

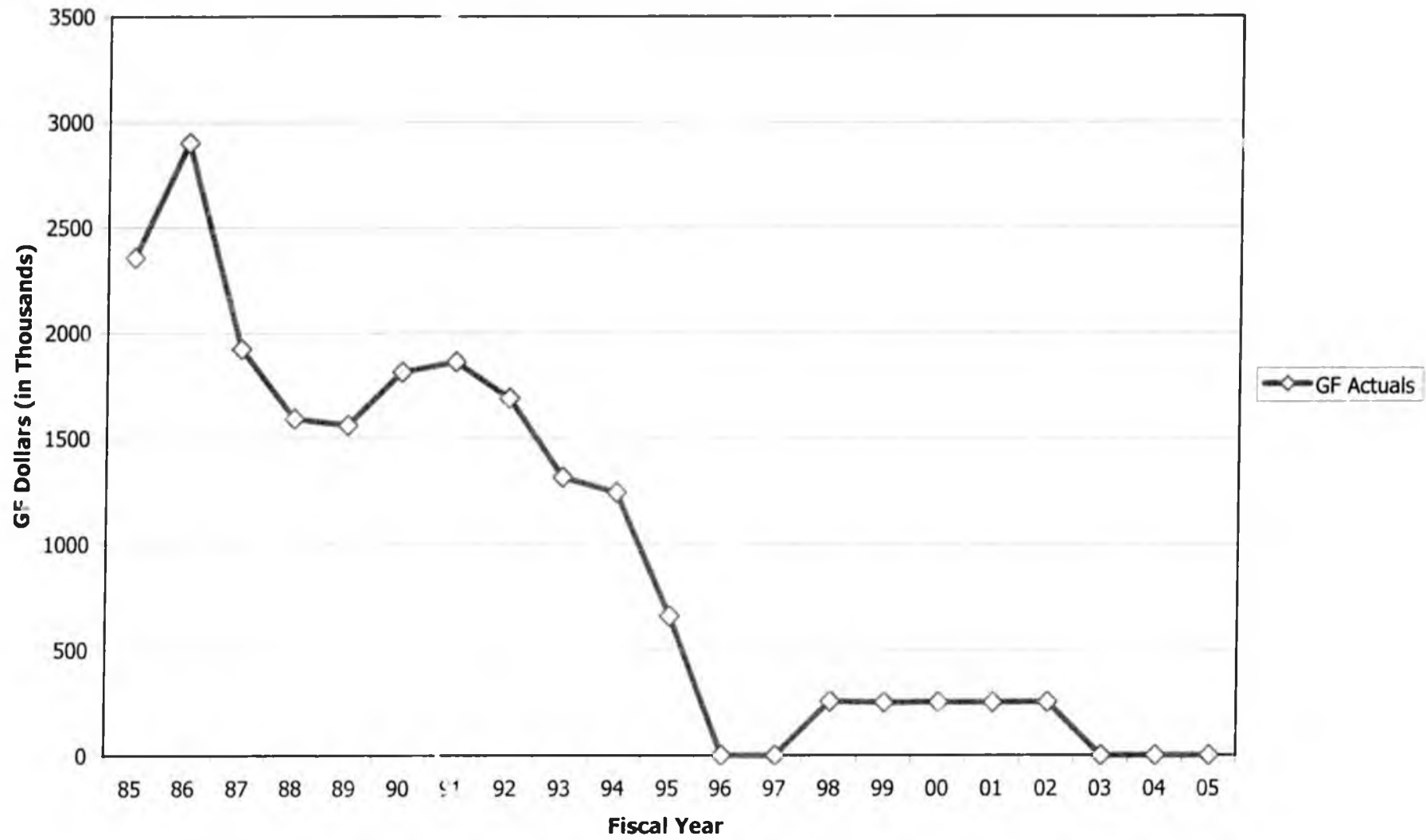
11993 SENATE RESOURCES

SB

85/170

(FILE 5)

General Funds - Division of Wildlife Conservation/ADFG
Actual Expenditures by Fiscal Year (Operating Appropriation)



10/15/2005

The Alaska State Legislature
Senate Resource Committee

Mr. Chairmen, members of the committee.

My name is Warren E. Olson. I'm a 47 year resident. I am the Secretary-Treasurer of "The Alaska Constitutional Legal Defense Conservation Fund, registered with the State of Alaska, 1995.

I've worked on outdoor issues for 30 years, including Alaskans for Equal Hunting and Fishing Rights (1978-1982) (which was an illegal issue for the ballot box), the McDowell I case, state court (1983-1989), the Gulkana River case, federal district court (1981-1986) which changed ANILCA (1989), Bondurant vs. Governor Knowles, 2001 (abandonment of Katie John) and TACLDCF, Bondurant vs. Secretary of The Interior, Gale Norton, A00-167CV currently before the 9th Ckt Court of Appeals (2000- September, 2005).

I've recently concluded a Civil Rights complaint (filed October, 2004) with the U.S. Wildlife Civil Rights Section, representing Mr. Ian Ives against the Department of Fish and Game on age discrimination concerning TIER II. The Civil Rights complaint has been dismissed by the federal government because of ANILCA. I've also appealed the Administrative Procedure Act application before the Board of Game, (2003-2004) due to discrimination among users applying the APA act.

In my opinion there are interests against seeking finality on the question of fair and equitable use of fish, water and wildlife in Alaska. The State Statute (Sec. 16.05.258) Subsistence use and allocation of fish and game stands in Title only.

I'm sure an independent council after reviewing the (state cases) Madison case 1985, the Owsichek case 1988, the McDowell case 1989 and the Payton case 1997 would recommend removing this statute from the books. Please consider this request.

