

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10651 SENATE RESOURCES

**SB**

**280**

# FISCAL NOTE

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

Fiscal Note Number: 1  
Bill Version: SB 280  
(S) Publish Date: 3/6/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Environmental Conservation  
Title: Water/Sewer/Waste Grants to BRU: Facility Construction and Operation  
Utilities Component: Facility Construction and Operation  
Sponsor: Therriault  
Requester: Senate Labor & Commerce Component No.: 637

**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	72.4	72.4	72.4	72.4	72.4	72.4
Travel	12.0	12.0	12.0	12.0	12.0	12.0
Contractual	5.0	5.0	5.0	5.0	5.0	5.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	3.0	1.5	1.5	1.5	1.5	1.5
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>93.4</b>	<b>91.9</b>	<b>91.9</b>	<b>91.9</b>	<b>91.9</b>	<b>91.9</b>

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

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

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	93.4	91.9	91.9	91.9	91.9	91.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>93.4</b>	<b>91.9</b>	<b>91.9</b>	<b>91.9</b>	<b>91.9</b>	<b>91.9</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	1	1	1	1	1	1
Part-time						
Temporary						

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

SB 280 will extend eligibility for Municipal Water, Sewer, Solid Waste Matching Grants program to economically-regulated privately-owned utilities. We estimate that approximately 50 private utilities could qualify for grants. To date, 36 municipalities have participated in the program.

While program workload is largely a function of the total annual program funding, providing financial and technical assistance to smaller, private utilities, such as those serving trailer parks or subdivisions, will create additional workload and require adding a new engineer position to the current program engineering staff of four.

Prepared by: Dan Easton, Director Phone 465-5135  
Division: Facility Construction and Operation Date/Time 2/15/02 3:32 PM  
Approved by: Kurt Fredriksson Date 2/15/02  
Agency: Department of Environmental Conservation

**Personal Services New Position Detail**

Department of Environmental Conservation  
SB 280ABS Fiscal Note

Scenario: DEC 2003 Fiscal Notes (2321)  
Component: Facility Construction and Operations (637)  
BRU Name: Facility Construction and Operations (210)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#011	Environ Engineer I	FT	A	GG	Anchorage	2A	21A	12.0		53,754	1,114	0	17,586	72,454

**Justification:**

Implementation of SB 280

**Funding Detail:**

1004	General Fund Receipts	100.00%	72,454
<b>Total Funding:</b>		100.00%	72,454

**Component Summary:**

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	72,454
<b>Total Funding:</b>	100.00%	72,454

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column.

# FISCAL NOTE

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

Fiscal Note Number: 2  
Bill Version: CSSB 280 (L&C)  
(S) Publish Date: 3/6/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Environmental Conservation  
Title Water/Sewer/Waste Grants to BRU Facility Construction and Operation  
Utilities Component Facility Construction and Operation  
Sponsor Therriault  
Requester Senate Labor & Commerce Component No. 637

**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>
-----------------------------	------------	------------	------------	------------	------------	------------

<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>
-------------------------------	------------	------------	------------	------------	------------	------------

**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)

This bill has no fiscal impact on the department.

Prepared by: Dan Easton, Director Phone 465-5135  
Division Facility Construction and Operation Date/Time 3/5/02 3:34 PM  
Approved by: Kurt Fredriksson, Deputy Commissioner Date 3/5/02  
Agency Department of Environmental Conservation

# Alaska State Legislature

SENATOR  
**GENE THERRIAULT**

Mailing Address:  
119 N. Cushman, Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
Fax: (907) 488-4271



Senate

While in session  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
Fax: (907) 465-3884

Senate District Q

**CS SB 280(L&C)** "An Act permitting grants to certain regulated public utilities for water quality enhancement projects and water supply and wastewater systems."

**Sponsor:** Senator Gene Therriault

## Sponsor Statement

---

Under current law, privately owned public water and wastewater utilities are not eligible to participate in grants made under AS 46.03.030(b), "water quality enhancement, water supply, sewage and solid waste facilities grants." This places the ratepayers of privately owned utilities at a disadvantage when compared to the ratepayers of municipally owned utilities.

SB 280 provides for the inclusion of privately owned water and wastewater utilities in the State's water and wastewater grant program if the utility serves as the primary utility for a municipality and its rates are regulated by the Regulatory Commission of Alaska. Regulation insures that all of the economic benefits of the grants are passed on to the ratepayers. The Legislature passed a similar measure in 2000, HB 304, which provided for participation by regulated, privately owned water and wastewater utilities in the State's low interest revolving loan fund.

As is currently the case with municipally owned utilities, the bill would allow privately owned utilities to make utility infrastructure improvements without forcing ratepayers to pay the full burden through increased rates. Additionally, the bill would increase the ability of the utility to expand into areas that are on the peripheral of existing systems, thereby providing water and wastewater services to families that are currently on wells and septic systems.

The Senate Labor & Commerce committee substitute makes grants available to primary public water and sewer utilities for water and wastewater projects only. Grants for solid waste processing, disposal or resource recovery systems would remain available only to municipalities.

**SB 280, "An Act permitting grants to certain regulated public utilities for water quality enhancement projects and water supply and wastewater systems."**

**Sectional Analysis**

**Section 1**

**AS 46.03.030(b)**

Allows a public utility as defined in section (i) of the bill, in addition to municipalities, to receive water quality enhancement, water supply and sewage facilities grants through the Department of Environmental Conservation. Grants can be used for water quality enhancement projects; a public water supply, treatment or discharge system; or a wastewater collection, treatment or discharge system.

**Section 2**

**AS 46.03.030(e)**

Maintains the current match ratio of:

- 85% of eligible costs for a municipality with a population of 1,000 persons or less;
- 70% of eligible costs for a municipality with a population of 1,001 to 5,000 ;
- 50% of eligible costs for a municipality with a population greater than 5,000

**Section 3**

**AS 46.03.030(i)**

Defines a utility that is eligible for a grant under 46.03.030(b)(1)-(3) as a public water and sewer utility that serves as the primary utility for a municipality and has its rates regulated by the Regulatory Commission of Alaska under 42.05.

# ALASKA STATE LEGISLATURE

SENATOR  
**Gene Therriault**  
119 N. Cushman Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
FAX (907) 488-4271



While in Juneau  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
FAX (907) 465-3884

Senate  
Senate District Q

February 14, 2002

G. Nanette Thompson  
701 W. 8<sup>th</sup> Ave, Suite 300  
Anchorage, AK 99501

Dear Nan:

Attached is a copy of Senate Bill 280, which I introduced February 6, 2002. The bill will allow privately owned public utilities that are regulated by the Regulatory Commission of Alaska to apply for grants under AS 46.03.030(b).

It is my understanding from discussions with the owners of privately owned utilities in Fairbanks that the stipulation requiring utilities to be regulated by the Regulatory Commission of Alaska in order to be eligible for a grant, will ensure that the benefits of the grant are passed on to ratepayers. I would like to request an opinion from your office as to whether that statement is correct. Stated another way, would regulated utilities get any depreciation or rate of return on grant funds expended under this bill?

SB 280 is scheduled for its first hearing Tuesday, February 19, 2002. If at all possible, I would appreciate a response prior to that time so that I can provide the committee with the information.

Sincerely,

Gene Therriault  
Senator, District Q

# STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND  
ECONOMIC DEVELOPMENT  
REGULATORY COMMISSION OF ALASKA

TONY KNOWLES, GOVERNOR

701 WEST EIGHTH AVENUE, SUITE 300  
ANCHORAGE, ALASKA 99501-3469  
PHONE: (907) 276-6222  
FAX: (907) 276-0160  
TTY: (907) 276-4533

February 15, 2002

The Honorable Gene Therriault  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, AK 99801-1182

Re: SB 280, "An Act permitting grants to certain regulated public utilities for water quality enhancement projects and water, wastewater, and solid waste systems."

Dear Senator Therriault:

This is in response to the questions raised in your February 15, 2002 regarding regulated public utilities. In that letter, you ask whether requiring utilities to be regulated by the Regulatory Commission of Alaska in order to be eligible for a grant will ensure that the benefits of the grant are passed on to ratepayers.

All public utilities that serve 10 or more customers for compensation must be certificated by the RCA. All certificated utilities are subject to a public convenience and necessity determination and a fit, willing and able requirement before they can operate as a public utility. Certificated public utilities are subject to economic regulation (rate review) by the RCA if they are privately owned or do not otherwise meet the exemption criteria in AS 42.05.711. The Commission regulates pipelines and utilities to assure reasonable and just rates to the consumer with fair rates of return to the utilities.

Ensuring that the benefits of the grant are passed on to ratepayers will primarily be the responsibility of the agency administering the grant. For an economically regulated utility, the Commission would have the opportunity to assess the benefits of the project through the rate review process, after the project is completed and in use.


Letter to Senator Therriault  
February 15, 2002  
Page 2 of 2

You also ask whether regulated utilities get any depreciation or rate of return on grant funds. The answer is no. In traditional ratemaking, depreciation allows the utility to recover the funds it invested to purchase plant that is used and useful in delivering service. Consumers compensate utilities through rates for the costs incurred by a utility to deliver service. Grant-funded plant acquisitions are not allowed in rates because they do not represent an investment by the utility. To require ratepayers to reimburse a utility for grant monies and allow the utilities to earn a return on an investment they have not made would result in higher utility rates for the ratepayer.

I hope the above provides the information you seek. If you have any questions, please call me at (907) 263-2112. I will be in Juneau next Tuesday and Wednesday, and will be available at the hearing to answer any additional questions.

Sincerely,

REGULATORY COMMISSION OF ALASKA

  
G. Nanette Thompson, Chair

**Fairbanks North Star Borough***Office of the Mayor*

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

February 19, 2002

The Honorable Senator Gene Therriault  
119 N. Cushman, Suite 101  
Fairbanks, AK 99701

Dear Senator Therriault:

I am writing you to give my support to Senate Bill 280, which would allow privately owned, public utilities to receive water and wastewater grants through the Department of Environmental Conservation.

The Fairbanks North Star Borough is a second-class Borough and, as such, has limited powers in providing for water and wastewater utilities. These utilities can only be provided through citizen approved service areas.

Two out of the 117 service areas within the Borough have elected to provide some level of water and wastewater utility. Neither service area can afford the cost of providing quality utility functions nor can they afford major, necessary improvements. This has resulted in health and safety issues that must be addressed. One service area in particular, Ballaine Lake, has already raised their property taxes to the maximum mill rate allowed by statute. In order to improve their current wastewater process, they must turn to a privately owned, public utility company.

The Fairbanks North Star Borough government has acquired funding to assist these two service areas, however, this assistance takes time. Had the local public utility companies been in a place to provide this assistance, improvements could have been expedited.

Senate Bill 280 would help privately owned, public water and wastewater utility companies to improve the existing infrastructure without placing the entire burden on the ratepayer. In our Borough, expansion of services as a result of SB 280 would allow improvements to areas with marginal, current systems, or no systems at all, such as Badger Road and Farmers Loop.

Please add my support to this critical legislation. The Fairbanks North Star Borough Assembly and I will be submitting a resolution in support of SB 280 within the next two weeks.

Sincerely,

Rhonda Boyles, Mayor



February 13, 2002

Senator Ben Stevens  
Chair, Senate Labor and Commerce Committee  
Sent by fax: 907-465-3884

RE: SB 280

Fairbanks Sewer & Water, Inc. (FSW) was formed in 1996 to acquire Golden Heart Utilities, Inc. from the City of Fairbanks when the City divested itself of its utilities. Simultaneously, FSW acquired College Utilities Corporation, which owns and operates the water and wastewater system on the west side of Fairbanks. FSW is the parent of both Golden Heart Utilities and College Utilities, which serve a combined 8,500 customers.

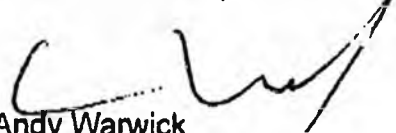
In 2000 we asked the Legislature to allow our water and wastewater utilities to participate in the State's low interest revolving loan fund, which the Legislature accomplished through HB304. Because utilities must be regulated by the Regulatory Commission of Alaska as a condition of participation, all of the benefits of the program are passed on to the ratepayers through lower rates.

Currently Fairbanks is the only community in the State that cannot participate in the State's water and wastewater grant program under AS 46.03.030(b), as under current law, privately owned, public water and wastewater utilities are not eligible. SB280 remedies this inequity in the same manner as HB304 mentioned above. Fairbanks was eligible to participate when the utility was owned by the City of Fairbanks. SB280 provides the same benefits to the Fairbanks ratepayers that they enjoyed under City ownership by including privately owned water and wastewater utilities in the State's water and wastewater grant program if the utilities are regulated by the Regulatory Commission of Alaska. Regulation insures that all of the economic benefits of the grants are passed on to the ratepayers.

SB280 will:

1. Reduce the burden to our ratepayers of critical improvements to our water and wastewater systems. Like all utilities in Alaska, improvements are necessary for the continued reliability of the system.
2. Increase the ability of the utility to expand its water and wastewater system to include families and businesses that utilize wells and septic systems. The vast majority of Fairbanks residents are not hooked up to a public water and wastewater system. In some cases this causes sanitary problems that could be resolved by our utility system.
3. Provide benefits to our ratepayers that other ratepayers in Alaska enjoy.

Thank you for the opportunity to comment on this bill. I can be reached at the telephone number below if you have additional questions.



Andy Warwick  
Chair of Board of Directors  
Fairbanks Sewer & Water, Inc.  
907-456-1566

Introduced by: Mayor Thompson  
Date: February 25, 2002

**RESOLUTION NO. 3976**

**A RESOLUTION OF THE CITY OF FAIRBANKS IN SUPPORT OF  
SENATE BILL 280, AND SETTING AN EFFECTIVE DATE**

WHEREAS, Senate Bill 280 would amend current law to permit state grants to regulated private utilities for water quality enhancement and supply, as well as sewage and solid waste facilities; and

WHEREAS, regulation by the Regulatory Commission of Alaska ("RCA") insures that all of the economic benefits of the grants are passed on to the rate paying public; and

WHEREAS, currently Fairbanks is the only community that can not participate in this grant program due to the divestiture of the Municipal Utilities System.

NOW, THEREFORE, BE IT RESOLVED that the City Council supports Senate Bill 280, and urges its adoption by the legislature of the State of Alaska.

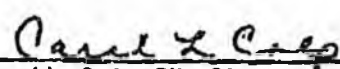
Passed and Approved this 25<sup>th</sup> day of Feb, 2002.

  
STEVE M. THOMPSON, MAYOR

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:  
ADOPTED: February 25, 2002

ATTEST:

APPROVED AS TO FORM

  
Carol L. Colp, City Clerk

  
Herbert P. Kuss, City Attorney

**S B**

**3 0 8**

22- S1516C  
Kurtz  
3/4/02

CS FOR SENATE BILL NO. 308(RES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered:  
Referred:

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.

3 \* Sec. 3. AS 46.40.096(d) is amended to read:

4 (d) In preparing a consistency review and determination for a proposed  
5 project, the reviewing entity shall

6 (1) request consistency review comments for the proposed project  
7 from state resource agencies, affected coastal resource districts, and other interested  
8 parties as determined by regulation adopted by the council;

9 (2) prepare proposed consistency determinations;

10 (3) coordinate subsequent reviews of proposed consistency  
11 determinations prepared under (2) of this subsection; a subsequent review of a  
12 proposed consistency determination under this paragraph

13 (A) is limited to a review by the state resource agencies; and

14 (B) may occur only if requested by

15 (i) the project applicant;

16 (ii) a state resource agency; or

17 (iii) an affected coastal resource district;

18 (4) after providing an opportunity [TO FILE A PETITION] for  
19 subsequent review under [(e) OF] this subsection [SECTION], render a [THE] final  
20 consistency determination and certification.

21 \* Sec. 4. AS 46.40.100(b) is amended to read:

22 (b) A party that is authorized under [AS 46.40.096(e)(1) OR] (g) of this  
23 section may file a petition showing that a district coastal management program is not  
24 being implemented, enforced, or complied with; a petition filed under this section  
25 may not seek review of a proposed or final consistency determination regarding a  
26 specific project. On receipt of a petition, the council, after giving public notice in the  
27 manner required by (f) of this section, shall convene a hearing to consider the matter.  
28 A hearing called under this subsection shall be held in accordance with regulations  
29 adopted by the council. After hearing,

30 [(1) IF THE PETITION WAS FILED UNDER AS 46.40.096(e) AND  
31 THE COUNCIL FINDS THAT

1 (A) THE OFFICE OR THE STATE AGENCY  
2 RESPONSIBLE FOR COORDINATING THE CONSISTENCY REVIEW  
3 HAS NOT FAIRLY CONSIDERED THE PETITIONER'S COMMENTS IN  
4 THE DEVELOPMENT OF A PROPOSED CONSISTENCY  
5 DETERMINATION, THE COUNCIL SHALL REMAND THE PROPOSED  
6 CONSISTENCY DETERMINATION TO THE OFFICE, OR TO THE  
7 STATE AGENCY RESPONSIBLE FOR COORDINATING THE  
8 CONSISTENCY REVIEW, FOR PREPARATION OF A REVISED  
9 PROPOSED CONSISTENCY DETERMINATION THAT GIVES FAIR  
10 CONSIDERATION TO THE PETITIONER'S COMMENTS;

11 (B) A REMAND OF THE CONSISTENCY  
12 DETERMINATION IS NOT REQUIRED UNDER (A) OF THIS  
13 PARAGRAPH, THE COUNCIL SHALL DISMISS THE PETITION;

14 (2) IF THE PETITION WAS NOT FILED UNDER AS 46.40.096(e),]  
15 the council may order that the coastal resource district or a state agency take any  
16 action the council considers necessary to implement, enforce, or comply with the  
17 district coastal management program, except that the council may not order that the  
18 coastal resource district or a state agency take any action with respect to a  
19 project for which a proposed or final consistency determination has been made.

20 \* Sec. 5. AS 46.40.100(c) is amended to read:

21 (c) In [EXCEPT WHEN A PETITION HAS BEEN FILED UNDER  
22 AS 46.40.096(e), IN] determining whether an approved district coastal management  
23 program is being implemented, enforced, or complied with by a coastal resource  
24 district that exercises zoning authority or controls on the use of resources within the  
25 coastal area, the council shall find in favor of the district if

26 (1) zoning or other regulations have been adopted and are being  
27 enforced;

28 (2) variances are being granted according to procedures and criteria  
29 that are elements of the district coastal management program, or the variance is  
30 otherwise approved by the council; and

31 (3) procedures and standards adopted by the coastal resource district as

1 required by this chapter or by the guidelines and standards adopted by the council and  
2 subsequently approved by the legislature have been followed and considered.

