if the product is sold in a packaged form; or

16 (B) the product is conspicuously identified as farmed fish  
17 raised outside the state, if the product is sold in an unpackaged form;

18 (13) the labeling or advertisement of the food is inconsistent with  
19 the labeling or advertisement provisions of AS 17.20.048.

20 \* Sec. 2. AS 17.20 is amended by adding a new section to read:

21 Sec. 17.20.048. Labeling and advertisement of halibut, salmon, and  
22 sablefish products. (a) A person who sells halibut, salmon, or sablefish products at  
23 wholesale or retail in this state may label or advertise the product as being or  
24 containing a "wild" halibut, salmon, or sablefish product, an "antibiotic-free" halibut,  
25 salmon, or sablefish product, or a "hormone-free" halibut, salmon, or sablefish  
26 product, and may indicate that the product or the halibut, salmon, or sablefish in the  
27 product is free from added colors and additives, if the product or the halibut, salmon,  
28 or sablefish in the product is

29 (1) harvested from a river or an ocean;

30 (2) has not been raised in captivity or under control for its entire life;

31 and

#1

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9

(3) is free from added colors and additives.

(b) The labeling or advertising allowed for a halibut, salmon, or sablefish product by (a) of this section may appear on the principal display panel of a packaged product, may be conspicuously attached to the container of a bulk product, or may appear in an advertisement for the product, including media advertising and displays or placards posted in retail stores. In this subsection, "principal display panel" means the part of a label that is most likely to be displayed, presented, shown, or examined under normal and customary conditions of display for sale.

*includes h s s or*

#2  
10

(c) In this section, "halibut, salmon, or sablefish product" means halibut, salmon, sablefish, a halibut product, a salmon product, or a sablefish product.

*or a Food product  
made from h s or s*

*Whole c.c.*

*Title 17.23.70 -*

#3 -



# SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

## SPONSOR STATEMENT

### SB 208

“An Act relating to the labeling of, the advertising of, and the disclosure of certain information about Halibut, Salmon, Halibut products, and Salmon products.”

SB 208 adds a new section relating to the labeling and advertisement of halibut and salmon products. This section will allow a person to sell or advertise halibut or salmon products as “wild,” “antibiotic-free,” “hormone free,” and dye-free” if the product is harvested from a river or an ocean and has not been raised in captivity.

We have all seen the beautiful displays of farmed salmon at fish counters or restaurants without realizing that the varying shades of pink are artificially created. Almost 100% of all farmed salmon is artificially colored with either canthaxanthin or astaxanthin, a process sometimes called “color finishing” to give farmed salmon the attractive red color associated with wild salmon and salmon products that consumers expect.

Federal regulations call for declaration of the use of canthaxanthin or astaxanthin at the retail level but that information is rarely passed on to the consumer. Additionally, it is common practice to add antibiotics and other supplements to farmed finfish diets.

This legislation will allow a clear distinction to the consumer informing them of the natural benefits of “wild salmon” and “wild halibut.”

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-4940 • FAX (907) 465-3766

ANCHORAGE: 716 W. 4<sup>th</sup> AVE. • STE. 450 • ANCHORAGE, AK 99501 • (907) 269-0106 • FAX (907) 269-0109

KENAI: 145 MAIN STREET LOOP • KENAI, AK • 99611 • (907) 283-7996 • FAX (907) 283-3075

Vice-Chair, Senate Finance Committee • Vice-Chair, Senate Transportation • Member, Senate Health Education & Social Services  
Senator\_Jerry\_Ward@legis.state.ak.us

# LEGAL SERVICES

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

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

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

## MEMORANDUM

April 28, 2001

**SUBJECT:** Sectional Summary of SB 208 relating to the labeling and advertising of salmon and halibut products  
(Work Order No. 22-LS0788\C)

**TO:** Senator Jerry Ward  
Attn: Loretta

**FROM:** <sup>TLB</sup> Theresa L. Bannister  
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

**Section 1.** AS 17.20.040(12) and (13). Amends the section that identifies when food is misbranded. In paragraph (12), adds farmed halibut to the paragraph that presently considers farmed salmon products as being misbranded unless the products are labeled (if packaged), or conspicuously identified (if not packaged), as farmed fish raised outside the state.