Both the Department of Fish and Game and the Department of Law have no regard for decisions by the Supreme Court of Alaska

regarding residences of Alaska and fish, water and wildlife. For proof review the Totemoff case, 1996.

In my opinion there are interest against hands on management of fish and wildlife for quantity and quality for the 'Alaska Lifestyle'.

In my opinion the Board of Game and the Board of Fish have no concept of being an extenuation of the true trustees, the Alaska Legislature. Article VIII, Section 1-17 note the word legislature '11' times versus '0' for the administration.

In my opinion the Board of Game and the Board of Fish have no concept of Trust Property, Untitled Property, Beneficiaries or Public Trust Doctrine regarding a legal sense.

In my opinion the State Attorney General should be vote' into office and not appointed by the Governor. The Boards of Game and Fish should have independent legal council representing the public (beneficiary), not the department nor the administration.

In my opinion, the State of Alaska and or the Legislative Council should join A00-167CV (TACLDCF, Bondurant vs. Sec. of The Interior, Gale Norton. 9th Ckt. Court) represented by Mr. Robert Erwin, former Supreme Court Justice, Alaska, with an AMICUS, for finality of WHO is going to manage users (Police Powers) and promote quantity and quality of Alaska resources for the 'Alaska Lifestyle'.

Sincerely,



Warren E. Olson
Sec.-Treas. TACLDCF

5961 Orth Circle
Anchorage, Ak 99507
Tel. 346-4440
Fax. 346-2409

State Capitol
Terry Miller Building
Reviser of Statute
Ms. Pam Finley
Juneau, Alaska 99801-1182

RE: Sec. 16.05.258. Subsistence use and allocation of fish and game.

Dear Ms. Finley,

The State Statute Sec. 16.05.258. Subsistence use and allocation of fish and game. remains the most contentious statute ever written within Alaska. In 1978, the Legislature passed the original subsistence bill believing Alaska would retain management of fish, water and wildlife before the onslaught of ANILCA, 1980. They were badly mistaken. Not only did they abandoned the finest State Constitution in regards to common use of resources they abandoned Sovereignty to this day.

The State Statute, written in 1978 has been amended twice, 1986 and 1992. 1986 occurred because of Madison v. State, 1985 and 1992 was the result of McDowell v. State, 1989. I had a great deal to do with McDowell, filed in 1983, determined 1989. Unfortunately, because of lack of experience and other political circumstances, severability was not challenged in 1990, therefore the law remains, being manipulated today.

It is my firm belief the statute should have been removed in 1988 Owsichek v. State, (Cite as 763 P.2d 488). Page 495 - 496 is the most impressive definition of Article VIII versus Article I of the Alaska Constitution in regards to Inherent Rights and Common Use. The State Supreme Court elevated Article VIII above Article I where as Article I can be bent and bowed depending upon the needs of our society. Article VIII Common Use cannot be bent or bowed because of Jealing with a Public Trust called fish, wildlife and water. All Natural Resources are to be handled in an equitable manner and not to be dedicated to "monopolistic grants or special privileges." The uniqueness of Article VIII removes fish, wildlife and waters from consideration of special needs by our society other than common use of these resources. Quoting the Alaska Supreme Court, Owsichek, Page 496 "we are compelled to strike down any statute or regulations that violate this principle."

Because fish, wildlife and water is of such extreme importance to all Alaskans ongoing government proceedings by the Board of Game and Board of Fisheries meet twice a year for the constituent participation. Operating under Title 16 under direction of the Administrative Procedure Act, very extensive meetings occur, up to 5 weeks duration.

Sec. 16.05.258 Subsistence use and allocation of fish and game is under constant scrutiny. Sec. 16.05.258 (4)(B)(II) is removed by revision note (McDowell) yet remains in statute. Sec. 16.05.258 (4)(B)(I) has been removed by Payton v. State, 1997, Supreme Court No. S-7557. "Accordingly, we consistently have interpreted 'customary and traditional' to refer to 'uses' rather than 'users'." Sec 16.05.258 (4)(B) "distinguish among subsistence users" is illegal per Payton. Your revision note is correct but not the exact quote on use and user from the Supreme Court is quoted, therefore the illegal sentence remaining in statute creates great confusion and hardship. Sec. 16.05.258 (4)(B)(III) is illegal because of Owsichuk v. State, Supreme Court of Alaska, elevating Article VIII over Article I in regards to common use of fish, wildlife and water being a trust property therefore not being subject to extreme demands of society. Quoting Owsichuk "this court has stated in at least four cases that the common use clause is intended to provide independent protection of the public's access to natural resources." Sec. 16.05.258(4)(C) 1 - 13 reference to individual characteristics of users and domicile. All are illegal per the Supreme Court of Alaska, referencing the above named cases.

This type of legal documentation has caused harm before the courts as well as board operation related to the public. The state should not place the public in harms way. Your assistance on this matter would be appreciated.

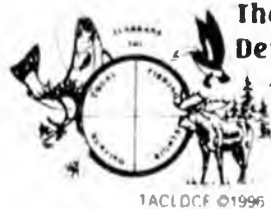
Sincerely,



Warren E. Olson

5961 Orth Circle
Anchorage, Alaska 99507

907 346-4440



**The Alaska Constitutional Legal
Defense Conservation Fund, Inc.**
A 501(c)(3) Non-Profit Alaska Corp

Warren Olson
Secretary-Treasurer

Access to Lands and Waters in Alaska

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state's "ownership" of wildlife in trust for the people, authorized the statute at issue in that case. *Id.*

The framers of the common use clause probably relied heavily on *Geer*. The following statement from the constitutional papers, as quoted above, closely tracks the reasoning of *Geer*:

The title remained with the sovereign, and in the American system of government with its concept of popular sovereignty this title is reserved to the people or the state on behalf of the people. The expression "for common use" implies that these resources are not to be subject to exclusive grants or special privilege as was so frequently the case in ancient royal tradition.