3 \* Sec. 6. AS 46.40.100(d) is amended to read:

4 (d) In [EXCEPT WHEN A PETITION HAS BEEN FILED UNDER  
5 AS 46.40.096(e), IN] determining whether a state agency is complying with a district  
6 coastal management program with respect to its exercise of regulation or control of the  
7 resources within the coastal area, the council shall find in favor of the agency if

8 (1) the use or activity for which the permit, license, or approval is  
9 granted is consistent with the district coastal management program and regulations  
10 adopted under it; and

11 (2) the use or activity for which the permit, license, or approval is  
12 granted is consistent with requirements imposed by state statute, regulation, or local  
13 ordinance applicable to the use or activity.

14 \* Sec. 7. AS 46.40.100(f) is amended to read:

15 (f) Upon receipt of a petition under (b) of this section, the council shall give  
16 notice of the hearing convened to consider the petition as follows:

17 (1) notice of the hearing shall be given at least 10 days before the  
18 scheduled date of the hearing

19 (A) by publication in

20 (i) a newspaper of statewide circulation; or

21 (ii) a newspaper of general circulation in the vicinity of  
22 the district coastal management program that is the subject of the  
23 petition; and

24 (B) by at least one of the following methods:

25 (i) publication through public service announcements  
26 on the electronic media serving the area affected by the district coastal  
27 management program;

28 (ii) posting in a conspicuous location in the vicinity of  
29 the proposed project or action;

30 (iii) notifying parties known or likely to be affected by  
31 the proposed project or action; or

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

(iv) another method calculated to effectively notify affected interested parties;

(2) a notice provided under (1) of this subsection must

(A) contain sufficient information in commonly understood terms to inform the public of the nature of the petition; and

(B) indicate the manner in which the public may comment on the petition [IF THE PETITION IS FILED UNDER (b)(2) OF THIS SECTION].

\* Sec. 8. AS 46.40.100(g) is amended to read:

(g) The opportunity to petition under (b) [(b)(2)] of this section is limited to

(1) a coastal resource district;

(2) [A CITIZEN OF THE COASTAL RESOURCE DISTRICT; OR

(3)] a state agency.

\* Sec. 9. AS 46.40.096(e) and 46.40.096(f) are repealed.

\* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).

# Alaska State Legislature

SENATOR  
**GENE THERRIAULT**

Mailing Address:  
119 N. Cushman, Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
Fax: (907) 488-4271



*Senate*

While in session  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
Fax: (907) 465-3884

Senate District Q

Senate Bill 308

“An Act relating to the Alaska Coastal management program and the responsibilities of the Coastal Policy Council.”

SPONSOR: Senator Gene Therriault

## SPONSOR STATEMENT:

Alaska's permitting system is broken. Industries from across the state have stepped forward to ask for clarity, consistency, and timeliness. Central to this broken system is the Coastal Zone Management program (CZM) and its underlying petition process. Senate Bill 308 takes steps to remove the biggest problems and keep Alaska and its resource-dependent economy moving forward.

Alaska chose to participate in the federal voluntary Coastal Zone Management program by creating the Alaska Coastal Management Program (ACMP) in 1977. The ACMP requires that all permits issued by state agencies within the coastal zone be consistent with the respective plans developed by a coastal resource district. Since that time, there have been many state and federal laws such as the clean water act, clean air act, spill prevention laws, and wetlands legislation affecting coastal districts and further complicating the process by which permits are found to be consistent.

The petition process established by AS 46.40.096 is largely a procedural one. A state agency, a citizen residing within the affected coastal resource district, or the coastal resource district itself may file a petition with the Coastal Policy Council if they submitted written comments during the public comment phase of the permitting process. However, the CPC may only review whether the comments submitted were considered by the respective agency—there can be no consideration of the merits of the complaint. This allows a single individual to delay the processing of necessary permits by as much as 50 days—without any substantive cause.

Specifically, the bill does two things:

- Prohibits the adoption by reference of state statutes and regulations by coastal districts.
- Eliminates the petition process to the Coastal Policy Council for specific projects. This does not restrict a coastal district's ability to appeal a project through the elevation process. If a district, as the voice of its constituents, disagrees with a proposed consistency determination for a specific project, they may elevate the

proposed decision, which requires a review of the resource agencies' directors and commissioners.

For the foreseeable future, Alaska's economy will be dependent upon the development of our natural resources. As the policy-making body of state government, we must remove those aspects of our permitting system that have been used not as a means to provide public input and accountability, but as tools to needlessly delay those projects which are critical to our state's future prosperity and revenues.

Pocket  
GUIDE  
to the

*Alaska Coastal  
Management  
Program project  
review process*



*5 steps to project approval in Alaska's coastal zone*



# Table of Contents

**First Question:**  
Is this guide for you? ..... 2

**Commonly Asked Questions  
and Answers about Projects  
Proposed in Alaska's Coastal Zone ..... 4**

**5 Steps to Project Approval..... 8**  
1 – Applicant Completes a CPQ ..... 8  
2 – Coordinating Agency Receives Packet 11  
3 – Consistency Review Starts ..... 13  
4 – Proposed Determination Circulated .... 15  
5 – Final Determination Issued..... 16  
Elevation, Appeals, & Petitions ..... 17

**Where to Go for More Information ..... 18**  
More Questions & Answers ..... 18  
Map of Alaska's Coastal Zone ..... 20

**Who to contact ..... 22**  
Division of Governmental Coordination .... 22  
Coastal Districts..... 23  
State Agencies ..... 28  
Federal Agencies ..... 30



*Working together for  
the long-term economic and  
environmental productivity  
of Alaska's coast.*

## *Is this guide for you?*

This guide is for you if you have little or no experience obtaining permits for projects in Alaska's coastal zone or you just want to learn more about the Alaska Coastal Management Program (ACMP). Here you will learn



*Once you understand the permits your project will require, you can design a project that will address these requirements up front and avoid delays later during the permitting process.*

how to determine if your project is in the coastal zone, the 5 steps in the coastal consistency review process, answers to some commonly asked questions, and where to go for more information.

By answering the following questions, you should determine whether the Alaska Coastal Management Program applies to your project. If it does, feel assured that this booklet, the Division of Governmental Coordination (DGC), coastal districts, and state resource agencies will help you navigate your project through the ACMP consistency review process. You will find addresses, telephone numbers, and web site addresses for agencies you may need to contact at the end of this booklet.

### ***How do I know if the ACMP applies to my project?***

If your project meets the following two criteria, or if you are unsure, you should contact DGC. One of DGC's Project Review Coordinators will help you determine if your project requires an ACMP consistency review and guide you to the state agencies and coastal districts you may need to contact.

If your project is:

1. located in or will affect resources of the coastal zone; *and*
2. requires a state, federal, or local permit(s), your project may require an ACMP consistency review.

If you are not sure about the location of your project in relation to Alaska's coastal zone or the permits required for your project, keep reading.

### ***How do I know if my project is located in the coastal zone?***

Alaska's coastal zone boundaries include more than 44,000 miles of coastline and can extend inland along river drainages as far as 250 miles. This variability can make it difficult to tell if your project is within the coastal zone. The map on pages 20-21 shows a representation of Alaska's coastal zone and coastal districts.

If your project is located within a coastal district, you should contact either DGC at (907) 465-3562 (Juneau) or 269-7470 (Anchorage), or the coastal district to determine whether your project is within its coastal zone. Coastal district contact information is located at the end of this booklet.

Please note that the ACMP also applies to projects in large areas of Prince William Sound and southeast Alaska that are in the coastal zone but not within a coastal district.

### ***How do I know if my project will require state or federal permits?***

If you are not sure what permits your project might require, fill out a Coastal Project Questionnaire (CPQ) (for your own information). Even if you don't require an ACMP consistency review, the questions in the CPQ will help you identify what permits might apply to your project and who to contact for more information. If you discover your project requires an ACMP consistency review, you will be well on your way to fulfilling the requirements in Step 1.

*Keep reading to learn more about the ACMP consistency review process and how DGC, your local coastal district, and state resource agencies can be of assistance.*

## Questions & Answers

### **What is the Alaska Coastal Management Program?**

In 1972 Congress passed the Coastal Zone Management Act (CZMA) to promote the orderly development and protection of the country's coastal resources. The CZMA resulted from concern spurred by the increasing demands for development of the nation's coastal areas, population increases near the coast, and declining productivity of the coastal environment. The CZMA established a voluntary partnership among the federal government, coastal states, and local governments to develop individual state programs for managing coastal resources.

The Alaska Coastal Management Program (ACMP) implements legislation passed by the State of Alaska in 1977. With this legislation, called the Alaska Coastal Management Act, Alaska joins the partnership envisioned by the CZMA.

The ACMP improves stewardship of Alaska's coastal land and water uses, and natural resources, by creating a network of local, state, federal, and applicant interests in the project approval process. The networking provided by the ACMP helps to ensure that all aspects of a project are considered during a single review and approval process. This integrated approach promotes both economic and environmental productivity of Alaska's rich and diverse coastal resources.

The ACMP requires that projects in Alaska's coastal zone be reviewed by coastal resource management professionals and found consistent with the statewide standards of the ACMP. These standards and the enforceable policies of an affected coastal district ensure that development interests observe the vision set out for the future by the state and coastal communities. It is called the consistency review process. A finding of consistency with the ACMP must be obtained before permits can be issued for the project.

### **Mission of the Alaska Coastal Management Program:**

*"The ACMP provides stewardship of Alaska's rich and diverse coastal resources to ensure a healthy and vibrant coast that sustains long-term economic and environmental productivity."*

### **What criteria does the ACMP use to evaluate my project?**

The ACMP applies to projects within or affecting Alaska's coastal zone. The statewide standards (6 AAC 80) and coastal district enforceable policies of the ACMP provide direction for coastal resources and uses, such as:

- coastal development (whether a project is water-dependent or water-related),
- habitats (such as wetlands, tideflats, or streams),
- air, land, and water quality,
- transportation and utility routes and facilities,
- timber harvest,
- mining and mineral processing,
- subsistence opportunities,
- recreation designations,
- geophysical hazard areas,
- historical and archaeological resources,
- energy facilities, and
- fish and seafood processing.

Using the statewide standards and local enforceable policies, the ACMP evaluates the effects a project will have on the above coastal resources and uses. Projects must be consistent with the requirements found in the standards and enforceable policies.

### **What is the Coastal Consistency Review Process?**

The coastal consistency review process, or *consistency review process*, helps ensure your project meets the statewide standards and coastal district policies. It also serves as the review process for most permits you will need from state resource agencies. This 5-step process advances your project through review and approval requirements in a timely fashion.

The consistency review process is a coordinated review process that benefits applicants and project reviewers alike. Applicants have a single, primary point of contact for their projects. Reviewers benefit by comprehensively reviewing a project only once.

This booklet explains the consistency review process in more detail and how you can get your project approved with a minimum of difficulty. The Division of Governmental Coordination, as well as state resource agencies and coastal districts, are available to help you understand and navigate your project through the consistency review process.

### **Who is DGC?**

The **Division of Governmental Coordination (DGC)** is home to the ACMP. Located in the Office of the Governor, DGC is responsible for the overall administration and operation of the ACMP. In this role, DGC provides assistance to applicants, coastal districts, and state agencies in carrying out their duties and responsibilities under the ACMP.

DGC has connections throughout the ACMP network.



As such, *your first ACMP contact should probably be one of DGC's helpful Project Review Coordinators.* DGC also serves as the coordinator for the consistency review process if your project requires a federal permit or permits from more than one state agency.

The staff at DGC perform a variety of other activities that support the ACMP, including

- preapplication meetings for applicants
- federal funding for the ACMP
- assistance to local districts in getting their coastal management programs approved
- assistance resolving conflicts
- appeals, elevations, and petitions
- ACMP education and training

### **Who are the State Resource Agencies?**

The State of Alaska has three agencies primarily responsible for managing its natural resources and uses of those resources. These **resource agencies** have permitting authorities for specific activities. If your project requires a permit(s) from only one state resource agency, that agency coordinates the consistency review process.

Your project will most likely require one or more permits from at least one resource agency. The state resource agencies include:

- **Department of Natural Resources (DNR)** manages state-owned land and natural resources, including sales and leases.
- **Department of Fish and Game (DFG)** manages the state's fish and wildlife resources and their habitats.

- **Department of Environmental Conservation (DEC)** serves to safeguard the public health and environment from human uses.

### **What is a coastal district?**

*Coastal districts* are generally local governments, such as cities and boroughs, that contain a portion of Alaska's coastal area. In coastal areas outside the boundaries of local government, coastal districts known as Coastal Resource Service Areas (CRSA) may be formed.

Most coastal districts develop a coastal management program that requires a rigorous state and federal approval process. A district coastal management program contains enforceable policies that guide development affecting the coastal resources within its boundaries. Once approved, a district coastal management program becomes a part of the ACMP.

During the consistency review process, an affected coastal district reviews your project against the enforceable policies of its coastal management program. By complying with its enforceable policies, your project can help the district achieve its goals and objectives for coastal development within its boundaries.

### **The ACMP consistency review process provides:**

- *a one-stop, consolidated state response to coastal development projects and related state and federal permit applications;*
- *specific timeframes and deadlines for reviewing project applications; and*
- *a fast appeal (elevation) process.*

# Step 1

## Complete a Coastal Project Questionnaire (CPQ)

### *What is the CPQ?*

The Coastal Project Questionnaire, commonly called the CPQ, serves as the application for getting your project started in the ACMP consistency review process. A project in the coastal zone must receive an ACMP consistency determination, the end product of the consistency review process, before agencies can issue permits for the project.

The CPQ also helps you identify which state and federal permits will be required for your project. In addition, your completed CPQ provides reviewers with a description of your project and serves as your certification that your project will be conducted in a manner consistent with the ACMP. The CPQ (and this guide) includes a list of state agency and coastal district contacts for your convenience.

### *Who has to fill out a CPQ?*

Anyone proposing a project within or affecting coastal areas of Alaska must submit a CPQ, with the following exceptions:

1) **Placer miners:** submit an *Annual Placer Mining Application* to the Department of Natural Resources (DNR).

2) **Aquatic farmers:** submit a *State of Alaska Aquatic Farm Permits Application* to DNR.



Federal agencies should contact DGC for information on how the consistency review process is used to review federal activities.

### *How do I get a CPQ?*

Copies of the CPQ are available from DGC, state resource agencies (see the back of this brochure), the

U.S. Army Corps of Engineers (toll-free at 1-800-478-2712), other federal permitting agencies, and local coastal district offices.

### *What else do I need to know?*

One of DGC's Project Review Assistants will help you determine what you need to do and who to contact to get your project ready for the consistency review process.

If your project is located within a coastal district, be sure to contact the district's ACMP coordinator and the planning department early to find out what will be required at the local level.

Once you've determined what permits will be required, be sure to contact those agencies to learn their permitting requirements.

### *How do I apply for my other permits?*

Alaska has streamlined the permitting process to provide developers with a single point of entry. Your CPQ packet will include applications and fees for the permits you will need.

The consistency review process also serves as the permit review process for state resource agencies.

### *How much does it cost?*

There is no charge for the ACMP consistency review process. However, agencies issuing permits for the project may require fees.

### *Is there anything I can do to pave the way for my project?*

Before you finalize project plans or submit your CPQ and other information necessary for a complete application packet, the state can arrange a **preapplication meeting** with you and other review participants to discuss your draft plans. This meeting identifies concerns and information needs, helps you avoid 'pitfalls', and promotes a mutual understanding of your project. To

*Pave the way for your project by identifying and addressing concerns before you turn in your application packet. Ask the state for a pre-application meeting.*

arrange a preapplication meeting, contact the coordinating agency. In lieu of a meeting, the coordinating agency can distribute materials to review participants for preapplication assistance.

**Fill in all the blanks**

To complete the CPQ, fill in all the blanks and contact agencies as directed on the CPQ. Filling out the questionnaire properly is important and helps agencies process your project application without delays. If a question is not applicable then put "N/A." If you answer yes to a question and are not applying to that agency for a permit, explain why.

Your signature on the CPQ certifies that you believe your project is consistent with the standards and enforceable policies of the Alaska Coastal Management Program. The standards and enforceable policies are available from DGC and your local coastal district. If you need assistance, contact DGC or your local coastal district.

**Is your application packet complete?**

Your CPQ package should include:

- The completed CPQ and signed Certification of Consistency;
- Copies of any necessary state and federal permit applications, topographic maps, and plan drawings required by the approving agency. DGC encourages you to send original applications to the state or federal agency issuing the permit. Any fees associated with these permits also go to the issuing agency.
- Any additional pertinent information. Make sure you include a complete description of your entire project to minimize the need to provide more information later.

# Step 2

## Coordinating agency receives packet

**Where do I send the CPQ?**

Once you have a completed CPQ and application packet, you should submit it to the state agency responsible for coordinating the coastal consistency review for your project, commonly referred to as the **review coordinating agency**. You can determine the review coordinating agency for your project from the following:

- If your project requires a permit(s) from only one state agency, submit your CPQ and permit applications to that state agency. That agency will coordinate the consistency review for your project.
- If your project requires permits from two or more state agencies, or a permit from a federal agency, then you should submit your CPQ packet to the Division of Governmental Coordination, which will coordinate the consistency review for your project.

If you are not sure where to send your CPQ packet, contact DGC.

**What happens next?**

The review coordinating agency receives the application packet, decides whether it is complete, and determines if the project needs to undergo a coastal consistency review.

**Does my project qualify for expedited review?**

Some projects that have no significant impact on coastal resources, or are routine activities, may be exempt from further coastal consistency review requirements. The state maintains a list of permits and projects that qualify for expedited review in 6 AAC 50.050. The list is



referred to as the "Classification of State Agency Approvals" but is commonly known as the "ABC List."

To find out if your project qualifies for expedited review in the ABC List, contact DGC or your review coordinating agency. Projects that are in the coastal zone and not exempt from further review in the ABC List must undergo a full ACMP coastal consistency review.

# Step 3

## Consistency review starts

### *50-day coastal consistency review begins*

Once your application is received by the review coordinating agency and determined to be complete, the coordinating agency initiates the required public notices. The consistency review starts once all public notices have been issued.

The coordinating agency issues a deadline for reviewer and public comments and circulates your application packet to review participants. The coordinating agency tracks the project during the review and makes sure all interested parties take the opportunity to participate within the designated time frames.