In paragraph (13), identifies food as misbranded if the food's labeling or advertisement is inconsistent with the bill's new section (AS 17.20.048), which relates to the labeling and advertisement of halibut and salmon products.

**Section 2.** AS 17.20.048. Adds a new section relating to the labeling and advertisement of halibut and salmon products. Allows a person to sell or advertise a halibut or salmon product as "wild," "antibiotic-free," or "hormone free" if the product is harvested from a river or an ocean and has not been raised in captivity. Indicates that the labeling may appear on the product's principal display panel, be conspicuously attached to the container of a bulk product, or appear in an advertisement for the product.

If I may be of further assistance, please advise.

TLB:lmb  
01-145.lmb

SECTIONAL

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

## STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF ENVIRONMENTAL HEALTH  
 DIRECTOR'S OFFICE  
 555 CORDOVA STREET  
 ANCHORAGE, ALASKA 99501  
 http://www.state.ak.us/dec/deh

Telephone: (907) 269-7644  
 Fax: (907) 269-7654  
 e-mail: Janice\_Adair@envtcon.state.ak.us

February 25, 2002

The Honorable Beverly Masck  
 Co-Chairperson, House Resources Committee  
 Room 128, Capital Building  
 Juneau, AK 99801

The Honorable Drew Scalzi  
 Co-Chairperson, House Resources Committee  
 Room 13, Capital Building  
 Juneau, AK 99801

Re: SB 208, Labeling of Salmon and Halibut

For Hand Delivery

Dear Representatives Masck and Scalzi:

The above-referenced bill will be heard in your committee on Wednesday, February 27, 2002. I'd like to bring a matter to your attention with the hopes of amending the bill, although I believe it would require a title change.

Enclosed, you will find an article by Lani Welch about the success of the Canadians in farming Sablefish (black cod). As she notes, this is one of Alaska's priciest species. The fact that it is now being successfully farmed and marketed would suggest that it should be included in this legislation so that it would have to be clearly labeled as farmed if sold in Alaska and processors would be encouraged to label their wild product as such. [We have discussed this amendment with Senator Ward, the bill's sponsor, and he does not object to it.]

I will be on line during Wednesday's hearing to answer any questions you may have.

Sincerely,

*Janice*  
 Janice Adair  
 Director

Enclosure: October 28, 2001 Alaska Journal of Commerce article by Lani Welch

cc: The Honorable Hugh Fate  
 The Honorable Mike Chenault  
 The Honorable Joe Green  
 The Honorable Lesil McGuire  
 The Honorable Gary Stevens  
 The Honorable Mary Kapsner  
 The Honorable Beth Kerttula  
 (all with enclosure as noted)

*Safe Food, Safe Water, Healthy Communities*

*cs being drafted to add sablefish*

drop. People respond differently in crisis situations. Expect to see lower attendance, difficulty concentrating, forgetfulness, and requests for sick leave and increased absenteeism — all normal responses. People will need to talk more, a natural aspect of dealing with tragedy. The more they talk, the healthier the organization becomes. Simple expressions of concern and help with simple, daily tasks will go a long way to improve productivity.

**K:** Keep communication open. Information is powerful as an energy source. Meet with staff members at all levels to express grief, as well as to promote available resources and other services. Keep Web sites updated, and provide a place for people to watch or listen to the

... .. it is OK to cry and that anger is a natural part of acceptance and recovery.

**R:** Restrict negative behavior. Even though anger is part of this process, make sure you draw the line to prevent actual abuse, harassment and verbal venting of their anger on other people. Make clear, in no uncertain terms, that behavior of this sort will not be tolerated and will be dealt with firmly.

**G:** Get people to focus on a higher calling. The purpose of terrorism is to affect the greatest number of people.



## Farmed black cod from Canada could jolt Alaskans who sell wild fish to Japan

By Laina Welch  
For the Journal



Sablefish (more commonly called black cod) is one of Alaska's priciest species, and the state has long held a corner on the market in Japan, where virtually all of the product goes. But those lucky enough to hold fishing permits for black cod could soon face a rude awakening when farmed sablefish from British Columbia starts hitting the market this year.