Alaska Constitutional Convention Papers, Folder 210, paper prepared by Committee on Resources entitled "Terms."

Thus, common law principles incorporated in the common use clause impose upon the state a trust duty to manage the fish, wildlife and water resources of the state for the benefit of all the people.¹² We have twice recognized this duty in our prior decisions. In *Mellakatta Indian Community, Annette Island Reserve v. Egan*, 362 P.2d 901, 915 (Alaska 1961), *aff'd*, 369 U.S. 45, 82 S.Ct. 552, 7 L.Ed.2d 562 (1962), we stated:

These migrating schools of fish, while in inland waters, are the property of the state, held in trust for the benefit of all

12. The Court overruled *Geer's* state ownership doctrine in *Hughes v. Oklahoma*, 441 U.S. 322, 99 S.Ct. 1727, 60 L.Ed.2d 250 (1979). That case involved facts almost identical to *Geer*: the Oklahoma statute at issue forbade the export of minnows taken from the waters of the state. *See id.* at 323, 99 S.Ct. at 1729, 60 L.Ed.2d at 254. The Court struck down the statute as violative of the commerce clause. *Id.* at 338, 99 S.Ct. at 1737, 60 L.Ed.2d at 263. The Court found the state ownership doctrine to be a legal fiction that created anomalies and did not conform to "practical realities." *Id.* at 335, 99 S.Ct. at 1735, 60 L.Ed.2d at 261. Nothing in the opinion, however, indicated any retreat from the state's public trust duty discussed in *Geer*. Indeed, the Court stated, "[T]he general rule we adopt in this case makes ample allowance for preserving, in ways not inconsistent with the Commerce Clause, the legitimate state concerns for conservation and protection of wild animals

the people of the state, and the obligation and authority to equitably and wisely regulate the harvest is that of the state.

(Emphasis added.) Similarly, in *Herscher v. State, Department of Commerce*, 568 P.2d 996, 1008 (Alaska 1977), we noted that the state acts "as trustee of the natural resources for the benefit of its citizens."

The extent to which this public trust duty, as constitutionalized by the common use clause, limits a state's discretion in managing its resources is not clearly defined. The state argues that it imposes no limit at all. While acknowledging that the common use clause constitutionalizes the state's trust duty the state asserts, "The sovereign's power to allow and control use of the resources is broad, and restricted only by other constitutional limitations such as equal protection." This assertion clearly overstates the extent of the state's authority under the public trust duty and the common use clause.

First, as noted above, this court has stated in at least four cases that the common use clause is intended to provide independent protection of the public's access to natural resources. *See Johns v. Commercial Fisheries Entry Comm'n*, 758 P.2d 1256, 1266 & n. 12 (Alaska 1988); *CWC Fisheries v. Bunker*, 755 P.2d 1115, 1120 (Alaska 1988); *State v. Ostrosky*, 667 P.2d 1184, 1189, 1191 (Alaska 1983), *appeal dismissed*, 467 U.S. 1201, 104 S.Ct. 2379, 81

underlying the 19th century legal fiction of state ownership." *Id.* at 335-36, 99 S.Ct. at 1735-36, 60 L.Ed.2d at 261. As one U.S. District Court noted in a post-*Hughes* case:

Under the public trust doctrine, the State of Virginia and the United States have the right and the duty to protect and preserve the public's interest in natural wildlife resources. Such right does not derive from ownership of the resources but from a duty owing to the people.

In re Stuart Transp. Co., 495 F.Supp. 38, 40 (E.D.Va.1980) (allowing federal and state governments to recover damages for migratory waterfowl killed in oil spill).

After *Hughes*, the statements in the Alaska Constitutional Convention regarding sovereign ownership, quoted *supra*, are technically incorrect. Nevertheless, the trust responsibility that accompanied state ownership remains.

ALASKA STATE LAW LIBRARY

L.Ed.2d 339 (1984); *Werberg v. State*, 516 P.2d 1191, 1198-99 (Alaska 1973); see also *Ostrosky*, 667 P.2d at 1196 (Rabinowitz, J., dissenting).

Second, under the state's interpretation, the common use clause would be a nullity. "It is a well accepted principle of judicial construction that, whenever reasonably possible, every provision of the Constitution should be given meaning and effect, and related provisions should be harmonized." *Park v. State*, 528 P.2d 785, 786-87 (Alaska 1974). To give meaning and effect to the common use clause, it must provide protection of the public's use of natural resources distinct from that provided by other constitutional provisions.

Third, the history of the common use clause, as noted above, reveals an anti-monopoly intent to prohibit "exclusive grants" and "special privilege[s]," wholly apart from the limits imposed by other constitutional provisions.

Finally, cases applying the public trust doctrine in navigable waters have frequently struck down state actions in violation of the trust without any reference to either federal or state constitutions. A good example is the lodestar of American public trust law, *Illinois Central Railroad Co. v. Illinois*, 146 U.S. 387, 13 S.Ct. 110, 36 L.Ed. 1018 (1892). In that case, the Illinois legislature purported to grant to a railroad more than 1,000 acres of land underlying Lake Michigan in the harbor of Chicago. The Court applied the doctrine of the public trust in navigable waters to uphold the legislature's later revocation of the grant:

A grant of all the lands under the navigable waters of a State has never been adjudged to be within the legislative power; and any attempted grant of the kind would be held, if not absolutely void on its face, as subject to revocation. The State can no more abdicate its trust over property in which the whole people are interested . . . than it can abdicate its police powers in the administration of government and the preservation of the peace.