The review coordinating agency will notify you of your review's start date, review number, review schedule, and any other pertinent information. With a few exceptions, the state must complete the consistency review of your project 50 days after the start date.

### *Do all consistency reviews last 50 days?*

Although most projects require a 50-day review, the actual time frame may be shortened or extended under certain circumstances. Alternatives to 50-day consistency reviews are identified below:

- The consistency review of your project may be expedited if your project is a routine activity identified in the ABC List. For more information, refer to *Does my project qualify for expedited review?* in Step 2.
- The 50-day review schedule for your project may be extended for specific reasons. For more information, refer to *Extensions to the review schedule* below.

### 50-Day Consistency Review Schedule

ACMP Consistency Review Process	Day
Step 1 – Complete CPQ	0
Step 2 – Turn in your Packet	0
Step 3 – Consistency Review Starts	1
Deadline for information requests	25
Comment deadline	34
Step 4 – Proposed Determination	44
Deadline to file for elevation or petition*	49
Step 5 – Final Determination	50

\*See page 17

- If all necessary permits for your project are legally required to be issued within 30 days, the consistency review can be completed within a 30-day time frame as provided in 6 AAC 50.110 (a).
- Federal activities (projects conducted by or for a federal agency) may require a different review schedule. However, this booklet is not designed to address specific review or consistency requirements for federal activities. Contact DGC for more information at (907) 465-8794.

**Who reviews the project?**

The participants in the coastal consistency review process include: (1) you, the applicant; (2) state resource agencies and the Division of Governmental Coordination; (3) the affected coastal district; (4) other interested members of the public; and (5) federal agencies.

*Having had a preapplication meeting can really pay off during step 3. Identifying concerns before the review begins can avoid delays and the need for additional stipulations.*

**Extensions to the review schedule**

The review schedule may be extended for certain reasons as provided in 6 AAC 50.110(b). For example, after demonstrating a need for an extension, reviewers may request an extension:

- For you to provide additional information on your project that is needed for their analysis. The project review may be stopped within specified deadlines until that information is received. Within 7 days of receipt of the additional information, you will be notified of its adequacy.
- To perform a field review within a 10-day limit.
- To coordinate with DNR's process for disposals of interest in state land or resources.
- For a public hearing held as part of the consistency review process.

# Step 4

## Proposed consistency determination

**What happens after reviewers submit comments?**

After receiving comments from participants during the review process, the coordinating agency tries to resolve any issues that were raised. The coordinating agency then develops a **proposed consistency determination**. The proposed determination is discussed with you, state resource agencies, and the affected coastal district for concurrence.

**What are stipulations?**

The proposed consistency determination may include stipulations that modify your project and are necessary to bring it into compliance with the ACMP. These stipulations, or conditions of approval, are attached to permits issued for the project. Applicants and reviewers may discuss, or negotiate, the stipulations that will be included in the final determination.

**What happens if I don't concur with the proposed consistency determination?**

If concurrence cannot be reached by the review deadline, an elevation and/or petition can be requested by you or certain review participants. Please note that the instances of elevation are low. In fact, our statistics show that less than one percent of proposed consistency determinations receive requests for elevation or petition.

For a brief explanation of these processes, refer to *Elevations, Appeals, and Petitions* after Step 5. DGC can provide you with more information than is presented here in the unlikely event that this becomes an issue for your project.

# Step 5

## Final determination

### *When does my project get a final consistency determination?*

A final consistency determination is issued when you and the project reviewers concur with the proposed determination, including the stipulations. The final consistency determination must be issued by the review deadline, generally 50 days.

### *When do I get my permits?*

Once the final consistency determination is completed, most state agencies issue state permits covered by the determination within five days. However, an agency may find that additional time is necessary to fulfill its statutory requirements. For example, leases and other disposals of state land or resources issued by DNR generally require additional time. DGC or the permitting agency can provide you with more information on when you can expect to receive the permits for your project.



*Once all your permits are in place, the real work begins.*

## Elevations, Appeals, and Petitions

### *Elevation*

If you disagree with the proposed determination on your project, you may request **elevation** (further review) to division directors within state resource agencies. A resource agency or affected coastal district may also request an elevation. This request must be in writing and include a proposed alternative consistency determination that would effectively address your concerns. The directors review the proposed determination and the alternative determination included in the elevation request, then issue a director-level proposed determination.

If you do not agree with the director-level review, you may elevate the review to the commissioners of the resource agencies, who issue a final determination. This is the last step in the administrative process. Each elevation review can take up to 15 days.

### *Petition*

Under AS 46.40.096, certain eligible parties may petition the Coastal Policy Council to review a project if the petitioner believes their comments related to the enforceable policies of an affected coastal district were not fairly considered. These parties may include the project applicant, an affected coastal district, a state agency, or a citizen of an affected coastal district. The petition process must be completed within 30 days. Contact DGC for more information.

### *Appeal*

If your project requires a federal approval and you disagree with the state's final consistency determination, you may also appeal to the U.S. Secretary of Commerce in Washington, D.C., as provided in 15 CFR 930.125(h). DGC can provide you with information on this appeal process upon request.

## Looking for more information?

Where you go to obtain more information will depend on the type of information you are seeking and your familiarity with the ACMP consistency review process. **Generally, DGC can provide answers to your questions or direct you to the right person.** However, before and during the application and review process, you will also likely benefit from contacting the local coastal district, and the agency or agencies that will be issuing permits.

If you are new to the ACMP or are unsure where to go, we recommend you contact the Division of Governmental Coordination (DGC). As the administrator of the Alaska Coastal Management Program, DGC's duties include helping applicants navigate the consistency review process and obtaining the information they need to succeed in getting their projects approved.

### *What other information can DGC provide?*

The Division of Governmental Coordination (DGC) serves as the information center for the ACMP and the consistency review process. DGC can provide quick answers to whether or not your project is in the coastal zone, what permits you will need, and other questions you have about the project approval process.

DGC also retains copies of:

- all coastal district management programs,
- coastal zone boundary maps,
- ACMP statutes and regulations,
- policies, procedures, special project papers,
- ACMP history and legal opinions, and
- other documents related to the ACMP.

For projects requiring permits from two or more state agencies, or a federal permit, DGC serves as the coordinating agency for the consistency review. In addition, DGC coordinates the review for federal projects proposed in the coastal zone.

### *What information can other state resource management agencies provide?*

The Department of Natural Resources (DNR), Department of Environmental Conservation (DEC), and the Department of Fish and Game (DFG) can provide information about the ACMP consistency review process but specialize in providing applicants with permitting requirements under their authority. For projects only requiring a permit from one of these state resource agencies, that agency coordinates the consistency review.

### *What information can coastal districts provide?*

Coastal Districts can provide information about the ACMP consistency review process, but most importantly can share with you local permitting requirements for your project. In addition, coastal districts have expertise of local conditions and community standards, including development priorities, cultural values, and environmental conditions.

### *What information can I find on the Internet?*

If you have access to the internet, be sure to visit the ACMP Website at:

<http://www.alaskacoast.state.ak.us/>

This new site will feature:

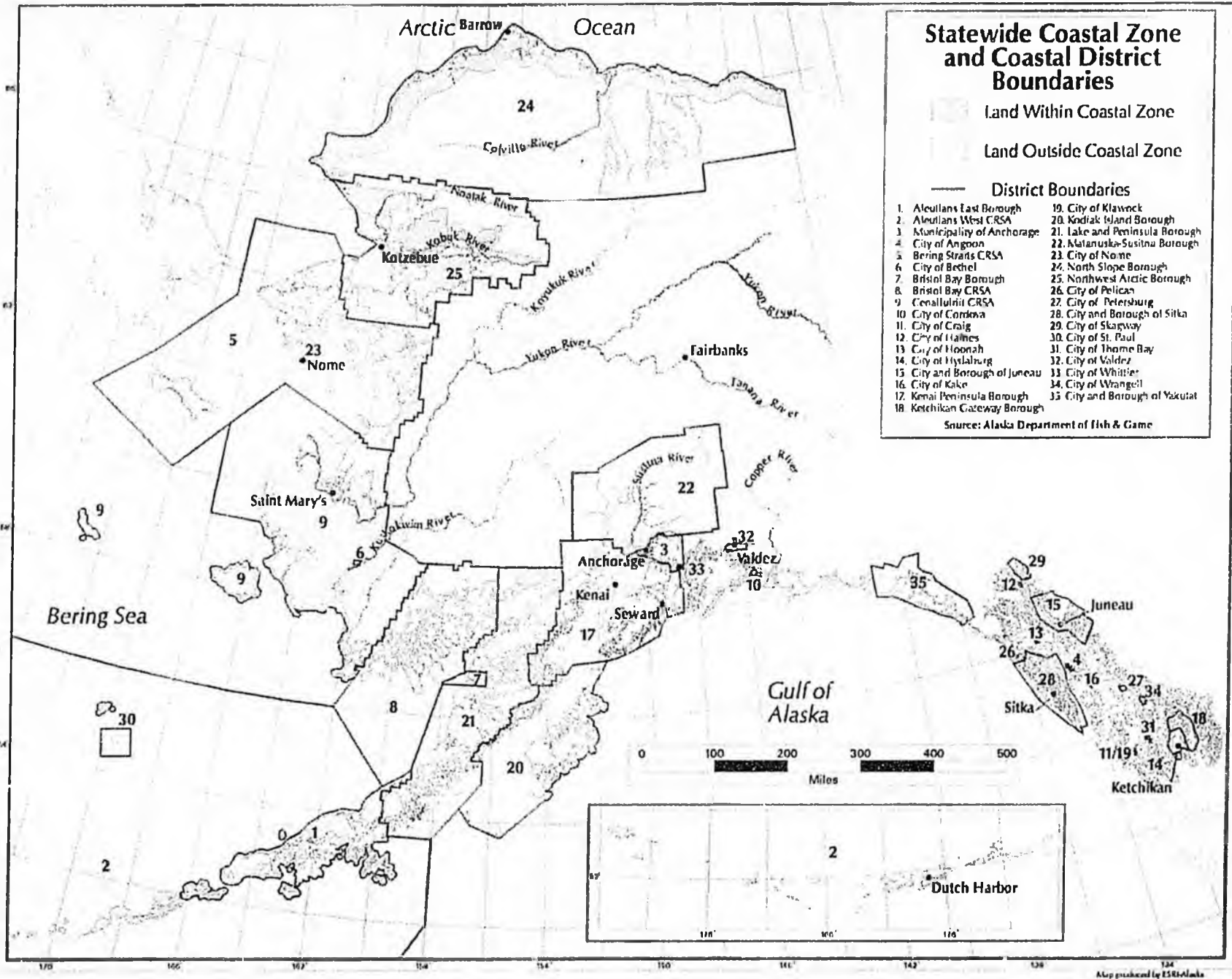
- a downloadable CPQ,
- more complete information about who to contact to help you through the consistency review process,
- access to DGC's project review database,
- coastal district enforceable policies,
- the ACMP statewide standards in 6 AAC 80,
- and much more.

If you need detailed information about an Alaskan community, visit the Department of Community and Regional Affairs community profiles database web page at:

[http://www.comregaf.state.ak.us/CF\\_ComDB.htm](http://www.comregaf.state.ak.us/CF_ComDB.htm)

*DGC can provide answers to your questions or direct you to the right person.*





*DGC Contacts: addresses are on back cover*



**JUNEAU OFFICE**

Main Line ..... (907) 465-3562  
Fax ..... (907) 465-3075  
Web Site Address:  
<http://www.alaskacoast.state.ak.us>

*Director of DGC* ..... 465-3562  
*Project Review Coordinators* ..... 465-2142  
*Project Review Analysts*  
ABC List ..... 465-3529  
ANILCA ..... 269-7477  
Federal Consistency/Supervisor ..... 465-8794  
Mining and Timber ..... 465-8791  
Oil and Gas ..... 465-8792

**ANCHORAGE DGC OFFICE**

Main Line ..... (907) 269-7470  
Fax ..... (907) 561-6134

*Project Review Coordinators* ..... 269-7472

**JOINT PIPELINE OFFICE**

Main Line ..... (907) 271-4317  
Fax ..... (907) 272-0690

*Project Review Coordinator* ..... 271-4317

*Coastal District Contacts*

**Aleutians East Borough**

P.O. Box 349  
Sand Point, AK 99661  
Phone: (907) 383-2699  
Telecopy: (907) 383-3496  
E-mail: [aebclerk@aol.com](mailto:aebclerk@aol.com)

**Aleutians West CRSA**

P.O. Box 920045  
Dutch Harbor, AK 99692  
Phone: (907) 581-2212  
Telecopy: (907) 581-1306  
E-mail: [awcrsa@ptialaska.net](mailto:awcrsa@ptialaska.net)

**Anchorage, Municipality of**

Department of Community  
Planning and Development  
P.O. Box 196650  
Anchorage, AK 99519-6650  
Phone: (907) 343-4261  
Telecopy: (907) 343-4220  
E-mail: [TobishTG@ci.anchorage.ak.us](mailto:TobishTG@ci.anchorage.ak.us)  
Web Site: <http://www.ci.anchorage.ak.us>

**Angoon, City of**

P.O. Box 189  
Angoon, AK 99820  
Phone: (907) 788-3653  
Telecopy: (907) 788-3821

**Bering Straits CRSA**

P.O. Box 190  
Unalakleet, AK 99684  
Phone: (907) 624-3062  
Telecopy: (907) 624-3811

**Bethel, City of**

P.O. Box 388  
Bethel, AK 99559  
Phone: (907) 543-5301  
Telecopy: (907) 543-4186  
E-mail: [john\\_malone@ddc-alaska.org](mailto:john_malone@ddc-alaska.org)

**Bristol Bay Borough**

P.O. Box 189  
Naknek, AK 99633  
Phone: (907) 246-4224  
Telecopy: (907) 246-6633  
E-mail: [bbmgmt@bristolbay.com](mailto:bbmgmt@bristolbay.com)

## *Coastal District Contacts*

### **Bristol Bay CRSA**

Nanvaq Building, Room 207  
P.O. Box 849  
Dillingham, AK 99576  
Phone: (907) 842-2666  
Telecopy: (907) 842-2776  
E-mail: [bbbersant@nushtel.com](mailto:bbbersant@nushtel.com)

### **Ceñaliulriit CRSA**

P.O. Box 368  
St. Mary's, AK 99658  
Phone: (907) 438-2638  
Telecopy: (907) 438-2643

### **Cordova, City of**

P.O. Box 1210  
Cordova, AK 99574  
Phone: (907) 424-6200  
Telecopy: (907) 424-6246  
E-mail: [samflora@cordovanet.com](mailto:samflora@cordovanet.com)

### **Craig, City of**

City of Craig  
P.O. Box 725  
Craig, AK 99921  
Phone: (907) 826-3275  
Telecopy: (907) 826-3278  
E-mail: [jbolling@ptialaska.net](mailto:jbolling@ptialaska.net)

### **Haines, City of**

City of Haines  
P.O. Box 1049  
Haines, AK 99827  
Phone: (907) 766-2231  
Telecopy: (907) 766-3179  
Web Site: <http://www.haines.ak.us>

### **Hoonah, City of**

P.O. Box 360  
Hoonah, AK 99829  
Phone: (907) 945-3663  
Telecopy: (907) 945-3445

### **Hydaburg, City of**

P.O. Box 49  
Hydaburg, AK 99922  
Phone: (907) 285-3761  
Telecopy: (907) 285-3760

## *Coastal District Contacts*

### **Juneau, City and Borough of**

Community Development Department  
155 South Seward Street  
Juneau, AK 99801  
Phone: (907) 586-5230  
Telecopy: (907) 586-3365  
Email: [Terry\\_Stone@mail.ci.juneau.ak.us](mailto:Terry_Stone@mail.ci.juneau.ak.us)  
Web Site: <http://www.juneau.Lib.ak.us>

### **Take, City of**

P.O. Box 500  
Take, AK 99830  
Phone: (907) 785-3804  
Telecopy: (907) 785-4815  
E-mail: [clerkake@scaknet.alaska.edu](mailto:clerkake@scaknet.alaska.edu)

### **Kenai Peninsula Borough**

144 N. Binkley Street  
Soldotna, AK 99669-7599  
Phone: (907) 262-4441 x337  
E-mail: [Glandua@borough.kenai.ak.us](mailto:Glandua@borough.kenai.ak.us)  
Web Site: <http://www.borough.kenai.ak.us>

### **Ketchikan Gateway Borough**

344 Front Street  
Ketchikan, AK 99901  
Phone: (907) 228-6610  
Telecopy: (907) 247-8439  
E-mail: [ktnczm@ktn.net](mailto:ktnczm@ktn.net)

### **Klawock, City of**

P.O. Box 113  
Klawock, AK 99925  
Phone: (907) 755-2261  
Telecopy: (907) 755-2403

### **Kodiak Island Borough**

Community Development Department  
710 Mill Bay Road  
Kodiak, AK 99615-6340  
Phone: (907) 486-9360  
Telecopy: (907) 486-9376  
E-mail: [lfreed@kib.co.kodiak.ak.us](mailto:lfreed@kib.co.kodiak.ak.us) (no caps)

### **Lake and Peninsula Borough**

P.O. Box 495  
King Salmon, AK 99613  
Phone: (907) 246-3421  
Telecopy: (907) 246-6602  
E-mail: [lpboro@bristolbay.com](mailto:lpboro@bristolbay.com)

## Coastal District Contacts

### **Matanuska-Susitna Borough**

350 E. Dahlia Avenue  
Palmer, AK 99645-6488  
Phone: (907) 745-9865  
Telecopy: (907) 745-9876

### **Nome, City of**

P.O. Box 281  
Nome, AK 99762  
Phone: (907) 443-5242  
Telecopy: (907) 443-5349  
Web Site: <http://www.alaska.net/~nome/>

### **North Slope Borough**

P.O. Box 69  
Barrow, AK 99723  
Phone: (907) 852-0440 x266  
Telecopy: (907) 852-5991  
E-mail: [jdunham@co.north-slope.ak.us](mailto:jdunham@co.north-slope.ak.us)

### **Northwest Arctic Borough**

P.O. Box 1110  
Kotzebue, AK 99752  
Phone: (907) 442-2500  
Telecopy: (907) 442-2930  
E-mail: [acar@eagle.ptialaska.net](mailto:acar@eagle.ptialaska.net)  
Web Site: <http://www.northwestarcticborough.com>

### **Pelican, City of**

P.O. Box 737  
Pelican, AK 99832  
Phone: (907) 735-2202(wk)  
Telecopy: (907) 735-2258