For the past year, a handful of Canadian fish farmers has been growing black cod in saltwater pens, and the fish will be ready for retail counters in December. Currently, there are three black cod farms

### FISH FACTOR

in British Columbia which have been operating under experimental permits.

According to the Fish Information Service, the Canadian fish farmers began a broodstock collection three years ago. The black cod are spawned at the Island Sealops Hatchery in Qualicum Beach, B.C., where they are reared to roughly 5 grams. From there, the tiny fish are sent to fish farms where they grow to market sizes of around 2 pounds to a whopping 17 pounds, huge for a black cod.

According to operations manager Peter Phillips, the farmed sablefish exhibit much faster growth rates com-

pared to those in the wild. They also have excellent survival rates of 22 percent at the hatchery and an impressive 90 percent in the farm pens. Farmers also say they have experienced no problems with diseases.

How the quality, taste and texture of farmed sablefish will compare to the wild variety remains unknown but not for long. Manager Eric Norman of Taku Fisheries in Juneau worries that the farmed fish could create serious competition for commercial fishermen.

"With black cod, you've got an extremely limited supply, especially with

these wild fisheries. It's only about 25 million pounds (dressed weight) in the whole world," Norman told the FIS.

"Obviously, it's quite expensive, and demand is relative to supply, but it wouldn't take more than 5 or 10 million pounds. That's an afternoon's work for these fish farmers to have a serious impact on the marketplace."

Alaska longliners have a black cod catch quota of just less than 30 million pounds this year in a season that runs from March 15 to Nov. 15.



Welch

Another fall fishery at Chatham Strait in Southeast yields another 2 million pounds. Fishermen have been getting around \$3.60 per pound for their sablefish this year.

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB 208(L&C) am  
 (\*) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Environmental Conservation  
 Title Farmed Salmon Disclosures BRU Environmental Health  
 Component Food Safety and Sanitation  
 Sponsor Senator Ward  
 Requester House Resources Committee Component No. 2343

**Expenditures/Revenues (Thousands of Dollars)**

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

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

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE (Thousands of Dollars)**

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

Estimate of any current year (FY2002) cost: 0.0

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

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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

No fiscal impact.

Prepared by: Janice Adair, Director  
 Division: Division of Environmental Health  
 Approved by: Kurt Fredriksson  
 Agency: Department of Environmental Conservation

Phone (907) 263-7644  
 Date/Time 2/20/02 12:41 PM  
 Date 2/20/2002

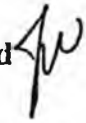


# SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

## MEMORANDUM

**TO:** Representative Drew Scalzi, Co-chair  
Representative Beverly Masek, Co-chair  
House Resources Committee

**FROM:** Senator Jerry Ward 

**DATE:** February 7, 2002

**SUBJECT:** SB 208 Request for Hearing

---

I respectfully request a hearing for SB 208, "An Act relating to the labeling of, the advertising of, and the disclosure of certain information about halibut, salmon, halibut products, and salmon products." This legislation would allow a person to sell or advertise halibut or salmon products as "wild," "antibiotic-free," "hormone free," and "dye-free" if the product is harvested from a river or an ocean and has not been raised in captivity. A copy of SB 208, the sponsor statement and other documentation is enclosed.

Thank you for your consideration of this request. If you or your staff should have any questions, please contact me at 465-4940.

22-LS0788V  
Bannister  
2/26/02

**CS FOR SENATE BILL NO. 208( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR WARD**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the labeling of, the advertising of, and the disclosure of certain  
2 information about halibut, salmon, sablefish, halibut products, salmon products, and  
3 sablefish products."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** AS 17.20.040 is amended to read:

6 **Sec. 17.20.040. Misbranded foods.** Food is misbranded if

7 (1) its labeling is false or misleading in any particular;

8 (2) it is offered for sale under the name of another food;

9 (3) it is an imitation of another food, unless its label bears, in type of  
10 uniform size and prominence, the word "imitation" and, immediately thereafter, the  
11 name of the food imitated;

12 (4) its container is made, formed, or filled so as to be misleading;

13 (5) it is in package form unless it bears a label containing (A) the name  
14 and place of business of the manufacturer, packer, or distributor; and (B) an accurate