Id. at 453, 13 S.Ct. at 118, 36 L.Ed. at 1043.

In light of this historical review we conclude that the common use clause was in-

tended to engraft in our constitution certain trust principles guaranteeing access to the fish, wildlife and water resources of the state. The proceedings of the Constitutional Convention, together with the common law tradition on which the delegates built, convince us that a minimum requirement of this duty is a prohibition against any monopolistic grants or special privileges. Accordingly, we are compelled to strike down any statutes or regulations that violate this principle.

D.

We conclude that exclusive guide areas and joint use areas fall within the category of grants prohibited by the common use clause. These areas allow one guide to exclude all other guides from leading hunts professionally in "his" area. These grants are based primarily on use, occupancy and investment, favoring established guides at the expense of new entrants in the market, such as Owsichek. To grant such a special privilege based primarily on seniority runs counter to the notion of "common use."

Moreover, the grants are not limited in duration. The statutes allow holders of EGAs to sell their "improvements," and the GLCB routinely transfers the EGA to the purchaser of the improvements or to the guide's designated successor. This practice allows a guide to effectively sell his EGA as if it were a property interest. See Division of Legislative Audit, *A Performance Report on the Department of Commerce and Economic Development Guide Board* 10-11, Audit Control No. 08-1805-88-R (Dec. 11, 1987) [hereinafter "1987 Report"].

Although the Board justified the program to the legislature as a means of improving wildlife management, see Transcript of Senate Resources Committee Hearing on S.B. 661 (March 12, 1976); Transcript of House Resource Committee Hearing on S.B. 661 (April 27, 1976), it is apparent that area assignments are not based primarily on wildlife management concerns. Rather, as authorized by AS 08.564.195(b) and 12 AAC 38.220(c) & (d)

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FRANK H. MURKOWSKI, GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-5903
PHONE (907) 269-5100
FAX (907) 276-3697

October 11, 2005

Robert C. Erwin
Law Offices of Robert C. Erwin, I.L.C.
733 West 4th Ave., Suite 400
Anchorage, AK 99501

Re: *Alaska Constitutional Legal Defense Fund v. Norton*, A00-167-CV (HRH)

Dear Mr. Erwin:

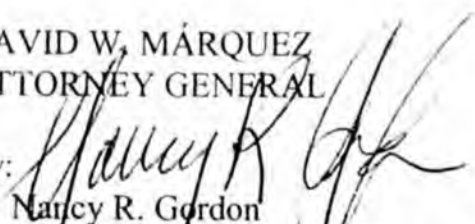
Thank you for your invitation for State amicus participation in the above referenced case. However, after reviewing Judge Holland's recent order and prior analysis from when we considered intervening in this case in 2003, we continue to believe that State participation would not provide any meaningful benefit in this case. The State would be barred from presenting the most important claims involved in the case by *res judicata* and the statute of limitations, and on some issues involving non-resident Plaintiffs, the State might find itself more closely aligned with the Federal Government than with the Plaintiffs.

Problems caused by the Federal Subsistence Program remain of vital importance to the State, and we are continuing to devote considerable legal resources to subsistence issues including elimination of confusing regulations and elimination of unwarranted closures and restrictions on hunting and fishing. However, we believe that our resources are better spent on more discrete issues where we have a greater chance of success on the merits and where we do not face such significant *res judicata* and statute of limitation issues.

Sincerely,

DAVID W. MÁRQUEZ
ATTORNEY GENERAL

By:


Nancy R. Gordon

Acting Deputy Attorney General

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FRANK H. MURKOWSKI, GOVERNOR

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October 11, 2005

Robert C. Erwin
Law Offices of Robert C. Erwin, LLC
733 West 4th Ave., Suite 400
Anchorage, AK 99501

RECEIVED 12/12/2005

Re: *Alaska Constitutional Legal Defense Fund v. Norton*, A00-167-CV (HRH)

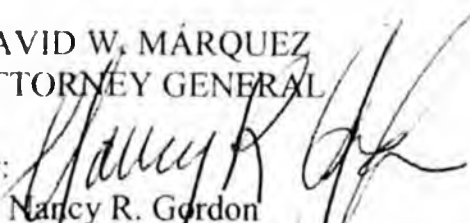
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Sincerely,

DAVID W. MARQUEZ
ATTORNEY GENERAL

By: 
Nancy R. Gordon
Acting Deputy Attorney General

ALASKAN LIFETIME HUNTING LICENSE

\$1000.00 FEE

- Resident-only
- Issued by special form
- Allows lifetime hunting of big game
- If residency changes, still allows lifetime hunting of big game without a guide.
- If no longer a resident, all other fees apply.
(i.e. Non-resident locking tags and trophy fees)



Alaska Outdoor Council

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Fairbanks, AK 99707-3902

Ph: (907) 455-4262 / FAX: 455-6447

aoc@alaska.net

www.alaskaoutdoorcouncil.org

THE ALASKA STATE LEGISLATURE SENATE RESOURCES COMMITTEE INTERIM PUBLIC HEARINGS

ON:

1. **SB 170 – A bill that would change the way the Alaska Department of Fish & Game currently manages fish and game resources, and would create mechanisms to provide additional funding for ADF&G,**

and

2. **SB 85 – A bill to repeal the ban on the use of certain off-road vehicles within 5 miles of the Dalton Highway right-of-way. The intent of the bill sponsor is to delay enactment for 1 year, in order for state and federal land managers to design and implement plans that have gone through the necessary public process.**

SB 170 (fish and game statute revisions):

If you feel there are deficiencies in the current ADF&G process, the Senate Resources Committee wants to know. If you have any suggestions to assure sustainable funding for ADF&G, they want to hear this, also.