### **Petersburg, City of**

P.O. Box 329  
Petersburg, AK 99833  
Phone: (907) 772-4533  
Telecopy: (907) 772-4876  
E-mail: [luczak@alaska.net](mailto:luczak@alaska.net)

### **Sitka, City and Borough of**

100 Lincoln Street, #201  
Sitka, AK 99835-7540  
Phone: (907) 747-1812  
Telecopy: (907) 747-7403  
E-mail: [campbell@cityofsitka.com](mailto:campbell@cityofsitka.com)  
Web Site: <http://www.CityofSitka.com>

## Coastal District Contacts

### **Skagway, City of**

P.O. Box 415  
Skagway, AK 99840  
Phone: (907) 983-2297  
Telecopy: (907) 983-2151

### **St. Paul, City of**

P.O. Box 901  
St. Paul, AK 99660  
Phone: (907) 546-2331  
Telecopy: (907) 546-3199

### **Thorne Bay, City of**

P.O. Box 19110  
Thorne Bay, AK 99919  
Phone: (907) 828-3380  
Telecopy: (907) 828-3374

### **Valdez, City of**

P.O. Box 307  
Valdez, AK 99686  
Phone: (907) 835-4313  
Telecopy: (907) 835-2992  
E-mail: [vdzadm@alaska.net](mailto:vdzadm@alaska.net)

### **Whittier, City of**

P.O. Box 729  
Whittier, AK 99693  
Phone: (907) 472-2326  
Telecopy: (907) 472-2404

### **Wrangell, City of**

P.O. Box 531  
Wrangell, AK 99929  
Phone: (907) 874-2381  
Telecopy: (907) 874-3952  
E-mail: [ecodev@wrangell.com](mailto:ecodev@wrangell.com)

### **Yakutat, City and Borough of**

P.O. Box 160  
Yakutat, AK 99689  
Phone: (907) 784-3323  
Telecopy: (907) 784-3281

## *State Agency Contacts*

*Primary State Resource Management Agency Contacts*

### **Department of Natural Resources**

**Web Site:** <http://www.dnr.state.ak.us>

*Southcentral Alaska:*

Public Information Office  
3601 C Street, Suite 200  
Anchorage, AK 99503-5929  
Phone: 269-8400  
Fax: 269-8901

*Southeast Alaska:*

Public Information Office  
400 Willoughby, Fourth Floor  
Juneau, AK 99801-1790  
Phone: 465-3400  
Fax: 586-2954

*Northern Alaska:*

Public Information Office  
3700 Airport Way  
Fairbanks, AK 99709-4699  
Phone: 451-2700  
Fax: 451-2751

### **Department of Fish and Game Division of Habitat and Restoration**

**Web Site:** [http://www.state.ak.us/local/akpages/  
FISH.GAME/adfghome.htm](http://www.state.ak.us/local/akpages/FISH.GAME/adfghome.htm)

*Southcentral Alaska:*

333 Raspberry Rd.  
Anchorage, AK 99518-1599  
Phone: 267-2335  
Fax: 267-2464

*Southeast Alaska:*

P.O. Box 240020  
Douglas, AK 99824-0020  
Phone: 465-4290  
Fax: 465-4272

## *State Agency Contacts*

*Northern Alaska:*

1300 College Rd.  
Fairbanks, AK 99701-1599  
Phone: 459-7289  
Fax: 456-3091

### **Department of Environmental Conservation**

**Web Site:** [http://www.state.ak.us/local/akpages/  
ENV.CONSERV/home.htm](http://www.state.ak.us/local/akpages/ENV.CONSERV/home.htm)

*Southcentral Alaska:*

555 Cordova St.  
Anchorage, AK 99501  
Phone: 269-7500  
Fax: 269-7652

*Southeast Alaska:*

410 Willoughby Ave. Suite 105  
Juneau, AK 99801  
Phone: 465-5350  
Fax: 465-5274

*Northern Alaska:*

610 University Ave.  
Fairbanks, AK 99709-3643  
Phone: 451-2360  
Fax: 451-2187

## *Federal Agency Contacts*

### **U.S. Army Corps of Engineers**

<http://www.usace.army.mil/alaska>

P.O. Box 898  
Anchorage, AK 99506-0898  
ATTN: NPACO-RF  
Phone: 1-800-478-2712

*Your project may also require permits from other federal agencies such as those listed below. However, these agencies do not have consistent or single points of contact for permit information and ACMP requirement. DGC can provide you with appropriate contact information if your project may require permits from these agencies.*

**Bureau of Land Management**  
<http://www.ak.blm.gov/>

**Environmental Protection Agency**  
<http://www.epa.gov/region10/www/search.html>

222 W. 7th Ave. #19  
Anchorage, AK 99513-7588  
1-800-781-0983

**Federal Aviation Administration**

**Federal Energy Regulatory Commission**

**Minerals Management Service**

949 E. 36th Ave.  
Anchorage, AK 99508  
(907) 271-6010

**U.S. Coast Guard**  
<http://www.uscg.mil.d17uscgd17.html>

**U.S. Forest Service**  
<http://www.fs.fed.us/r10/>

*For more information about federal consistency or appeals to the U.S. Secretary of Commerce contact*

**Office of Ocean and Coastal Resource Management (OCRM)**

<http://www.nos.noaa.gov/ocrm/>

OCRM, National Ocean Service  
National Oceanic & Atmospheric Administration  
U.S. Department of Commerce  
1305 East-West Hwy., N/ORM4  
Silver Spring, Maryland 20910



**State of Alaska,  
Office of the Governor**

**Division of Governmental  
Coordination (DGC)**

**DGC Web Site:**  
<http://www.alaskacoast.state.ak.us>

**Juneau DGC Office**  
Address: 240 Main St.,  
Suite 500, Juneau, AK

Mailing: P.O. Box 110030,  
Juneau, AK  
99811-0030

Telephone: (907) 465-3562  
Fax: (907) 465-3075

**Anchorage DGC Office**  
Address: 3601 "C" St., Suite 370  
Anchorage, AK  
99503-5930

Telephone: (907) 269-7470  
Fax: (907) 561-6134

**Joint Pipeline Office**  
Address: 411 W. 4th Ave.  
Suite 2-C, Anchorage,  
AK 99501-2342

Telephone: (907) 271-4317  
Fax: (907) 272-0690



Funding for this publication provided by the State of Alaska and through the Coastal Zone Management Act of 1972, as amended in 1990, administered by the Office of Ocean and Coastal Resource Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce. These booklets were printed at a cost of .96 each in Anchorage, Alaska during June, 1998.

# Alaska State Legislature

SENATOR  
GENE THERRIAULT

Mailing Address:  
119 N. Cushman, Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
Fax: (907) 488-4271



Senate

While in session  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
Fax: (907) 465-3884

Senate District Q

## MEMORANDUM

**TO:** Senator John Torgerson, Chair  
Senate Resources Committee

**FROM:** Senator Gene Therriault

Handwritten signature of Gene Therriault in cursive, with the initials "G.T." written to the right.

**DATE:** February 21, 2002

**SUBJECT:** Scheduling of SB 308

---

I respectfully request that Senate Bill 308 be scheduled for a hearing in the Senate Resources Committee. SB 308 repeals the initiative process under the Alaska Coastal Management Program and prohibits the adoption by reference of state statutes and regulations by coastal districts. SB 308 is a good first step in regulatory reform that is both necessary and long overdue.

Please contact me if you have any additional questions.

**SB**

**319**

# FISCAL NOTE

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

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 319  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DNR  
 Title Shallow Natural Gas Leasing BRU Oil and Gas Development  
 Component Oil and Gas Development  
 Sponsor Sen. Torgerson  
 Requester Senate Resources Component No. 439

**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>	<b>275.0*</b>	<b>250.0**</b>	<b>250.0**</b>	<b>250.0**</b>	<b>250.0**</b>	<b>250.0**</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)

\*Positive revenue flow anticipated in FY 03 from the conversion of approximately 50 shallow gas leases. Lessees would have a one-time chance to convert the lease to the specifications allowed under the new amendments if they pay the difference in the application fee (estimated at \$4,500 if fees are set at \$5,000 in the regulation process), bonding requirement, and rental fees. Under this example the state could receive \$225,000 additional application fees, plus an additional \$0.50 per each acre converted under the proposed amendments. DNR also assumes that it will receive 10 new applications (\$50,000) during FY03.

\*\* In the ensuing years, activity in shallow gas leasing is expected to increase leading to additional revenues to the state. These figures assume that DNR receives 50 new applications each year. This amount does not include additional rental income nor royalties from production.

Prepared by: Mark Myers Phone 269-8800  
 Division Oil and Gas Date/Time 2/25/2002  
 Approved by: Pat Pourchot Date 2/25/2002  
 Agency Natural Resources



# ALASKA STATE LEGISLATURE

## SENATOR JOHN TORGERSON

CHAIR, SENATE RESOURCES COMMITTEE

CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CHAIR, JOINT COMMITTEE ON NATURAL GAS PIPELINES

Session:

State Capitol, Room 427, Juneau, AK 99801  
Telephone 907/465-2828 Fax 907/465-4779

District:

45457 Kenai Spur Hwy. Suite 101B,  
Soldotna, AK 99669  
Telephone 907/260-3042 Fax 907/260-3044

### Sponsor Statement

#### **SB 319 - "An act relating to shallow natural gas leasing; and providing for an effective date."**

Shallow gas leasing was originally proposed as a program that would enable exploration and production of shallow natural gas deposits. One of the features of the program was to encourage a new energy supply to villages, mines, and other rural users. The program is fully operational with over 100 leases processed and nearly 200 more pending. The program has become a vehicle for commercial gas development in Fairbanks, Big Delta, Matsu Valley, and the lower Kenai Peninsula. SB 319 is intended to advance the program into a more robust and viable commercial program that should benefit all parties.

Because the program has become more commercial in nature, increasing revenues from application fees and annual rental fees is appropriate. The program will still neither involve competitive bidding nor require bonus bids. However, application fees for shallow gas leases have been increased from \$500 to \$5,000 and annual rental fees have been increased from \$0.50 to \$1 per acre. The increased fees are designed to increase revenue and pay for the program costs, while not discouraging parties of genuine interest and ability from developing shallow natural gas resources.

The requirement that DNR annually notify a lessee by certified mail of rental due has been deleted. Rent would automatically be due on the date determined in the lease. Deadlines have proven to be unworkable and do not recognize the work required by DNR to prepare leases in areas that are populated and may have complex land ownership patterns.

#### **REPRESENTING THE KENAI PENINSULA**

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo Kasilof Lowell Point Moose Pass Nanwalek Nikolaevs Ninilchik Port Graham Razdolna Seward Seldovia Soldotna Stariski Sterling Voznesenka*

The limitation on depth to 3,000 feet has been replaced with the requirement that some portion of the field must be within 3,000 feet of the surface. The total amount of acreage that may be held by shallow natural gas lessees has been increased from 46,080 acres to an aggregate of 100,000 acres. The acreage increase reflects the fact that large acreage may be necessary to a shallow gas program.

The requirement that the applicant conduct a title search will be removed. DNR routinely conducts a title search for land before leases are issued. Additionally, there are no title companies who will conduct a thorough title search of the subsurface estate and warranty title. These changes will improve reservoir management and increase the value to the lessee and the state.

New bonding provisions would demonstrate lessees are fiscally responsible and would help protect surface owners. The lessee must secure the bond as a precondition to obtaining the lease. In the event that the surface estate is owned by a private party, an additional bond may be required if the lessee and the private party cannot reach an agreement.

Lessees will have from July 1, 2002 through September 30, 2002 (roughly 90 days) to convert leases from the existing program to the new program, if they so choos

# Alaska Reserves and Production

- **36% of total U.S. oil reserves.**
- 8.0 billion barrels of oil
- **17% of total U.S. gas reserves**
- 35 trillion cubic feet of gas
- **20% of total U.S. oil production**
- 1.04 million barrels of oil per day

Sources: Alaska data are from Department of Natural Resources, Division of Oil and Gas, 2001 Annual Report  
U.S. data are from U.S. Crude Oil, Natural Gas, and NGL Reserves, 2000 Annual Report, U.S.D.O.E.-E.I.A.

# The State Revenue Pie

Petroleum Revenue Sources, (FY 2001)

**Total Royalties, Bonuses, Rents & Settlements:**

**\$1,145.9 Million**

General Fund Royalties, Bonuses & Rents<sup>1,2</sup>:  
**\$798.8 Million**

Royalties to Permanent Fund &  
School Fund<sup>4</sup>:  
**\$337.1 Million**

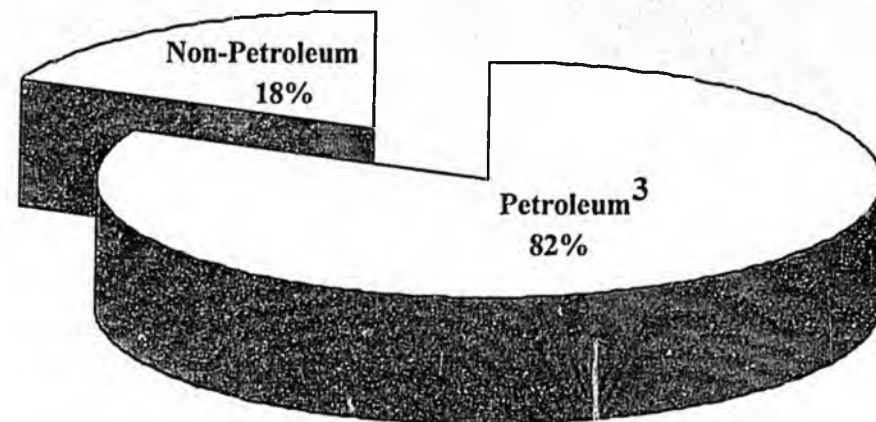
Settlements to CBRF<sup>4</sup>:  
**\$10.0 Million**  
(Includes Royalties & Taxes)

**Taxes:**

**\$1,125.4 Million<sup>2</sup>**

(Oil & Gas Property Tax + Tax Settlements +  
Income Tax + Severance Tax)

FY 2001 Unrestricted Revenue



1 Includes Federally shared rentals

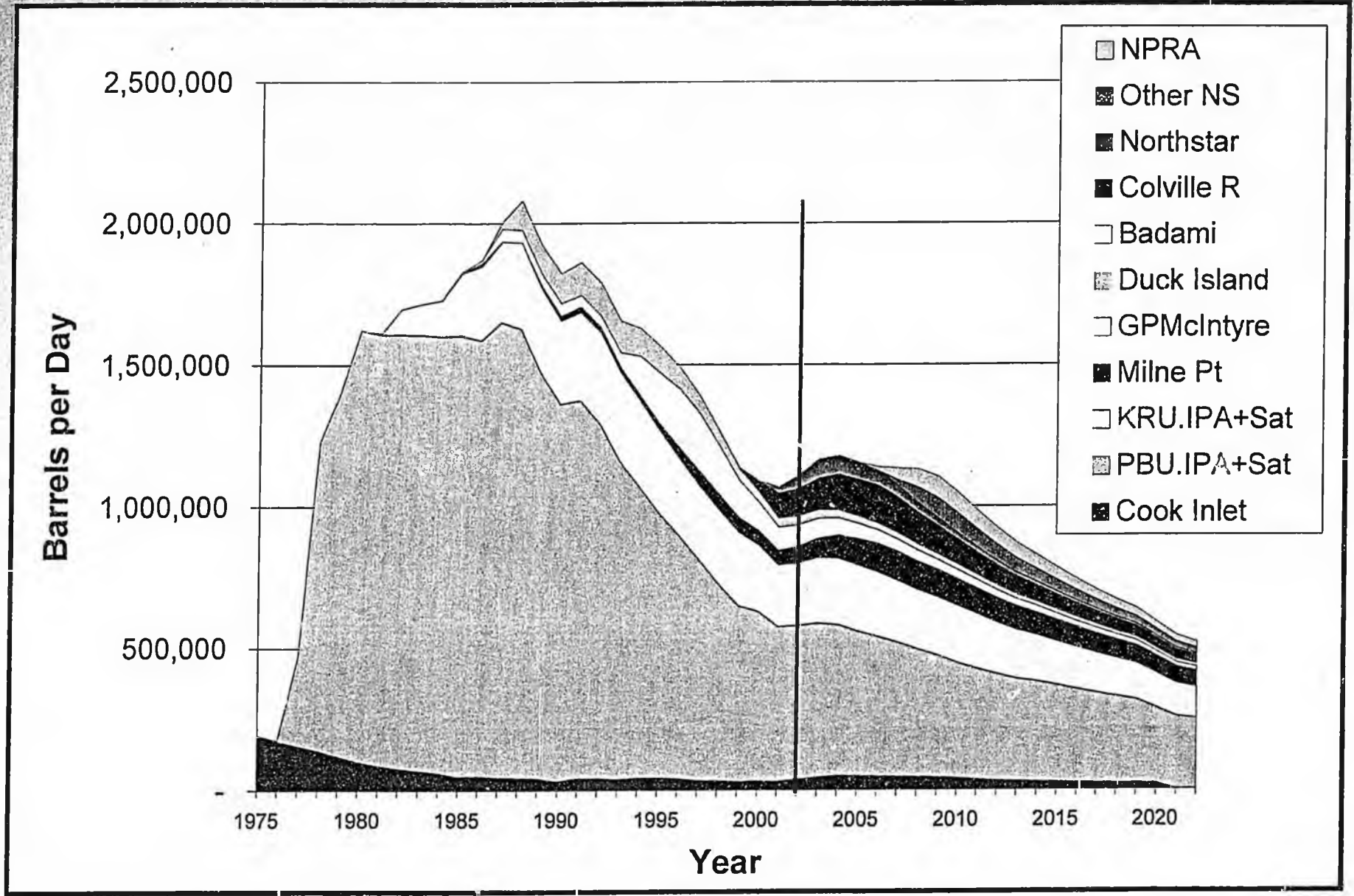
2 Source: pg. 23, DOR Fall 2001 Revenue Sources Book