1 statement of the quantity of the contents in terms of weight, measure, or numerical  
2 count; however, under (B) of this paragraph, reasonable variations are permitted, and  
3 exemptions for small packages shall be established by regulations prescribed by the  
4 department;

5 (6) a word, statement, or other information required by or under  
6 authority of this chapter to appear on the label or labeling is not prominently placed  
7 with the conspicuousness (as compared with other words, statements, designs, or  
8 devices, in the labeling) and in terms that [WHICH] make it likely to be read and  
9 understood by the ordinary individual under customary conditions of purchase and  
10 use;

11 (7) it purports to be or is represented as a food for which a definition  
12 and standard of identity has been prescribed by regulations as provided by  
13 AS 17.20.010, unless (A) it conforms to the definition and standard, and (B) its label  
14 bears the name of the food specified in the definition and standard and the common  
15 names of optional ingredients other than spices, flavoring, and coloring present in the  
16 food as required by regulation;

17 (8) it purports to be or is represented as (A) a food for which a  
18 standard of quality has been prescribed by regulations, and its quality falls below that  
19 standard, unless its label bears, in the manner and form the regulations specify, a  
20 statement that it falls below that standard; or (B) a food for which a standard of fill of  
21 container has been prescribed by regulation as provided by AS 17.20.010 and it falls  
22 below the applicable standard of fill of container, unless its label bears, in the manner  
23 and form as the regulations specify, a statement that it falls below that standard;

24 (9) it is not subject to the provisions of (7) of this section, unless it  
25 bears labeling clearly giving (A) the common or usual name of the food, if any, and  
26 (B) in case it is fabricated from two or more ingredients, the common or usual name of  
27 each ingredient; except that, however, spices, flavorings, and colorings, other than  
28 those sold as such, may be designated as spices, flavorings, and colorings, without  
29 naming each; however, to the extent that compliance with the requirements of (B) of  
30 this paragraph is impracticable, or results in deception or unfair competition,  
31 exemptions shall be established by regulations adopted [PROMULGATED] by the

1 department, but the requirements of (B) of this paragraph do not apply to food  
2 products that [WHICH] are packaged at the direction of purchasers at retail at the  
3 time of sale, the ingredients of which are disclosed to the purchasers by other means in  
4 accordance with regulations adopted by the department;

5 (10) it purports to be or is represented for special dietary uses, unless  
6 its label bears information concerning its vitamin, mineral, and other dietary properties  
7 the commissioner determines to be, and by regulations prescribes as, necessary in  
8 order fully to inform purchasers as to its value for those uses;

9 (11) it bears or contains artificial flavoring, artificial coloring, or  
10 chemical preservative, unless it bears labeling stating that fact; however, to the extent  
11 that compliance with the requirements of this paragraph is impracticable, exemption  
12 shall be established by regulations adopted by the department;

13 (12) the food is a farmed halibut, salmon, or sablefish product, unless

14 (A) the product is labeled to identify the product as farmed fish  
15 raised outside the state, if the product is sold in a packaged form; or

16 (B) the product is conspicuously identified as farmed fish  
17 raised outside the state, if the product is sold in an unpackaged form;

18 (13) the labeling or advertisement of the food is inconsistent with  
19 the labeling or advertisement provisions of AS 17.20.048.

20 \* Sec. 2. AS 17.20 is amended by adding a new section to read:

21 **Sec. 17.20.048. Labeling and advertisement of halibut, salmon, and**  
22 **sablefish products.** (a) A person who sells halibut, salmon, or sablefish products at  
23 wholesale or retail in this state may label or advertise the product as being or  
24 containing a "wild" halibut, salmon, or sablefish product, an "antibiotic-free" halibut,  
25 salmon, or sablefish product, or a "hormone-free" halibut, salmon, or sablefish  
26 product, and may indicate that the product or the halibut, salmon, or sablefish in the  
27 product is free from added colors and additives, if the product or the halibut, salmon,  
28 or sablefish in the product is

29 (1) harvested from a river or an ocean;

30 (2) has not been raised in captivity or under control for its entire life;

31 and

1 (3) is free from added colors and additives.