The Alaska Outdoor Council recommends that the following underlying principles be used as basic guidelines for development of legislation affecting our state fish and game laws:

- 1) **Financial accountability and transparency** – which encompasses the notion that not only do we want to see where the money is going, but we want it to be *easy to see* where the money is going.
- 2) **Enforceability** – which encompasses the notion that the current statute has allowed regulations and rules that are not enforceable, and could not possibly be enforced? This leads to inconsistency and confusion among hunters, fishers and trappers, as well as some ADF&G employees. The new bill language should be clear in this regard.

3) Efficient organizational structure – which encompasses the notion that because license fees pay for fish and game programs, license holders deserve an organizational structure that provides the most bang for the buck.

4) Increased hunter harvest – which encompasses the notion that we want more game available to harvest – not simply more opportunity, but more production.

5) Attract qualified management biologists – A number of experienced biologists have left the department in recent years and another large group is nearing retirement. This principle encompasses the notion that we would like to see a statutory framework that gives managers the tools needed to make a positive difference in the field, which we believe will make ADF&G a more attractive place to work.

6) Provide greater recognition and empowerment of the advisory committees and boards – which encompasses the notion that management goals and objectives are developed from the ground up, adopted through a fair and open public process, and respected and implemented by managers and enforcement personnel.

2. SB 85 (lift ban on ORV use in Dalton Highway corridor):

If you want to participate in a planning process to open areas along the Dalton Highway to ORV access, please express your support for repeal of the ban.

For those of you not located near one of the interim hearing locations, or could not attend the scheduled Senate Resource Committee Interim Hearings, send your comments to the chair of the Senate Resources Committee:

email: Senator.Thomas.Wagoner@legis.state.ak.us

fax: 907-283-8127

write: Senator Tom Wagoner, Chair
Senate Resources Committee
145 Main Street Loop, Suite 226
Kenai, Alaska 99611

Hunting License Fee Schedule

	Present	2007	2009	2011
Hunt	\$25	\$35	\$40	\$50
Trap	\$15	\$20	\$30	\$30
Hunt/Trap	\$39	\$55	\$65	\$75
Hunt/Fish	\$39	\$45	\$55	\$65
Hunt/Fish/ Trap	\$53	\$73	\$83	\$95

Resident License Fees

Fish	\$15	\$20	\$25	\$35
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Non-Resident License Fees

	Present	2007	2009	2011
Hunt	\$ 085	\$200	\$200	\$0300
Trap	\$165	\$500	\$500	\$1000
Hunt/Fish	\$185	\$300	\$300	\$0350
Hunt/Trap	\$250	\$700	\$700	\$1200
Alien Hunt	\$300	\$600	\$600	\$0750

Waterfowl Stamps and Non-Resident Small Game License

	Present	2007	2009	2011
Resident	\$05	\$10	\$10	\$015
Non-resident	\$05	\$20	\$20	\$035
Non-Resident Small game	\$20	\$65	\$65	\$100

Drawing and Registration Hunt Application Fees

	Present	2007
Drawing Resident	\$05-\$10	\$05-\$10
Drawing	\$10-\$20	\$25

Non-Resident		
Registration Permit Stamp Resident	\$0	\$10 per hunt, including renewals of the same hunt.
Registration Hunt Permit Stamp Non-Resident	\$0	\$15 per year/stamp \$15 per hunt

Non-Resident Tag Fee Schedule

	Present	2007	2011
Black Bear	\$0225	\$0300	\$0350
Brown Bear	\$0500	\$1500	\$2500
Bison	\$0450	\$1500	\$2000
Caribou	\$0325	\$0450	\$0500
Sheep	\$0425	\$0750	\$0850
Deer	\$0150	\$0250	\$0300
Elk	\$0300	\$0500	\$0500
Moose	\$0400	\$0750	\$0850
Goat	\$0300	\$0750	\$0850
Musk Ox	\$1100	\$2000	\$2500
Wolf	\$0030	\$0050	\$0050
Wolverine	\$0175	\$0250	\$0300

Non-resident Alien Tag Fees

All tags are \$300 more than non-residents.

Non-Resident Trophy Fee Schedule

Black Bear Skull size	All greater than 20 inches	+\$0500
Brown Bear Skull size	Under 24 inches	+\$0500
	24 inches-25 15/16 inches	+\$0750
	26 inches-28 inches	\$1000
	greater than 28 inches	\$1500
Musk Ox	Bull	\$1000
	Cow	\$0750

Bison	Bull	\$1000
	Cow	\$0750
Moose	50-65	\$0200
	65 +	\$0500
Sheep	36 inches-38 inches	\$0200
	38 inches-40 inches	\$0400
	40 inches +	\$0600
Goat	Billy	\$0750
	Nanny	\$1000
Wolf		\$0100

Non-Resident Alien Trophy Fees are 35% more.

SB

96

SB 96 Packet

- 2/4/05: Governor's Transmittal Letter
- 2/7/05: Hearing Request Letter – Commissioner Irwin
- 2/4/05 Fact Sheet
- SB 96: 9 pages
- Draft CS SB 96: 11 pages
- DNR Explanation of Changes in original bill & Draft CS (HB 130): 2 pages
- Fiscal Notes 1,2,3, & 4 on HB 130 (see notes below): 5 pages

NOTES:

There has been substantial public reaction to the companion (HB 130) and the House Resources Committee held numerous public hearings and then developed a CS for the legislation. The Draft CS attached is the CS for HB 130.