3 Source: pg. 22, DOR Fall 2001 Revenue Sources Book

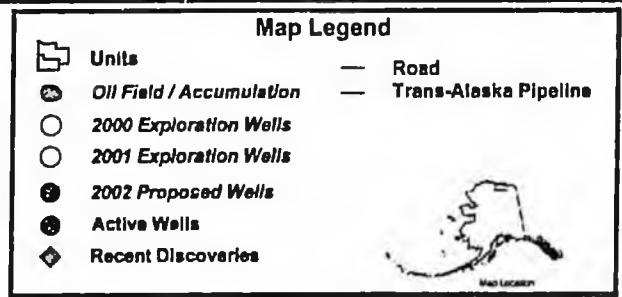
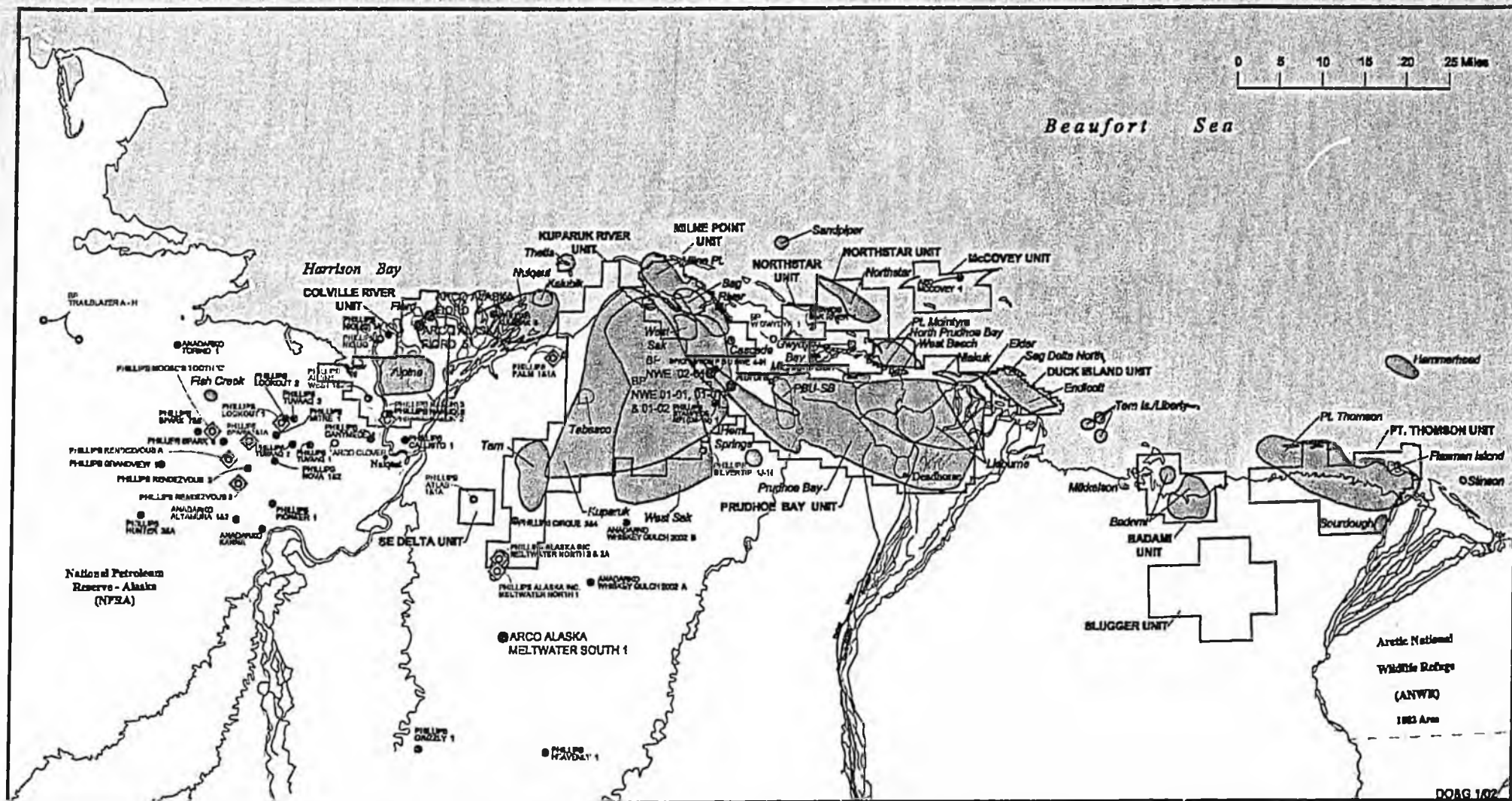
4 Source: pg. 19, DOR Fall 2001 Revenue Sources Book

# Historic and Projected Alaska Oil Production

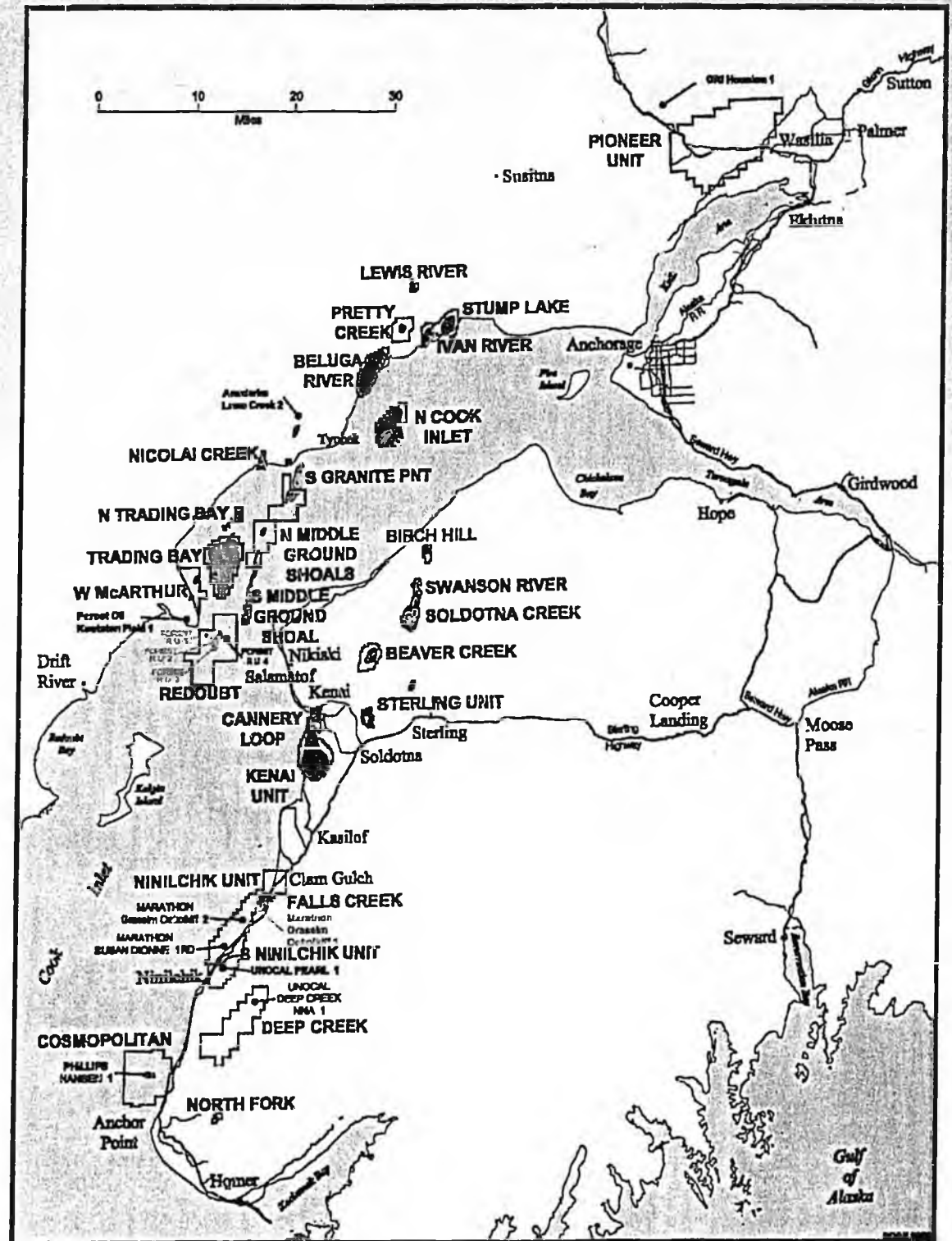
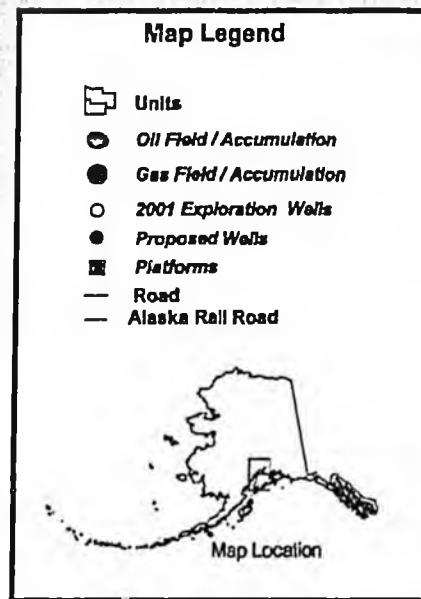
## 1975 - 2022



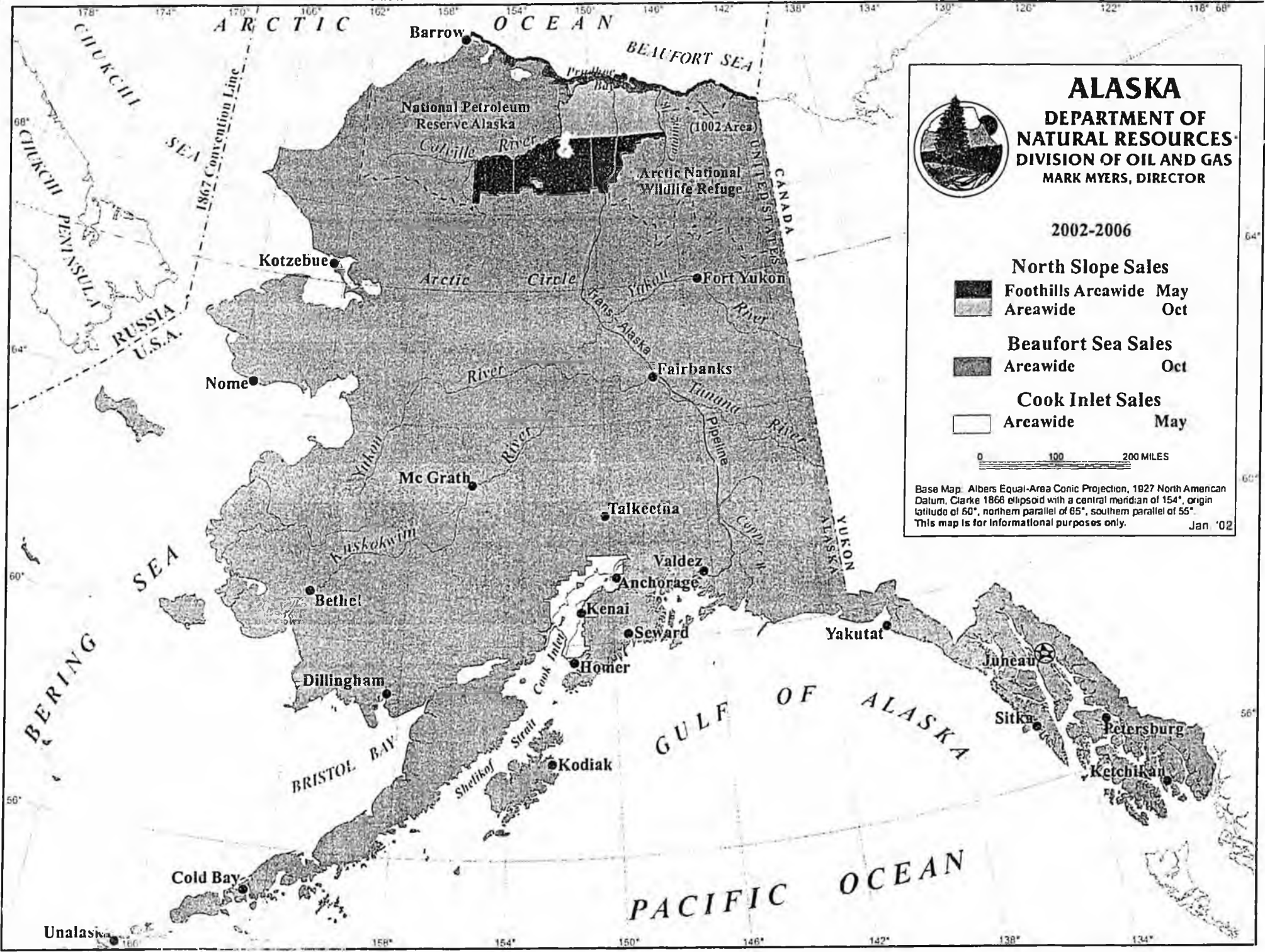
# North Slope Oil & Gas Activity and Discoveries 2002




# Cook Inlet Oil & Gas Activity January 2002



# ALASKA OIL AND GAS LEASING PROGRAM





## ALASKA

### DEPARTMENT OF NATURAL RESOURCES

#### DIVISION OF OIL AND GAS

MARK MYERS, DIRECTOR

**2002-2006**


**North Slope Sales**

	North Slope Sales	May
	Beaufort Sea Sales	Oct

**Beaufort Sea Sales**

	Beaufort Sea Sales	Oct
---	--------------------	-----

**Cook Inlet Sales**

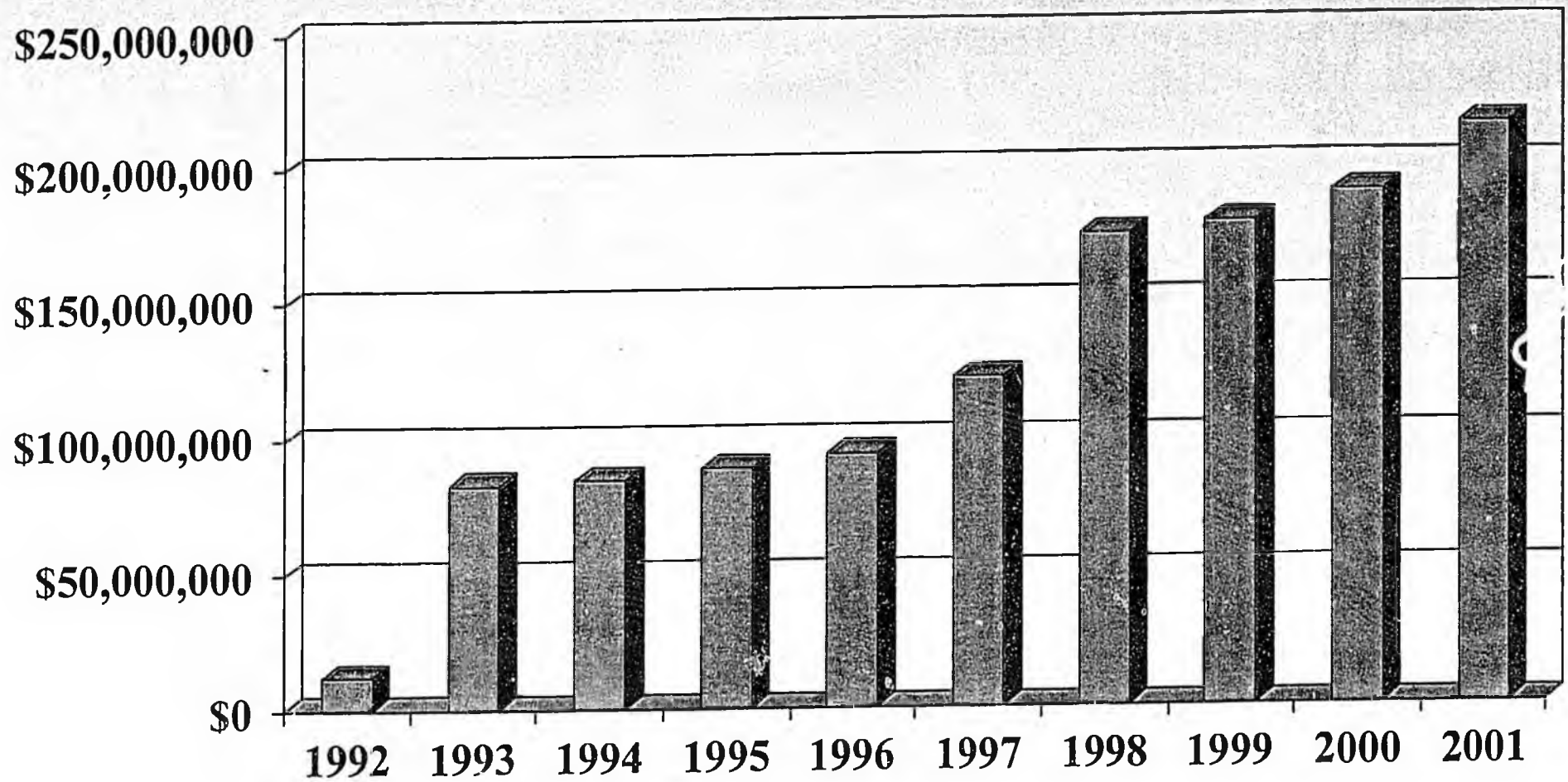
	Cook Inlet Sales	May
---	------------------	-----

0 100 200 MILES

Base Map: Albers Equal-Area Conic Projection, 1927 North American Datum, Clarke 1866 ellipsoid with a central meridian of 154°, origin latitude of 60°, northern parallel of 65°, southern parallel of 55°. This map is for informational purposes only. Jan '02