2 (b) The labeling or advertising allowed for a halibut, salmon, or sablefish  
3 product by (a) of this section may appear on the principal display panel of a packaged  
4 product, may be conspicuously attached to the container of a bulk product, or may  
5 appear in an advertisement for the product, including media advertising and displays  
6 or placards posted in retail stores. In this subsection, "principal display panel" means  
7 the part of a label that is most likely to be displayed, presented, shown, or examined  
8 under normal and customary conditions of display for sale.

9 (c) In this section, "halibut, salmon, or sablefish product" means halibut,  
10 salmon, sablefish, a halibut product, a salmon product, or a sablefish product.

**S B**

**255**

# ALASKA STATE LEGISLATURE



*Interim:*

600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 376-3370  
(907) 376-3157 Fax

*Session:*

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
(907) 465-3805 Fax

## SENATOR LYDA GREEN SENATE DISTRICT N

### Sponsor Statement CS Senate Bill 255 (RES)

#### Unequal Land Exchange between the State of Alaska and Gold Cord, Inc.

Alaska State Parks has been working since 1978 to develop an opportunity for private reuse and management of historic buildings at Independence Mine State Park (IMSHP). To make such a private venture economical, the State has already completed or has in the works several projects. Parks completed paving the road to IMSHP, secured the underground mine tunnel (in a previous exchange) to allow for underground tours, and will complete rehabilitation of foundations and roofs on seven buildings (federal funds beginning in 2002), and several TRAAK projects to improve the trail system, parking lots, ADA access to existing visitor center, and interpretive panels on mine's history. An RFP seeking the private partner is scheduled for release in February 2002. Proposals will be due October 2002.

To facilitate road access to the underground mine tour, the State of Alaska sought an exchange with Gold Cord, Inc., the owner of a critical section of the road. While the State held an easement across the property, it was not of sufficient size to accommodate anticipated reconstruction to provide for bus access. In addition, Gold Cord held a federal mining claim that extended into the existing park boundaries.

The exchange has been agreed to by all parties as exemplified by the final exchange agreement that is anticipated to be signed by the DNR Commissioner on January 18, 2002. The State trades away no land, but provides the process by which Gold Cord can receive fee title to 19 acres of land valued at \$63,000 currently held by Gold Cord as federal mining claims. The State receives about six acres of land valued at \$68,500 from Gold Cord. Because the State brought no land to trade and because final values are not equal, the transaction requires legislative approval.

The Alaska Legislature approved another unequal value exchange at IMSHP between the State of Alaska and Alaska Hardrock, Inc. in 2000.

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 255  
(S) Publish Date: 2/11/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Natural Resources  
Title: Land Exchanges: Gold Cord Development BRU: Parks & Recreation Mgt  
Sponsor: Senator Green Component: Parks Management  
Requester: (S) RES Component Number: 452

**Expenditures/Revenues** (Thousands of Dollars)

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

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

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

There is no fiscal impact associated with implementation of this legislation.

Prepared by: Jim Stratton Phone 269-8701  
Division: Parks & Outdoor Recreation Date/Time 28-Jan-02  
Approved by: Pat Pourchot Date 28-Jan-02  
Agency: Natural Resources



## Alaska Department of Natural Resources Division of Parks and Outdoor Rec.



Department of Natural Resources  
Division of Parks and Outdoor Recreation



# Public Notice

for the

## Gold Cord Development Corp./ State of Alaska Land Exchange in the Hatcher Pass Area



The public is invited to comment on the proposed land exchange under AS 38.50 between Gold Cord Development Corporation, 519 W 8th Ave, Suite 209, Anchorage, AK 99501, and the State of Alaska, Department of Natural Resources, for land in the Hatcher Pass area in Independence Valley of the Matanuska-Susitna Borough. **The Division of Parks and Outdoor Recreation must receive comment at the address below by 4:30 pm on Friday, January 18, 2002.**

In this land exchange the State will receive approximately 6.125 acres in two parcels of land adjacent to Independence Mine State Historical Park. Both parcels have the access road to the main mining tunnel of the Independence Mine tunnel network and will become part of Independence Mine State Historical Park. The property has been appraised at \$68,500.

Gold Cord Development Corporation will receive 19.001 acres in two parcels just north of Independence Mine State Historical Park. Both parcels have been appraised at \$63,000. This will solidify ownership of property for their mining operation.