The department will be preparing fiscal notes for the draft CS – the fiscal notes on the original bill are the same as those for the original HB 130. I have included them above.

The Department and University will speak to the bill – after the CS is adopted.

On Monday, public hearing will be held on the bill and it will be before the committee for action. Senator Wagoner wanted to have public hearing on the committee substitute with the deleted parcels.

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
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SB96
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February 4, 2005

The Honorable Ben Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would provide for the conveyance of approximately 260,000 acres of state land to the University of Alaska (university), most of it over the next three years.

This bill is the product of more than a year of discussions between the Department of Natural Resources (department) and the university. Its major goal is to supplant the more time-consuming and expensive features of legislation enacted in 2000 (ch. 136, SLA 2000). Statutory changes enacted in ch. 136, SLA 2000 provided for a ten-year process during which the university would select up to 260,000 acres of state-owned land to be conveyed to the university for the primary purpose of generating income for the university. Unfortunately, that process has proved difficult, expensive, time-consuming, and subject to litigation. To date, no land has been conveyed to the university under ch. 136, SLA 2000.

Over the course of the past year, the university and the department have reached an agreement on land that may be conveyed to the university without unreasonably conflicting with programs associated with, and uses of, state land managed by the department. The land is identified in a document titled "University of Alaska Land Grant List 2005," dated January 12, 2005, a copy of which will be provided upon request. The bill I transmit today would provide legislative approval for the conveyance of that land to the university, thereby avoiding unnecessary delay and expense, and expediting a highly significant source of income for the university.

The bill also would establish a university research forest on certain land to be conveyed under the bill in 2055, or soon after that, that is located mainly in the Tanana Valley State Forest. The research forest would be used to advance research into forest practices, ecology, wildlife management, and recreation. Existing law authorizes the university to create a demonstration forest on land selected and

The Honorable Ben Stevens

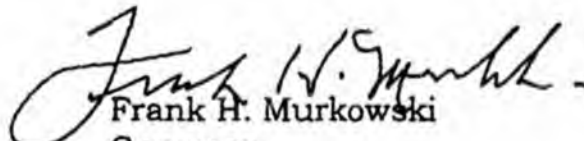
February 4, 2005

Page 2

conveyed under ch. 136, SLA 2000. This bill would repeal and reenact that law to establish the research forest without requiring a separate procedure. Because the land designated as the university research forest would not be conveyed to the university until 2055, it would be managed by the department until then under applicable state land use and forest management plans, and other applicable state law. While the research forest land is under department management, the department would be able to dispose of certain natural resources located on that land, so long as the disposal is consistent with the purposes of the research forest and complies with other applicable law.

I urge your prompt and favorable action on this measure, which will provide for the cost-effective and timely conveyance of land to the university in order to ensure a very significant and additional source of income for the support of public higher education in Alaska and to secure the benefits of a research forest.

Sincerely yours,


Frank H. Murkowski
Governor

Enclosure

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

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PHONE: (907) 269-8431
FAX: (907) 269-8918

February 7, 2005

*Kcord
2-7-05*

The Honorable Thomas Wagoner, Chair
Senate Resources Committee
Alaska State Legislature
Juneau, AK 99801

Re: SB 96, University Lands Bill

Dear Senator Wagoner:

I am writing to request a hearing in your Committee next week for the University Lands Bill. The bill was introduced on Monday, February 07, 2005.

The bill transfers 260,000 acres of State land to the University and implements the intent of SB 7, passed by the 2000 Legislature. Unlike SB 7 this bill identifies specific lands to be transferred. The transfer is much quicker and less expensive than the process identified in SB 7. All but one of the 71 parcels identified in the Governor's proposal will be transferred within three years at a cost that is less than 5% of the SB 7 estimate. This proposal eliminates the potential disincentive to development that attends SB 7, because once the legislation passes, the eventual land manager is immediately clear. This proposal provides more income-producing land to the University than was available under SB 7. The specific lands to be transferred are summarized in the enclosed Fact Sheet.

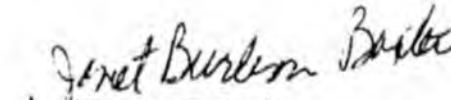
Under the proposed legislation, the Department of Natural Resources (DNR) will transfer all but one of the parcels to the University of Alaska within three years of the bill's passage. During those three years, DNR will complete the required title search, and will reserve appropriate public access easements, navigable waters, etc. Actual authority for management will change on the date the deeds are recorded. The one exception to the three-year transfer is the University Research Forest, a 51,820-acre tract southwest of Fairbanks within the Tanana Valley State Forest. For fifty years DNR will continue to manage the forest for commercial timber and public use in a manner consistent with the University's research needs. All transfers are subject to valid existing rights.

This transfer will provide the University with potential for near-term and long-term income. The investment properties — those in Southeast and elsewhere in Alaska — provide some near-term and medium-term revenue potential. It will take time and effort to turn even the land with near-term income potential into revenue for the University. Despite the delay in creating income, this land will strengthen the University's financial base.

Senator Wagoner
February 7, 2005
Page 2 of 2

For your information I have enclosed a Fact Sheet and a copy of the *University of Alaska Land Grant List 2005*. Thank you for your consideration. Please contact Janet Burleson Baxter at (907) 465-4730 if have any questions. You may also contact Bob Loeffler, Director of the Division of Mining, Land and Water at (907) 269-8600.