Unalaska

# Cumulative Bonus Bids



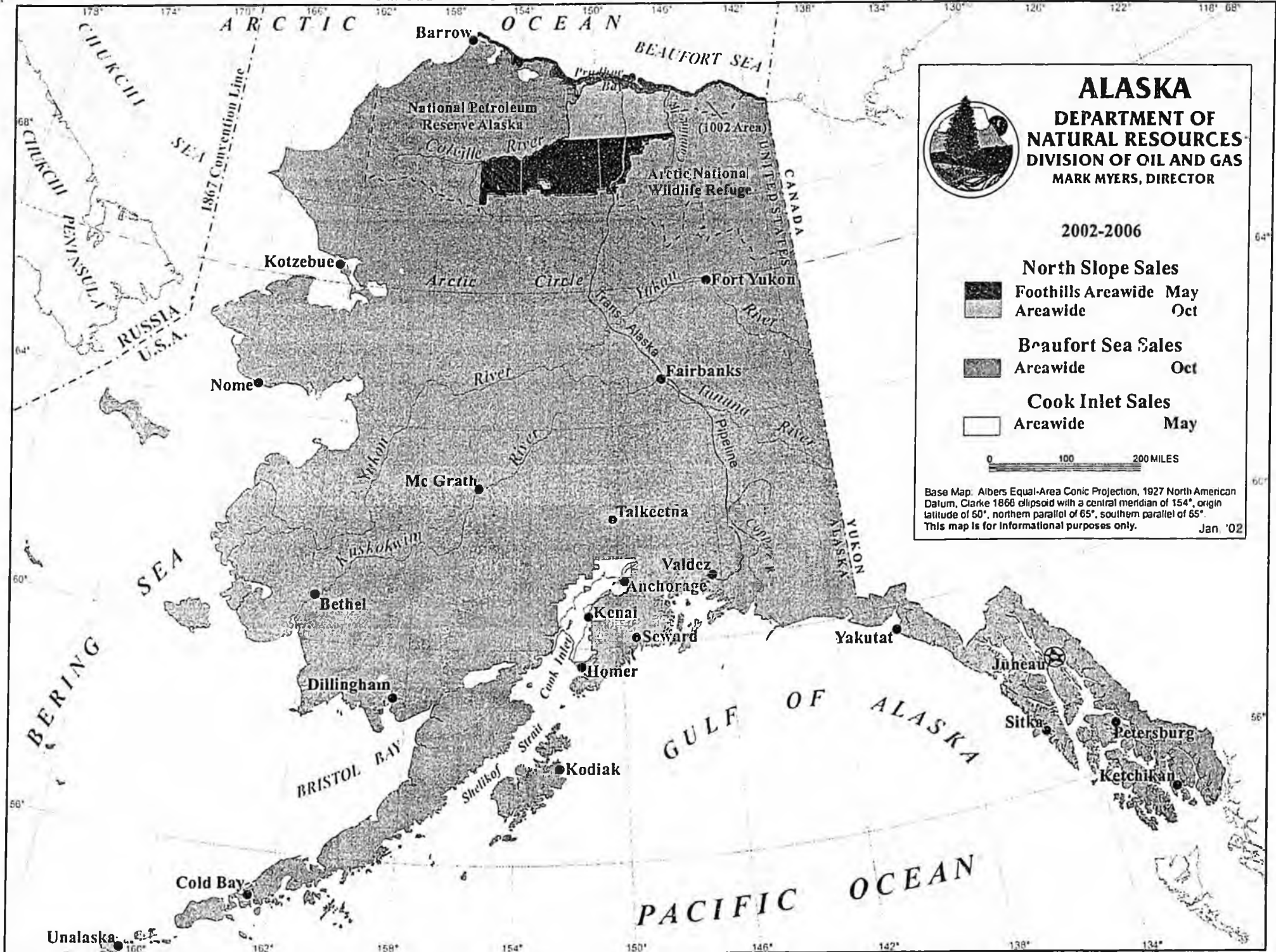
# CORRECTION

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



Central Microfilm Services  
Department of Education & Early Development  
State of Alaska

# ALASKA OIL AND GAS LEASING PROGRAM



# FIVE-YEAR OIL AND GAS LEASING PROGRAM PUBLIC NOTIFICATION SCHEDULE

January  
2002



Proposed Sale Area & Date	2002												2003												2004												2005												2006											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
North Slope Foothills Areawide 2002 May	F				S																																																							
Cook Inlet Areawide 2002 May	F	S																																																										
North Slope Areawide 2002 Oct	C	E					F	S		S																																																		
Beaufort Sea Areawide 2002 Oct	C	E					F	S		S																																																		
North Slope Foothills Areawide 2003 May	A							C	E		F	S		S																																														
Cook Inlet Areawide 2003 May								C	E		F	S		S																																														
North Slope Areawide 2003 Oct								C	E		F	S		S																																														
Beaufort Sea Areawide 2003 Oct								C	E		F	S		S																																														
North Slope Foothills Areawide 2004 May	A											C	E		F	S		S																																										
Cook Inlet Areawide 2004 May												C	E		F	S		S																																										
North Slope Areawide 2004 Oct												C	E		F	S		S																																										
Beaufort Sea Areawide 2004 Oct												C	E		F	S		S																																										
North Slope Foothills Areawide 2005 May	A															C	E		F	S		S																																						
Cook Inlet Areawide 2005 May																C	E		F	S		S																																						
North Slope Areawide 2005 Oct																C	E		F	S		S																																						
Beaufort Sea Areawide 2005 Oct																C	E		F	S		S																																						
North Slope Foothills Areawide 2006 May	A																	C	E		F	S		S																																				
Cook Inlet Areawide 2006 May	A																	C	E		F	S		S																																				
North Slope Areawide 2006 Oct	A																	P	E				F	S																																				
Beaufort Sea Areawide 2006 Oct	A																	C	E		F	S		S																																				

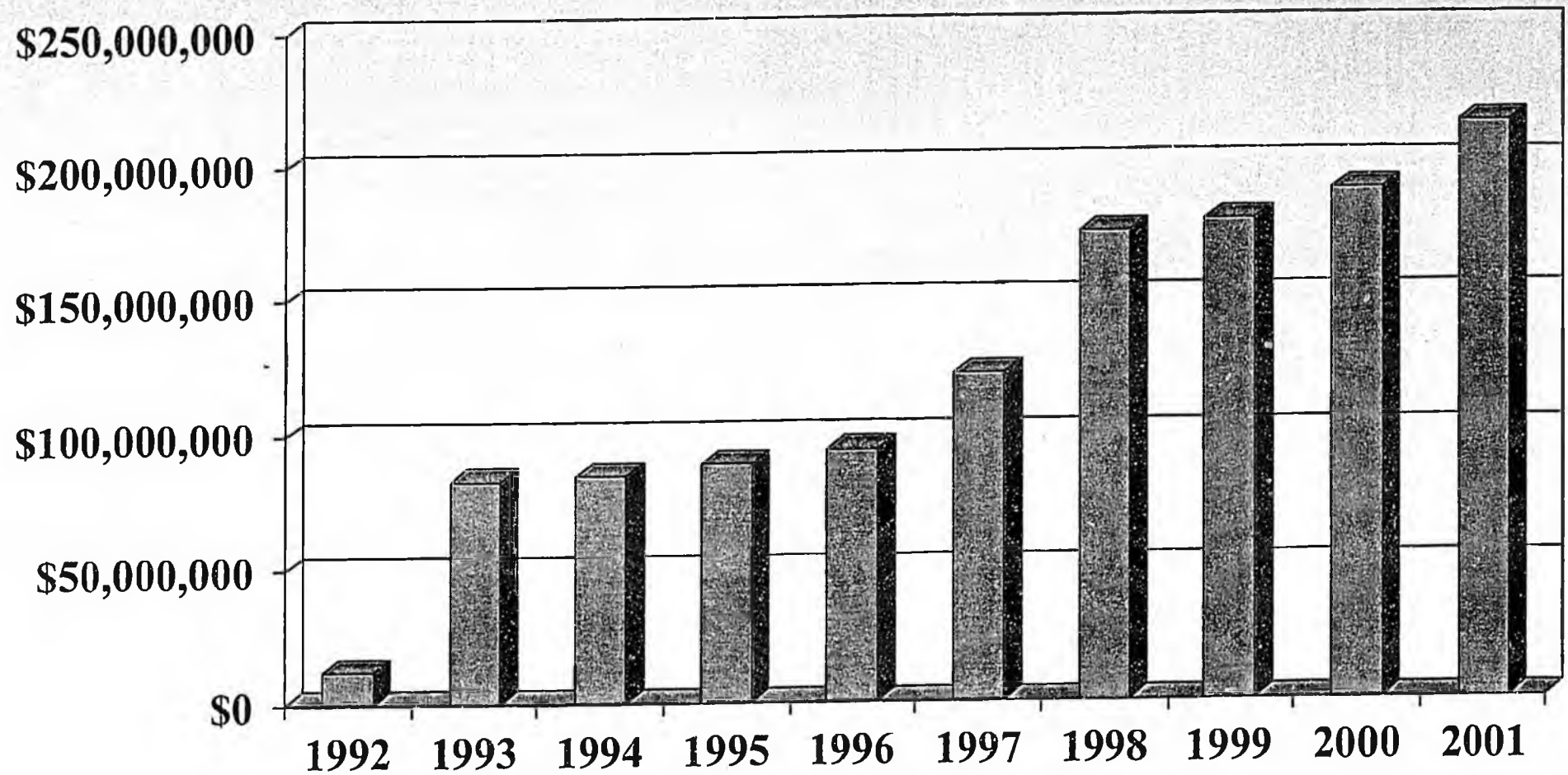
A = Sale Added to Schedule.  
 C = Call for Comments:  
 Request for New Information Made Available Since Last Finding.  
 E = End of Comment Period.  
 P = Preliminary Best Interest Finding/  
 ACMP Consistency Analysis.

F = Final Finding and Notice of Sale and Terms.  
 FS = Supplement to Final Finding and/or Notice of Sale and Terms.  
 S = Sale.

Public Process

Visit our Website at "[www.dog.dnr.state.ak.us/oil](http://www.dog.dnr.state.ak.us/oil)"

# Cumulative Bonus Bids



# 2001 Areawide Lease Sales

Total Acres Leased = 1.6 Million

Total Bonus Bids = \$24.5 Million

## North Slope Foothills

- Area's First Lease Sale
- Largest State Sale Ever
- 8 Bidding Groups
- 978,560 Acres Leased
- \$10.7 Million in Bonus Bids

## North Slope

- 16 Bidding Groups (Shell returns after 13 yrs)
- 469,760 Acres Leased
- \$7.4 Million in Bonus Bids

## Cook Inlet\*

- 6 Bidding Groups
  - 102,523 Acres Leased
  - \$928,085 in Bonus Bids
- (\* Final Results)

## Beaufort Sea

- 7 Bidding Groups
- 60,800 Acres Leased
- \$5.4 Million in Bonus Bids

# Exploration Licensing

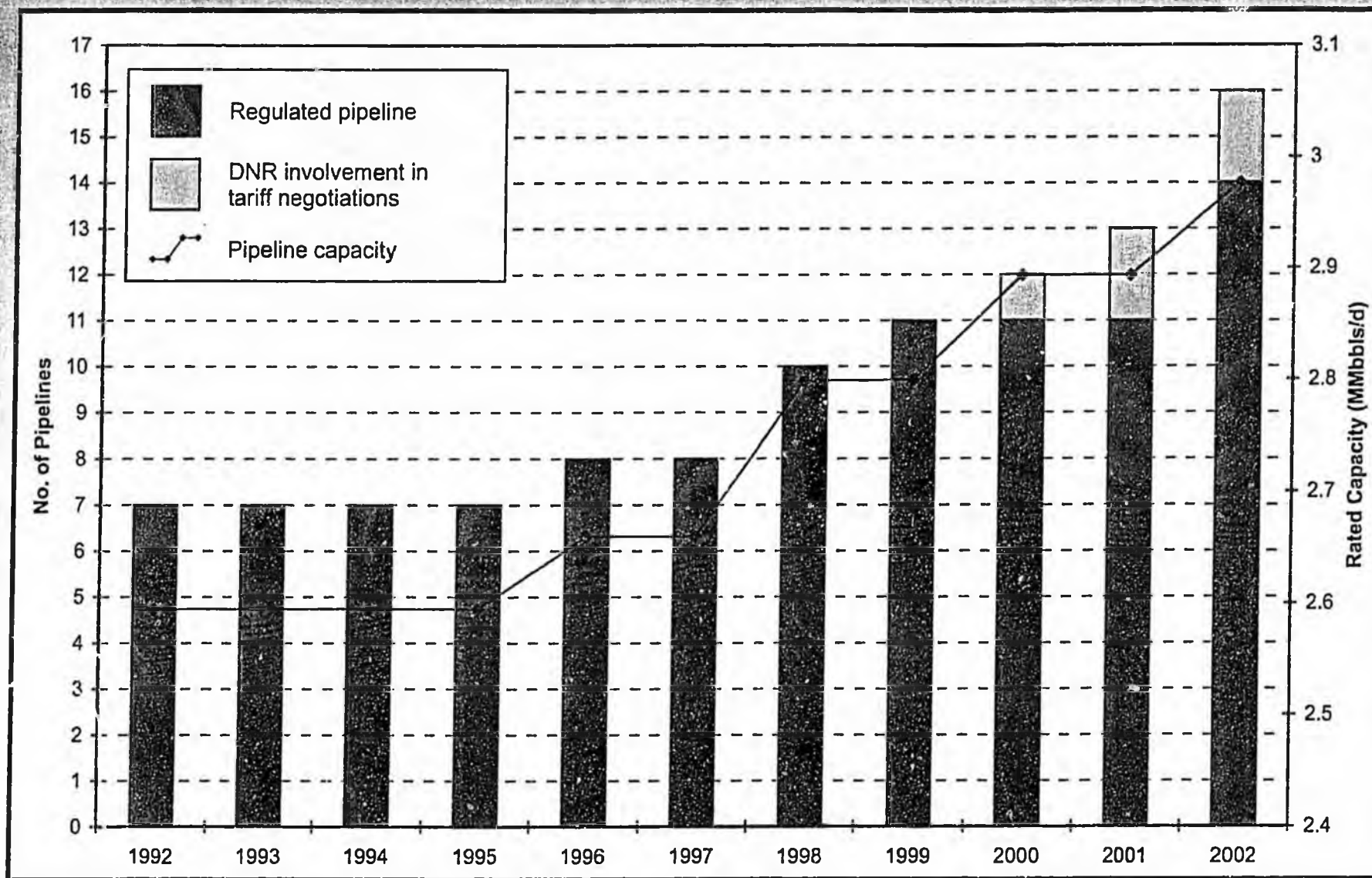
## Proposed – Susitna Valley

- Forest Oil Corp. submitted two proposals
- 873,600 Total Acres, located west of Susitna R.
- Total Exploration Commitment over \$5 Million
- Final Finding and Decision – February 2002

## Proposed – Nenana Basin

- Andex Resources submitted only proposal
- 499,800 Acres, located north and west of Nenana
- Exploration Commitment = \$2.5 Million
- Preliminary Finding – February 2002
- Final Finding and Decision – Late Summer 2002

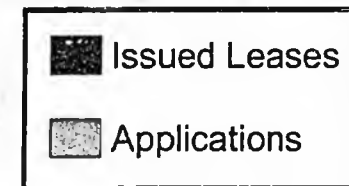
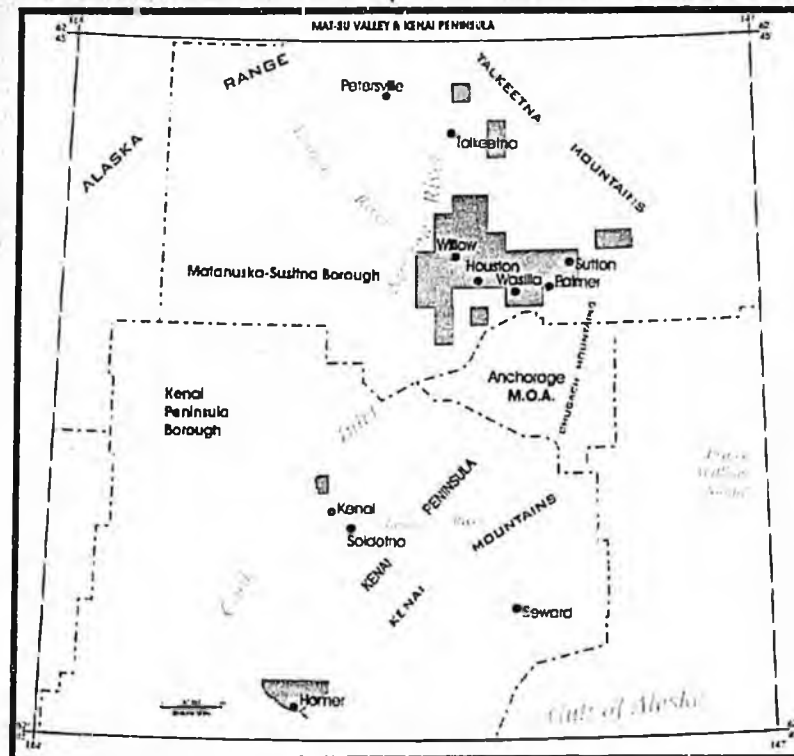
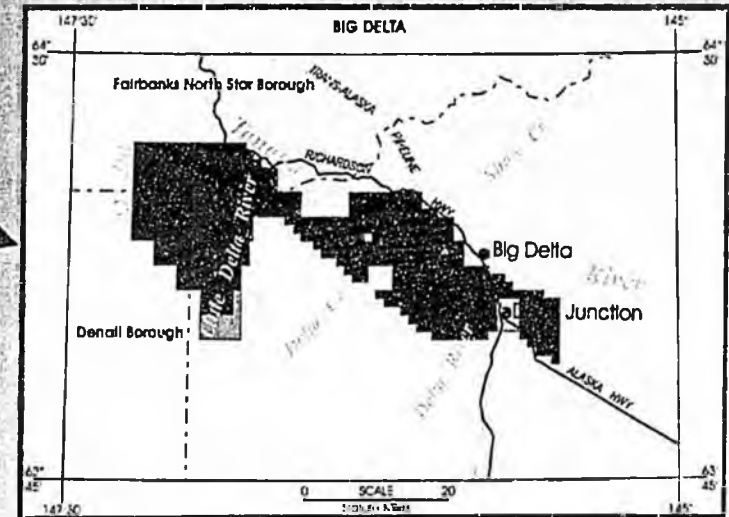
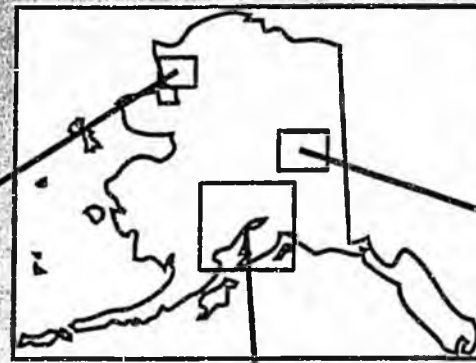
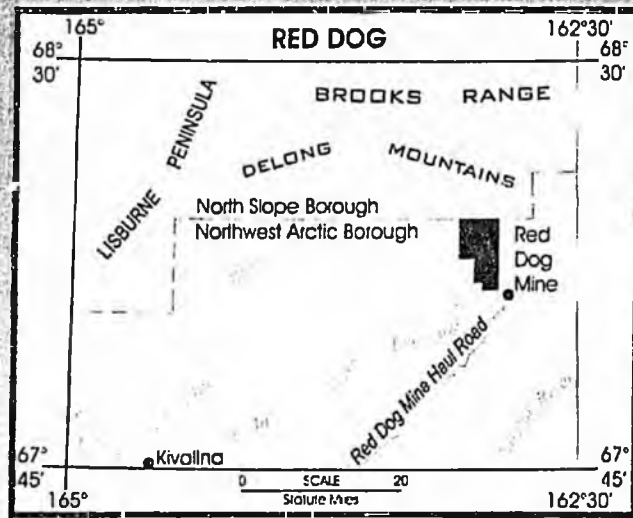
# Alaska Regulated Pipelines