This proposed land exchange requires a special exception to the Willow Sub-Basin Area Plan and the Hatcher Pass Management Plan. All 25.126 acres of state land involved in the exchange are proposed to be closed to new mineral entry. The 19.001 acres going to Gold Cord Development Corporation will be reclassified to Reserve Use Land. Since the value of the property involved is unequal, this land exchange will be submitted to the Legislature for approval in January 2002.

**Hard copies of documentation for the proposed exchange, mineral closures, land classification change, and special exception to the plans can be requested from the Anchorage State Park contact given below, or check the links at the end of this page.** No public meetings are planned at this time. Any person asserting a claim to the property involved should contact the office below.

Comments on the proposed exchange should be sent to:

Kathryn Reid  
Alaska State Parks  
550 W 7th Ave, Suite 1390  
Anchorage, AK 99501  
ph: (907) 269-8709  
fax: (907) 269-8907  
e-mail: [Kathryn\\_Reid@dnr.state.ak.us](mailto:Kathryn_Reid@dnr.state.ak.us)

Mat-Su Area Office  
Alaska State Parks  
HC 32, Box 6706  
Wasilla, AK 99654  
ph: (907) 745-3975  
fax: (907) 745-0938  
e-mail: [matsu@alaska.net](mailto:matsu@alaska.net)

Individuals with audio impairments who wish to respond to this public notice by telephone may call the department's Public Information Center in Anchorage between the hours of 10:00 am and 5:00pm, Monday through Friday at TDD# 269-8411.

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- ✓ **Map** - This shows where and what lands are involved. (This file is a jpeg file.)
- ✓ **Preliminary Report and Best Interest Findings on Proposed Land Exchange between Gold Cord Development Corporation and the State of Alaska for the Division of Parks and Outdoor Recreation, December 17, 2001** - This report tells the hows and whys of the land exchange.
- ✓ **Proposed Special Exception to Willow Sub-Basin Area Plan and the Hatcher Pass Management Plan, December 14, 2001** - This explains the special exception to the plans.
- ✓ **Proposed Land Classification Order #79-023-A01** - Request for land classification change for the state land going to Gold Cord Development Corporation.
- ✓ **Proposed Mineral Order #773** - Request for closure to mineral entry for all land involved in the exchange.

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Last update: Tuesday, December 18, 2001      Webmaster: [www-parks@dnr.state.ak.us](mailto:www-parks@dnr.state.ak.us)

**Proposed Special Exception  
to Willow Sub-Basin Area Plan  
and the Hatcher Pass Management Plan  
December 14, 2001 \* ADL 228152**

The Department of Natural Resources (DNR) proposes to make a Special Exception to both the Willow Sub-Basin Area Plan and the Hatcher Pass Management Plan. The special exceptions are necessary to enable a land exchange between the Gold Cord Development Corporation and DNR. DNR has determined that the land exchange is in the State's interest and is consistent with the management intent contained in these plans. However, the land classification prevents the exchange. State land included in the exchange is currently classified Public Recreation and Minerals. New state land, transferred from the federal government as part of the exchange, will be classified Public Recreation and Minerals. State land must be classified Settlement, Agriculture, or Reserved Use, or be unclassified, in order to be included in a land exchange (11 AAC 67.220).

A Special Exception is a one-time, limited-purpose variation of a land use plan's provisions (see 11 AAC 55.030).

The specific exception to the Willow Sub-Basin Area Plan (adopted in 1982) is to change the classification of current state land proposed for the exchange to Gold Cord Development Corporation (GCDC) to Reserved Use Land, and have that portion of new state land proposed for the exchange to GCDC initially be classified as Reserved Use Land. This is an exception to the classifications spelled out in the Willow Sub-Basin Area Plan, Appendix 3, page 3-5, Table 1. The portion of exchanged land to be added to Independence Mine State Historic Park would receive the classification listed in the area plan, which would be Public Recreation and Minerals Lands. This classification will not affect any other state lands within the Hatcher Pass management unit of the plan, and will only be implemented if a final land exchange agreement is reached. If the exchange is not consummated, the original classification will be restored on current state land, and federal land will remain under federal jurisdiction, having no state classification on it.