Sincerely,


for Thomas E. Irwin
Commissioner

Enclosures: University Land Fact Sheet, 2/4/05
University of Alaska Land Grant List 2005
Governor's Transmittal Letter

cc: Janet Baxter, Legislative Liaison, DNR
Bob Loeffler, Director, DMLW

Department of Natural Resources
University Land Transfer
Factsheet
February 4, 2005

Introduction

An academically strong and financially secure state university system is a cornerstone of the longer-term development of a stable population and of a healthy, diverse economy in Alaska. It is in the best interests of the State and the University of Alaska that the University own a significant and substantial portfolio of income-producing land to provide financial support for public higher education in Alaska. It is also in the interest of the State and the University to provide the University with land to encourage and foster natural resources education and research important for Alaska.

SB 7 (Chapter 136, SLA 2000)

In 2000, the Alaska Legislature passed Senate Bill 7, which provided a process for the University of Alaska to select and eventually own 260,000 acres of State land. Unfortunately, implementing the bill proved difficult, expensive, time-consuming, and subject to litigation. To date, no lands have been conveyed to the University to implement the law. In addition, uncertainty over what State land the University may or may not select created a disincentive for investment and development, and the 10-year conveyance process had the potential to discourage development and use of State land. The fiscal note that accompanied SB 7 envisioned a 10-year process that would cost \$17 million.

By identifying specific lands to transfer to the University, this proposal implements the intent of SB 7. It transfers the same amount of land, 260,000 acres, but does so in a way that is less expensive and quicker. All but one of the 71 parcels in the Governor's proposal will be transferred within three years at a cost that is less than 5% of the SB 7 estimate. This proposal also eliminates the potential disincentive to development, because once the legislation passes, the eventual land manager is immediately clear. Finally, restrictions in SB 7 made it difficult for the University to gain land with significant income producing potential. The Governor's 260,000-acre proposal provides much better income-producing land than was available under SB 7.

Lands to be Transferred to the University of Alaska

The lands proposed to be transferred to the University are summarized below:

Type of Property	No. of Parcels	Approximate Acreage
Investment Properties, Southeast Alaska	44	40,102
Investment Property, Other than Southeast	14	39,222
Nenana Basin Oil and Gas	1	90,000
Educational Properties	12	90,676
Total:	71	260,000

In developing a list of investment properties to be transferred, the Department of Natural Resources (DNR) and the University of Alaska focused primarily on lands that had been designated settlement, general use, or general public recreation in DNR land-use plans. The list does not include any lands designated for timber harvest in Southeast Alaska because conveying these lands to the University would decrease DNR's allowable cut there. Nor does it include lands tentatively scheduled for sale by DNR within the next five years, as conveying these lands would leave DNR unable to meet its near-term land sale goals. The list does not include lands on which municipal selection applications have been filed. The list does not include any producing oil and gas or mineral properties, nor legislatively designated State Game Refuges, Critical Habitat Areas, Parks, or Public Use Areas.

The 44 investment parcels in Southeast Alaska are expected to have the greatest near-term income potential. Because of the limited State land in Southeast Alaska, these tracts are comparatively small and are distributed throughout the area.

The remaining investment properties, distributed throughout the State, include some lands suited for commercial or industrial development, but the majority is suited for residential or recreational development.

The Nenana Basin Oil and Gas property is a single 90,000-acre tract within the Nenana Basin. It is located west of the Nenana River across the river from the City of Nenana. DNR and the University believe the tract has significant potential for gas development. The area is part of the Oil and Gas License owned by Andex Corporation. The tract would be transferred to the University of Alaska subject to the Andex license.

The 12 educational properties are intended to strengthen the University of Alaska's education and research programs. Most are located in the Fairbanks area. The largest is a 51,820-acre tract southwest of Fairbanks within the Tanana Valley State Forest. This area, which includes the Bonanza Creek Experimental Forest, would become the University Research Forest. It will be one of the largest university-related forests in the country and will be an important asset to the University for forestry and related research. For at least the next 50 years, DNR would continue to manage the public uses in this area, such as recreation, and would continue to use the area for commercial timber sales, consistent with the needs of the University Research Forest.

Land Transfer Process

Under the proposed legislation, DNR will transfer all but one of the parcels to the University of Alaska within three years of the bill's passage. During those three years, DNR will complete the required title search, and will reserve appropriate public access easements, navigable waters, etc. Actual authority for management will change on the date the deeds are recorded. The exception to the three-year transfer is the University Research Forest. As noted above, for the next 50 years, DNR will continue to manage the forest for commercial timber and public use in a manner consistent with the University's research needs. Finally, all transfers are subject to valid existing rights.

Summary — A Strong Financial Base

This transfer will provide the University with potential for near-term and long-term income. The investment properties — those in Southeast and elsewhere in Alaska — provide some near-term and medium-term revenue potential. However, it will take some time and effort to turn even the land with near-term income potential into revenue for the University. Despite the delay in creating income for the University, this land will strengthen the University's financial base.

The Nenana Oil and Gas Tract provides important long-term income potential. If marketable quantities of gas are found and developed on that tract, there is the potential for a significant, multi-year income stream to the University.

Summary — A Strong Educational Base

The educational properties strengthen the University's educational mission. The University Research Forest and other properties, such as the Caribou-Poker Creek Watershed, provide dedicated land for University education and research. Ownership by the University strengthens its natural resources education and research missions.

24-GS1034VG

Bullock

4/7/05

CS FOR SENATE BILL NO. 96(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the grant of certain state land to the University of Alaska and
2 establishing the university research forest; and providing for an effective date."