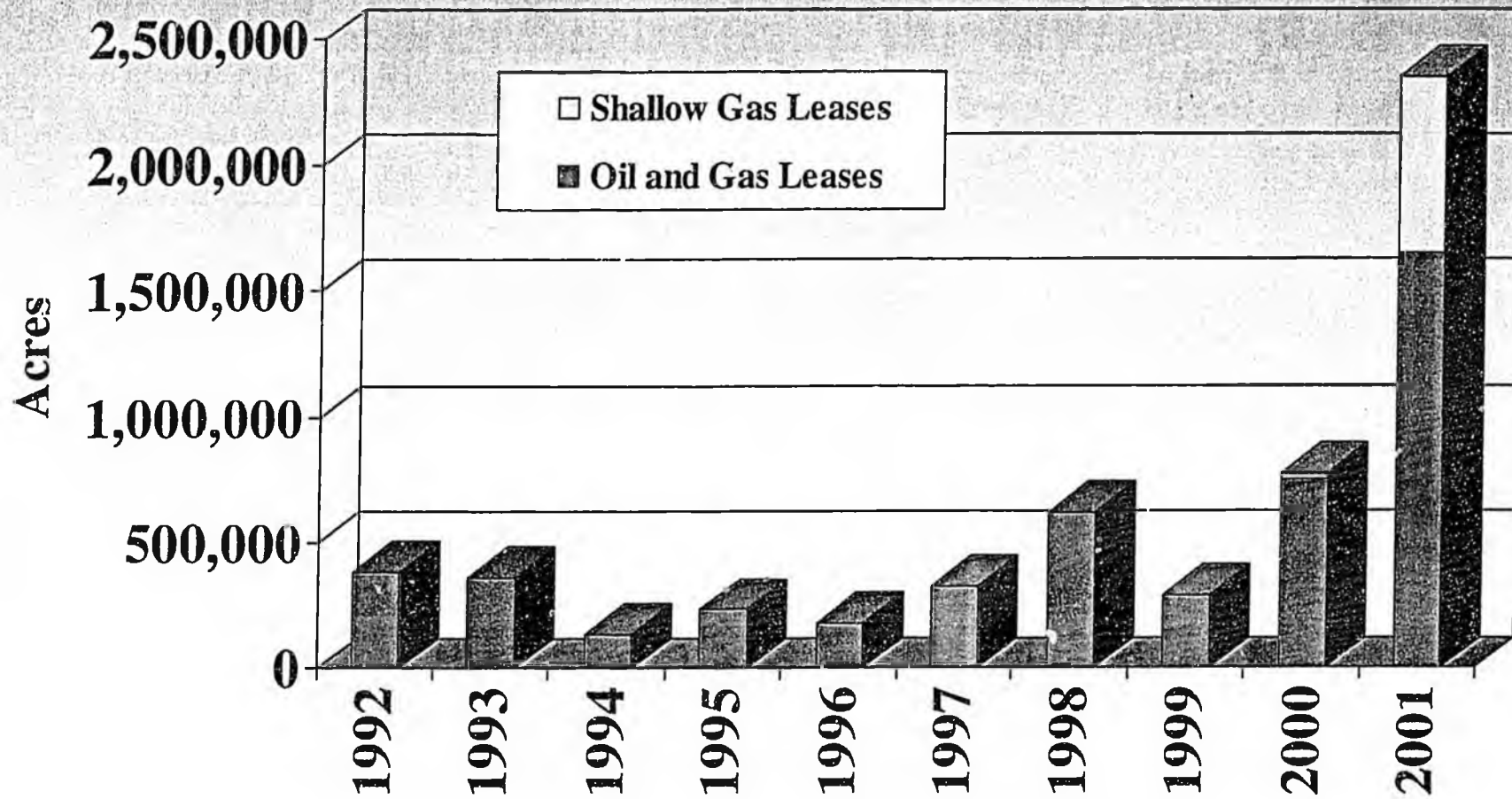
Source: Division of Oil and Gas, January 2002

krb 1/02

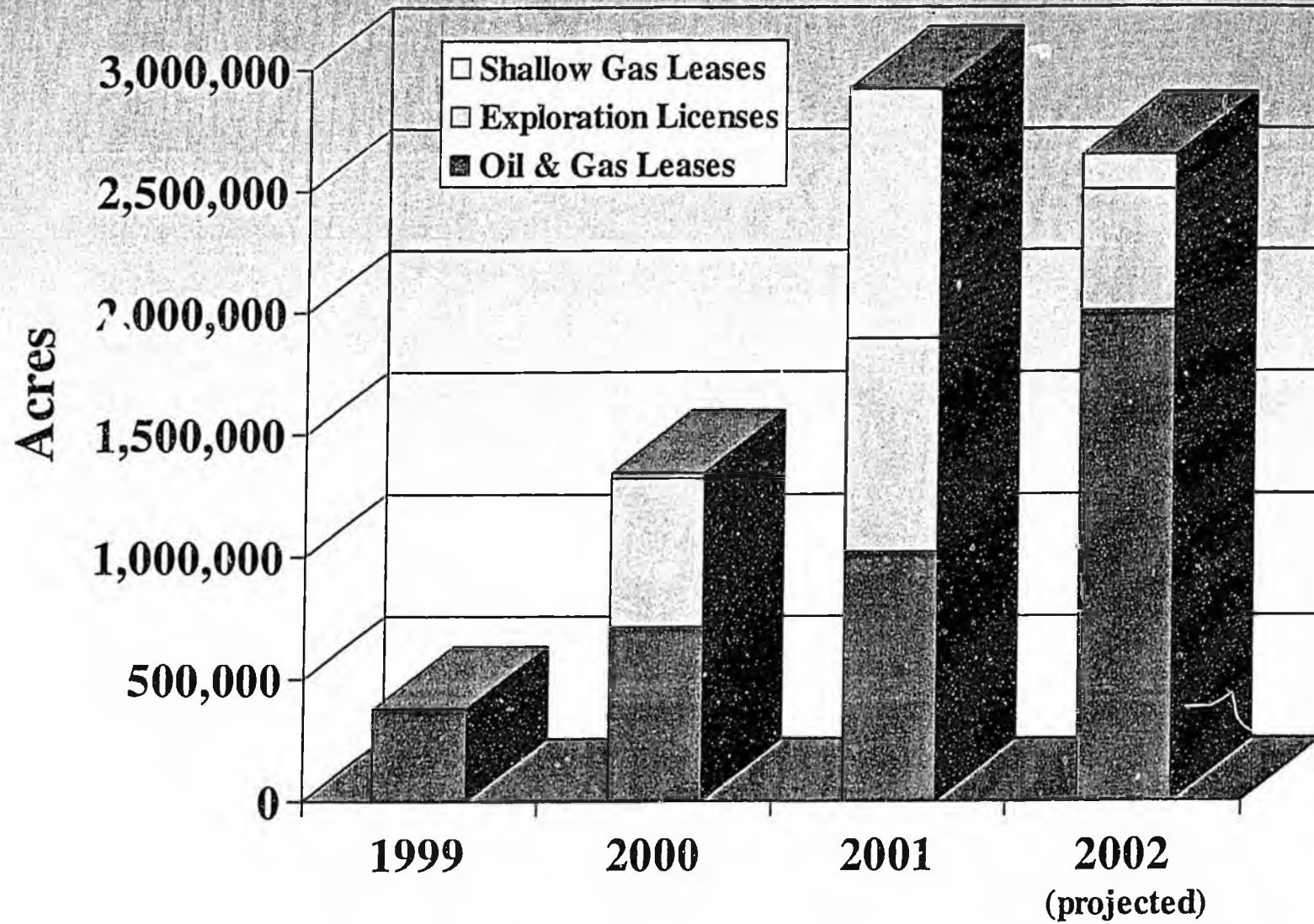
# Shallow Natural Gas Leasing Program



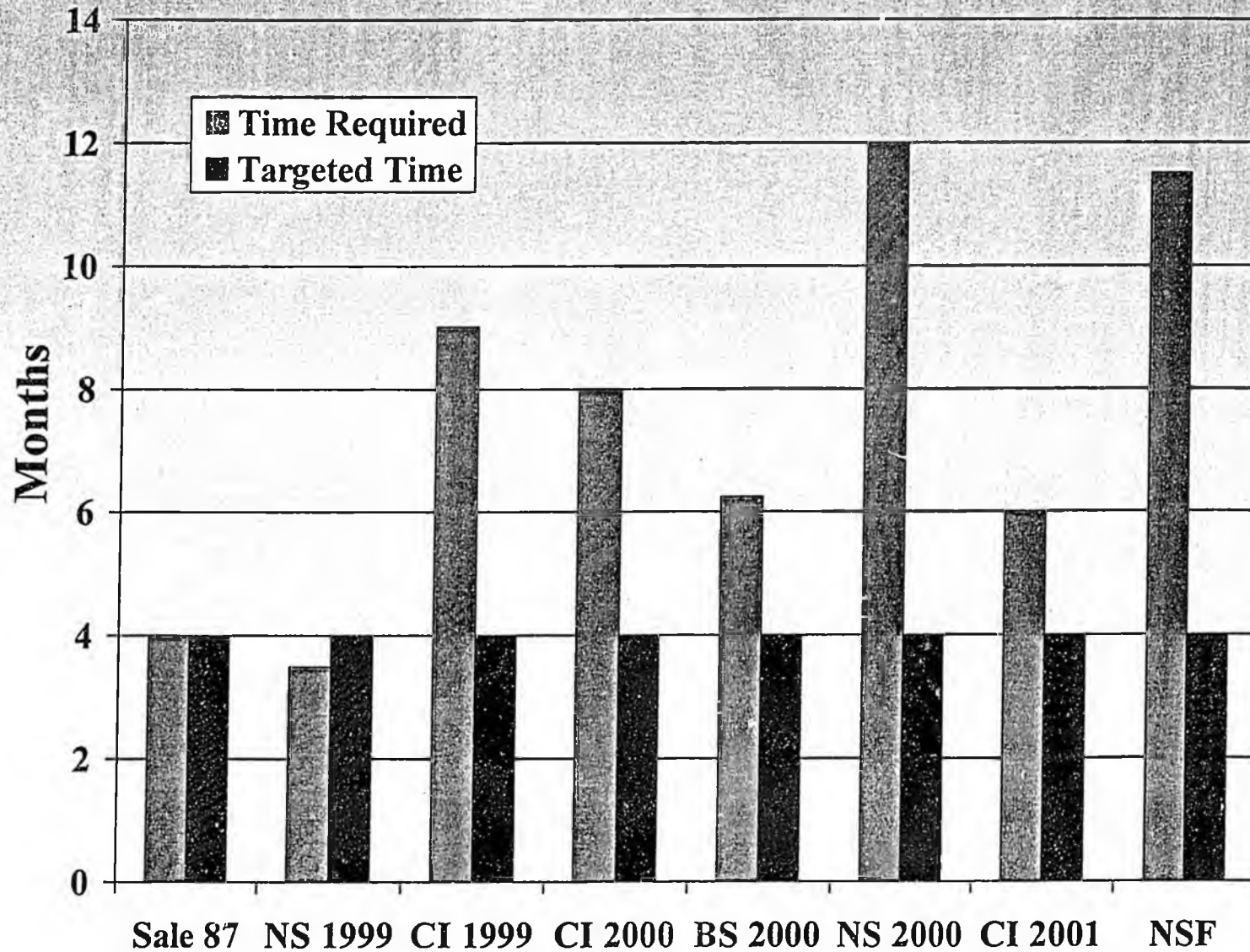
# Acreage Leased



# Title Work



# Time Required to Issue a Lease



**Sale Legend**

BS - Beaufort Sea	CI - Cook Inlet
NS - North Slope	NSF - North Slope Foothills

**NSF  
2001  
(Projected)**

## **Delays in Title = Delays in \$\$**

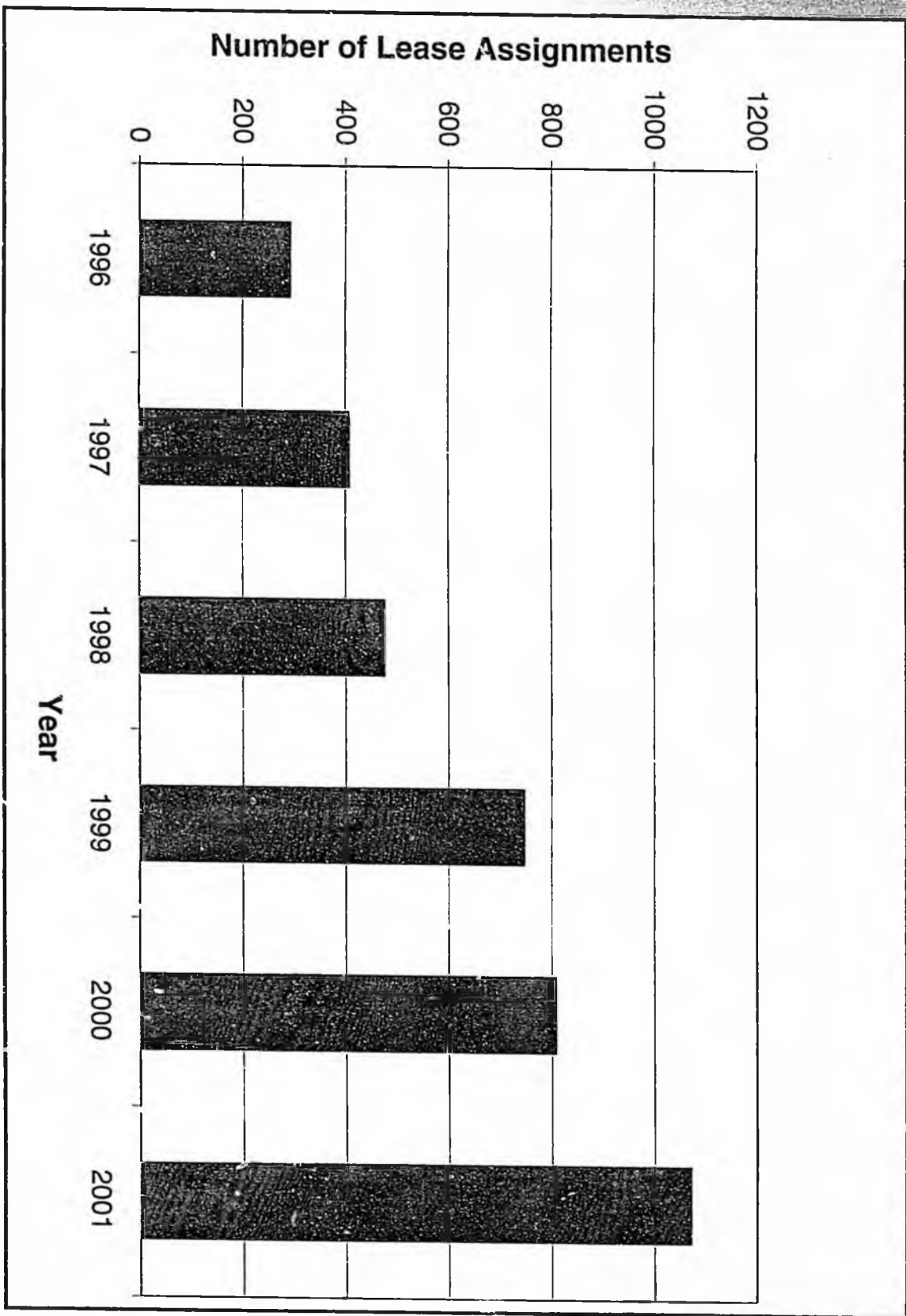
- It Takes up to 1 Year to Issue Leases

- FY 01 Revenue Delayed to FY 02

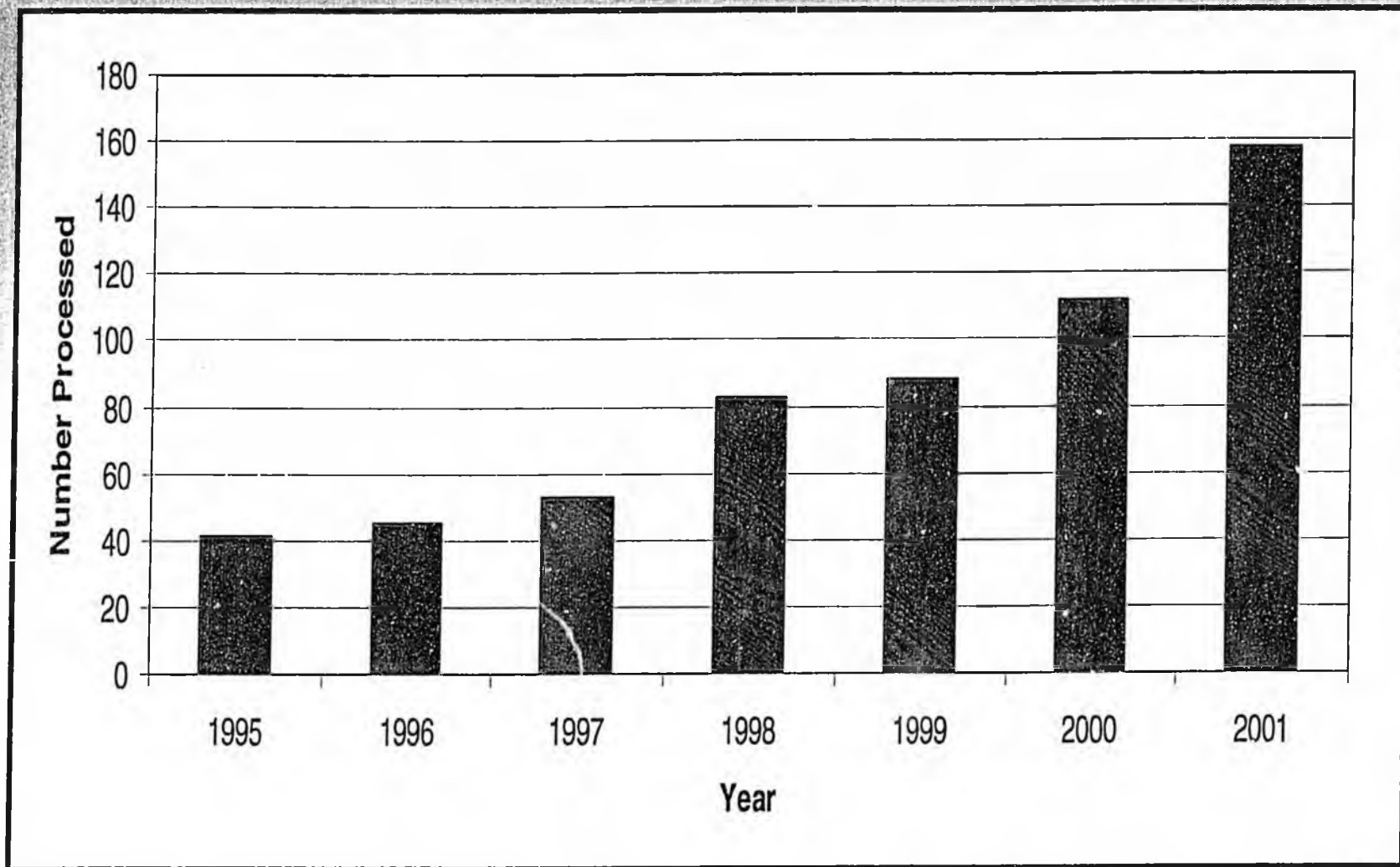
Balance on Bonus Bids = \$8.9 Million

1<sup>st</sup> Yr Lease Rentals = \$1.3 Million

# Lease Assignments in Alaska



# Unit Actions



Actions include Units and Participating Areas formed, expanded, contracted, and terminated; Unit decisions appealed; Unit Plans of Exploration and Development reviewed and approved.