The exception to the Hatcher Pass Management Plan is intended to enable the exchange of the state land, current and future, to be classified as Reserve Use. Land exchanges and the Reserved Use classification are not mentioned in the Primary or Secondary uses for the Independence Subunit (Subunit #5, page 227) of the Hatcher Pass Management Plan. The Hatcher Pass Management Plan was adopted by DNR in 1986 and amended in 1989.

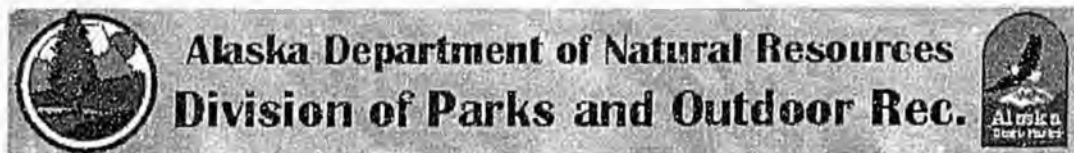
DNR has determined that these Special Exceptions are consistent with the Management Intent for these lands as expressed in the two plans. DNR is making this exception because it is in the State's interest considering the overall public benefits of the exchange, specifically the state's acquisition of land with access to a valuable tourism and historic mining resource in Hatcher Pass. DNR generally does not classify the surface estate of state lands for disposal in order to facilitate mineral development. In making the determination that the different classification for state land, current and future, is in the state's interest, the exchange must be looked at as a whole.

**Consistency with Plans' Management Intent** - The following explains how these actions are consistent with the plans' management intent:

**Willow Sub-Basin Plan:** The exchange is consistent with the management intent for the Hatcher Pass Management Unit (page 209 of plan) - which emphasizes Mining and Recreation. More specific management intent is found in the Hatcher Pass Management Plan.

**Hatcher Pass Management Plan, Independence Sub-Unit (subunit #5):** The State's acquisition of their portion of the parcels is clearly consistent with the plan's management intent for this subunit, which is to protect the area's historic mining character and encourages tourism and education. Land within Independence Mine State Historical Park already has a mineral closure, which is stated in the plan. Therefore, the land added to the park would also receive a mineral closure. This protects the State's ability to develop this area for tourism and protect the historic value, part of the plan's management intent.

GCDC acquisition of their portion of the parcels is also clearly consistent with the plan's management intent for this subunit, which is to support existing private mining operations. The mineral closure to be placed on GCDC's parcels support the plan's management intent by not allowing any new mining interests to interfere with the existing mining operation.



Department of Natural Resources  
Division of Parks and Outdoor Recreation



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Kathryn Reid  
Alaska State Parks  
550 W 7th Ave, Suite 1390  
Anchorage, AK 99501  
ph: (907) 269-8709  
fax: (907) 269-8907  
e-mail: [Kathryn\\_Reid@dnr.state.ak.us](mailto:Kathryn_Reid@dnr.state.ak.us)

Mat-Su Area Office  
Alaska State Parks  
HC 32, Box 6706  
Wasilla, AK 99654  
ph: (907) 745-3975  
fax: (907) 745-0938  
e-mail: [matsu@alaska.net](mailto:matsu@alaska.net)

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**SB**

**308**

Now  
Folio  
w/ pas reg  
of FN  
of (B).

**CS FOR SENATE BILL NO. 308(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 3/22/02  
Referred: Rules**

**Sponsor(s): SENATOR THERRIAULT**

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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

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

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

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

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

*and the  
reasonably  
foreseeable  
significant effects*

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

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

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

*Scalzi Q!  
dense  
clarity*

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

Y	N
McNamee	Forte
Strong	Chen
Kapner	Masch
Kittling	Scalzi
	Green (From Pass)

*Fails*

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSSB 308 (RES)  
 (S) Publish Date: 3/6/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Office of the Governor  
 Title "An Act relating to the Alaska coastal management program..." BRU Governmental Coordination  
 Component Governmental Coordination  
 Sponsor Senator Theriault  
 Requester Senate Resources Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

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

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( ) ( )</b>						
-----------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY2002) cost: 0.0

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

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Prepared by: Patrick Galvin, Director  
 Division: Governmental Coordination  
 Approved by: David Ramseur  
 Agency: Office of the Governor

Phone 465-3562  
 Date/Time 3/5/02 4:01 PM  
 Date 3/5/2002



Similar Subject Match or Exact Subject Match

- COASTAL MANAGEMENT
  - ENVIRONMENTAL CONCERNS
  - LAND
  - MUNICIPALITIES
  - WATER
  - ZONING
- 

Bill Root:



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

Return to Basis Main Menu (22 Legislature)

Return to Legislature Home Page

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

-1-

I am requesting a fiscal note for HS 03-040 be added to this bill, to ensure its done/complete.

I am requesting the legislature <sup>act</sup> comply with 1990 <sup>state</sup> CMTZ <sup>amendments</sup> to Coastal Mgmt Program. This details consideration of the CMTZ as a whole.

I live in affected coastal district (MSB) and I personally am affected. My community of Kirk is affected, I also claim to be affected. OF multiple resources within the whole Coastal Zone.

I am interested in having this information be included in the legislative history of this bill.

Committee  
Re: Coastal Management Zone  
373-4012

To: Howell Resources  
Dana L. Olson  
MC-30 Box 5438  
Wasilla, AK 99654  
April 15, 2002

- 2 -

I am Alleging insufficiency of notice, to ensure my "due process" will be afforded to me, before enactment.

I cannot comment Adequately (Quadruple defense claim) I previously made a request on this bill, that the topic be specified in the bill. This was not done.

I allege the bills language is not clear or precise. It is constitutionally objected to on grounds its too broad.

I state that the right to redress government for grievances, U.S. guarantee can not be taken away or made to be implemented in such a manner to market the petition meaningless.

I have and am currently objecting strongly

to permit by rule, and streamlining of permits, where social-economic and environmental consideration either is not made, or its negated.

- 3 -

Because many permits have lapsed  
 federal conformity. I specifically am  
 requesting a fiscal note and or  
 budgetary appropriation to implement  
 federal conformity determinations.  
 (effecting the coastal zone) (alone) pursuant to farm income  
 to the length of the project. 1992  
 I am requesting a fiscal note or  
 legislative appropriation for title 38  
 requirement "revise when necessary"  
 within the Sustain Area Plan and  
 Willow Subasin Plan.

I am affected legislatively by SB 196(1987)  
 "right of ways" be incorporated  
 in land-use plans. AND  
 Sec 19; 1984 Chase Agricultural Hunds  
 (revise the Sustain Area Plan) I have  
 continuously and vigorously defended, assert-  
 ed and claimed ADL 10023, and 10026  
 in court. If you need more information  
 on this, let me know, and I'll provide it.

1984  
 On the Chase Agricultural Hunds  
 relevant new information needs assessment  
 so that conveyance can occur.

-4-

I allege that these activities are affecting the status of national port. Sec MSB coastal district plan. The Sustna Area Plan is incorporated by reference, and enforceable objectives to encourage agriculture.

I also bring up the constitutional requirement of sustained yield <sup>applies</sup> before permittee does a plan for a state dept./agency. A permittee can not determine who is the beneficial user. I am unable to comment or have sufficiency of notice when the legislature acts <sup>legislative</sup> Executive and <sup>legislative</sup> concurrently, without providing legal and <sup>sufficient</sup> factual basis or determination in which to comment on. I allege unconstitutionality (due process) <sup>at</sup> insufficiency of notice, and violation of constitutional requirements of sustained yield, equal use of natural resources, and uniform application of law. As well as taking without adequate compensation.

P McKenzie

-5-

Unconstitutional claim by me.

with means to eliminate judiciary is

of being legislative and executive concurrently,

environmental consideration. The effect

of sustained yield, social, economic, historical,

consideration at present or futuristic

few to benefit from without any

A contractual agreement for specific

program can not act as if it were

program change. I also allege the

A legal and factual basis for the program/

can legislate programs with starting

I allege, the legislature, nor legislators

Castal District Plan, AS46.03.040 not done

into the CMZ by reference in MSB

The Sustana Area Plan was incorporated

AND in Areas where no plan is enacted

CAN NOT ISSUE consistency of permits

PLAN, AND Sustana Area Plan, AND thus

assessment within the willow subbasin

DNR lacks authority for environmental

(construction permits <sup>sole</sup> AND

for consideration (preliminary) For

I allege DEC lacks authority