cdl 01/02

# PBU Mechanisms

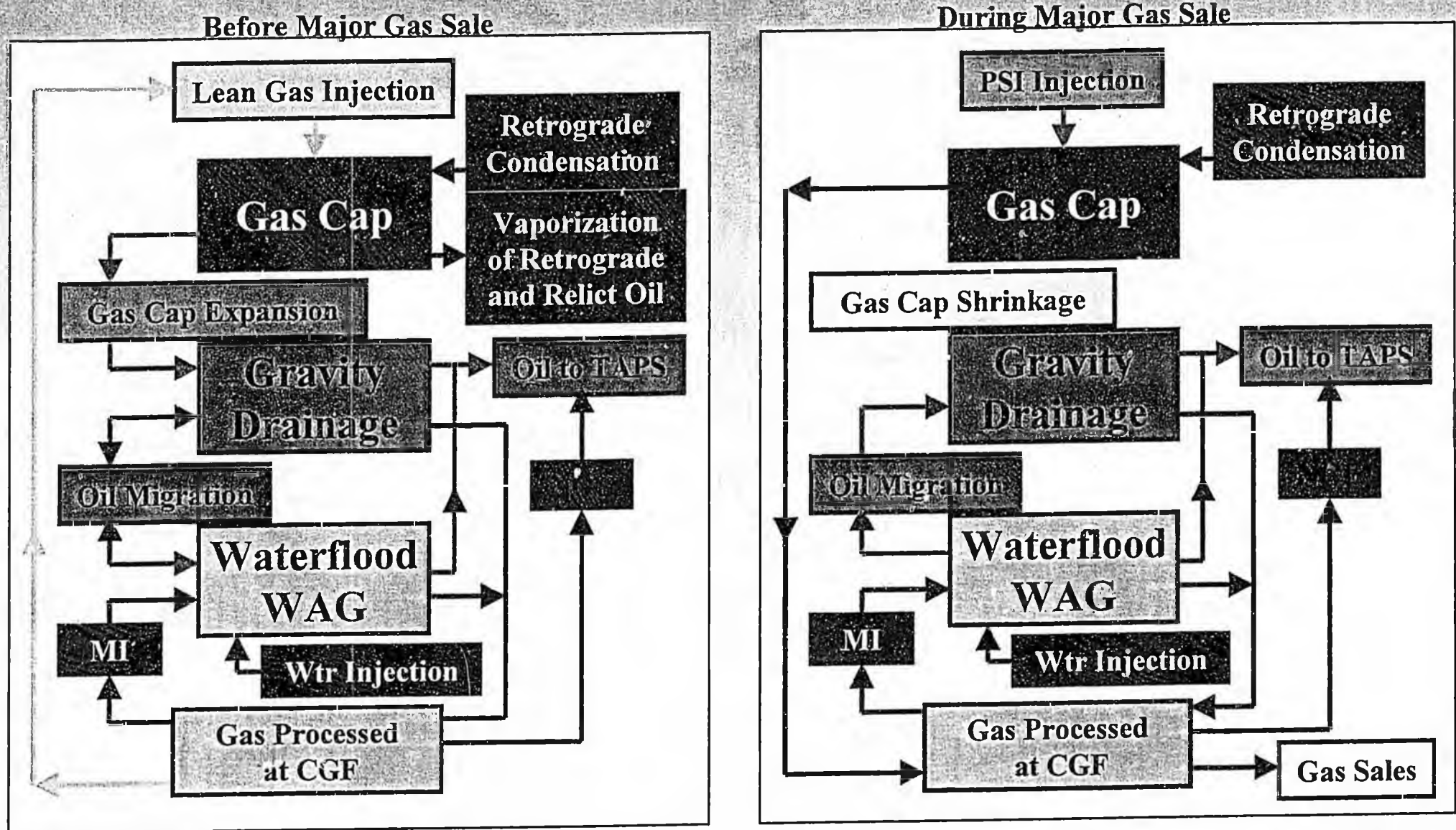
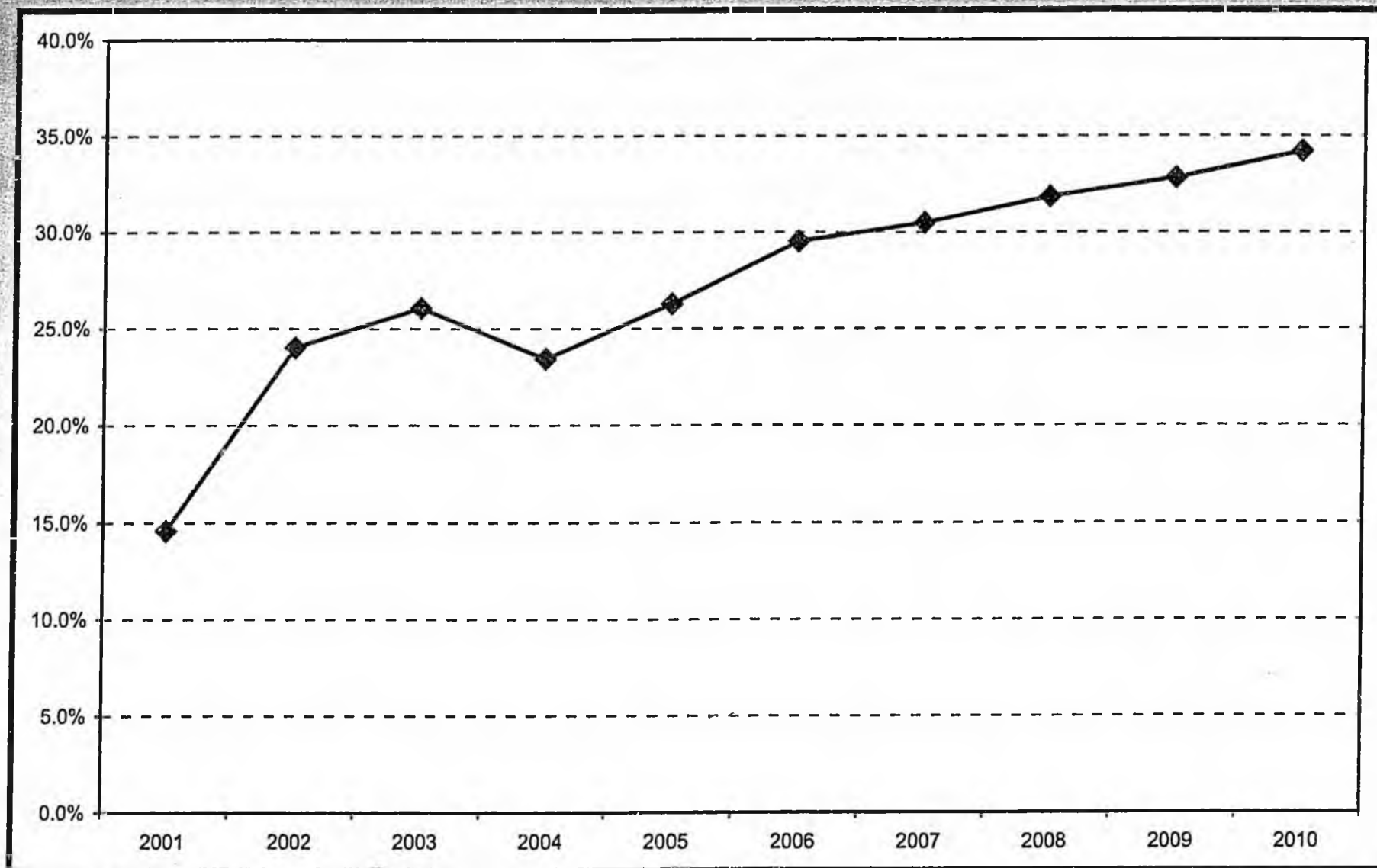


Figure 10

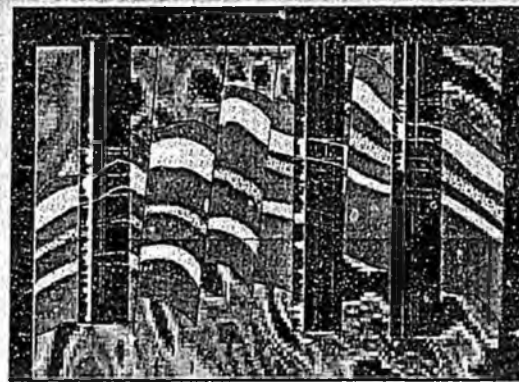
# Projected Pipeline Tariffs as a Percent of ANS Wellhead Price



Source: DOR, Revenue Sources Book, Fall 2001

krb 1/02

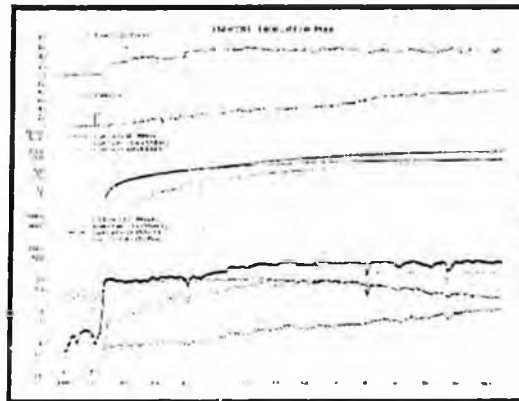
# Different databases and data managed and merged to create 3-D pictures of oil fields and royalty share



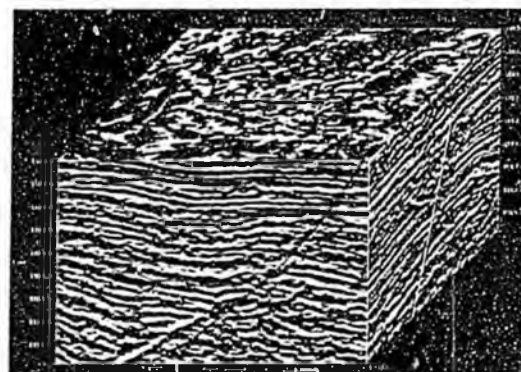
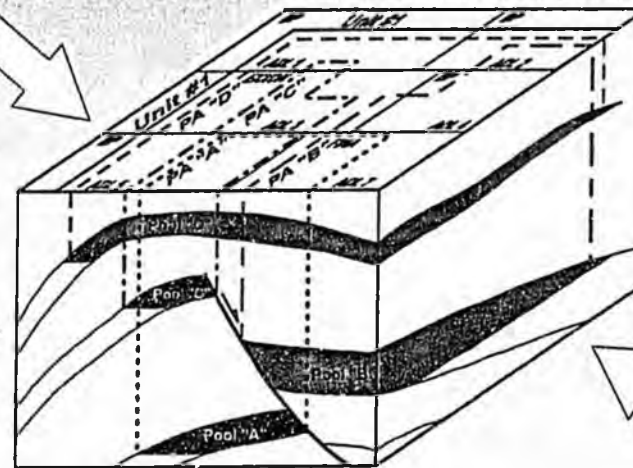
**Geologic Data**  
(Well logs, Directional Surveys, Geochemistry, Paleontology, & Formation data)

Niakuk Western PA		Niakuk Eastern PA	
34626 ARCO, EXXON 12.5% 82,414 1967	34625 BPX 12.5% 87,376 1967	312927 DUP, AMERADA 20%, 74.81% NPB 81,7504 1988	
34629 ARCO, EXXON 12.5% 84,0774 1967	34630 BPX 12.5% 87,124 1967	34635 BPX 12.5% (14.0%) 83,774 1967	34634 12.5% 88,834 1967

**Royalty, Lease, Unit/Participating Areas, Ownership & Economic Data**

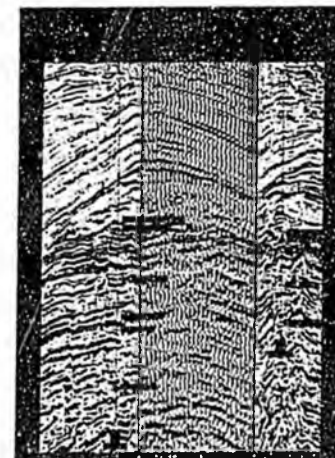


**Engineering & Production Data**

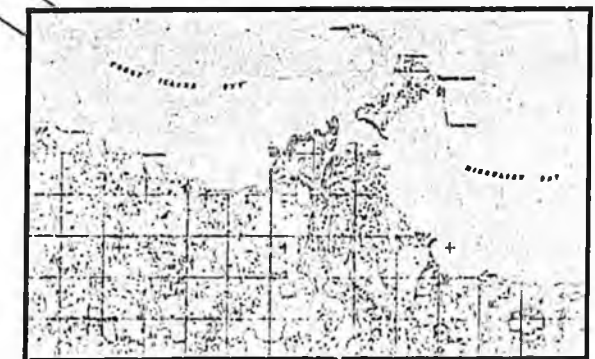


**3-D Seismic**

**Geophysical Data**  
(Seismic, Gravity, Magnetic, Velocity, & Shothole data)



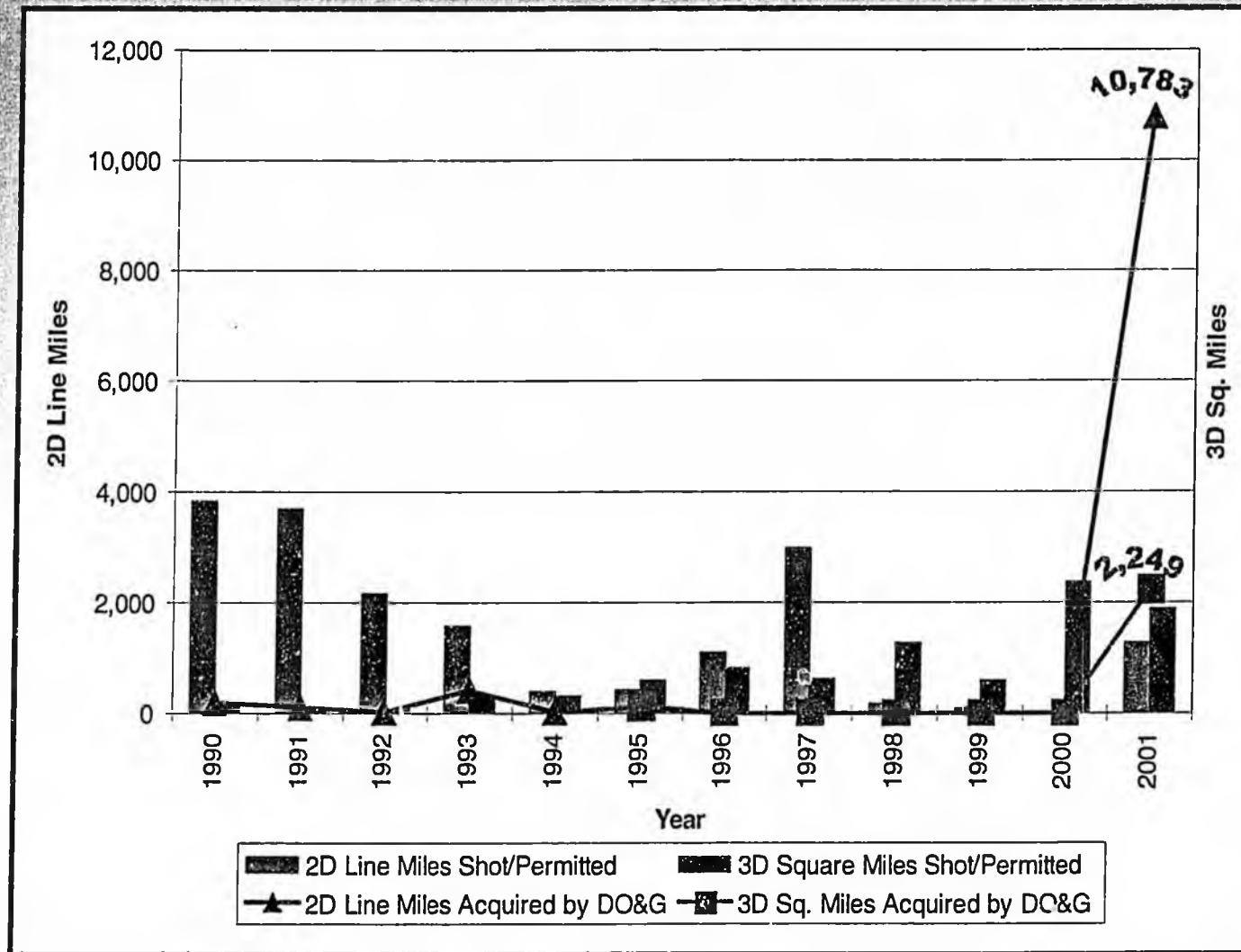
**2-D Seismic**



**Geographic Information**  
Cultural & Physical Data  
Aerial & Satellite Imagery

# Seismic Data Status

## 1990 - 2001



# FY02 Seismic Increment Expenditures