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **FINDINGS.** The legislature finds that

7 (1) as the beneficiary under the provisions of the Acts of August 30, 1890 (26
8 Stat. 417), and March 4, 1907 (34 Stat. 1281), designating the Alaska Agricultural College
9 and School of Mines as beneficiary, and of March 4, 1915 (38 Stat. 1214), transferring certain
10 land for its location and support, the University of Alaska is a land grant university;

11 (2) under the Acts of March 4, 1915 (38 Stat. 1214), and January 21, 1929 (45
12 Stat. 1091), the Congress of the United States granted the Territory of Alaska certain federal
13 land to be held in trust for the benefit of the predecessor of the University of Alaska;

14 (3) the territory was unable to receive most of the land conveyed by the Act of

1 March 4, 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-
2 508, 72 Stat. 339);

3 (4) the Congress of the United States granted the State of Alaska the right to
4 select 103,350,000 acres of federal land under sec. 6(a) and (b) of the Alaska Statehood Act;

5 (5) the land selection rights embodied in the Alaska Statehood Act reflect, in
6 part, congressional recognition that the state would need the land to support its government
7 and programs, and the Congress assumed that the State of Alaska would in turn devote some
8 of the land, and income from it, for the use and benefit of the University of Alaska;

9 (6) most land grant colleges in the western United States have obtained a
10 larger land grant from the federal government than the University of Alaska has received;

11 (7) an academically strong and financially secure state university system is a
12 cornerstone of the long-term development of a stable population and of a healthy, diverse
13 economy in the state;

14 (8) it is in the best interests of the state and the University of Alaska that the
15 Board of Regents of the University of Alaska take ownership of a significant and substantial
16 portfolio of income-producing land to provide income for the support of public higher
17 education in the state;

18 (9) it currently is in the best interests of the state and the University of Alaska
19 to establish a university research forest on some of the land to be conveyed to the Board of
20 Regents in trust for the university;

21 (10) in 2055, the University of Alaska should take ownership of the university
22 research forest land;

23 (11) renewable resources retained in ownership by the Board of Regents in
24 trust for the University of Alaska should be managed on a sustained-yield basis, taking into
25 account the total land grant;

26 (12) ch. 136, SLA 2000, was enacted to implement many of the findings stated
27 in this section by providing a process for the selection of land to be conveyed from the State
28 of Alaska to the University of Alaska;

29 (13) the land selection process provided for in ch. 136, SLA 2000, presents
30 significant difficulties, including the financial cost of the selection process and delay in the
31 Board of Regent's acquisition of income-producing land for the University of Alaska;

1 (14) the significant administrative expense and lengthy period of time required
2 for completing the land selection process under the existing law can be avoided by providing
3 for a more expedited conveyance of income-producing land;

4 (15) the State of Alaska and University of Alaska have identified particular
5 land to be conveyed to the Board of Regents in trust for the University of Alaska in order to
6 implement the findings in this section;

7 (16) except for university research forest land, conveyance of land identified
8 by the State of Alaska and the University of Alaska shall be largely completed within three
9 years after the effective date of this Act.

10 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 LEGISLATIVE INTENT. It is the intent of the legislature that the Board of Regents
13 of the University of Alaska

14 (1) receive land in trust for the University of Alaska under this Act in an
15 expeditious manner; and

16 (2) encourage the development of in-state value-added industries to the extent
17 economically feasible and practicable when developing land conveyed under AS 14.40.365,
18 as repealed and reenacted by sec. 5 of this Act.

19 * Sec. 3. AS 14.40.170(a) is amended to read:

20 (a) The Board of Regents shall

21 (1) appoint the president of the university by a majority vote of the
22 whole board, and the president may attend meetings of the board;

23 (2) fix the compensation of the president of the university, all heads of
24 departments, professors, teachers, instructors, and other officers;

25 (3) confer such appropriate degrees as it may determine and prescribe;

26 (4) have the care, control, and management of

27 (A) all the real and personal property of the university; and

28 (B) land

29 (i) conveyed to the Board of Regents by the
30 commissioner of natural resources in the settlement of the claim of the
31 University of Alaska to land granted to the state in accordance with the

1 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance
2 with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

3 (ii) [SELECTED BY THE UNIVERSITY OF
4 ALASKA AND] conveyed to the Board of Regents in trust for the
5 University of Alaska [IT] by the commissioner of natural resources
6 under AS 14.40.365;

7 (5) keep a correct and easily understood record of the minutes of every
8 meeting and all acts done by it in pursuance of its duties;

9 (6) under procedures to be established by the commissioner of
10 administration, and in accordance with existing procedures for other state agencies,
11 have the care, control, and management of all money of the university and keep a
12 complete record of all money received and disbursed;

13 (7) adopt reasonable rules for the prudent trust management and the
14 long-term financial benefit to the university of the land of the university;

15 (8) provide public notice of sales, leases, exchanges, and transfers of
16 the land of the university or of interests in land of the university;

17 (9) administer, manage market, and promote a postsecondary
18 education savings program, including the Alaska Higher Education Savings Trust
19 under AS 14.40.802 and the Alaska advance college tuition savings fund under
20 AS 14.40.803 - 14.40.817.

21 * Sec. 4. AS 14.40.291(a) is amended to read:

22 (a) Notwithstanding any other provision of law, university-grant land, state
23 replacement land that becomes university-grant land on conveyance to the university,
24 land [SELECTED BY AND] conveyed to the Board of Regents in trust for the
25 University of Alaska under AS 14.40.365, and any other land owned by the university
26 [UNIVERSITY OF ALASKA] is not and may not be treated as state public domain
27 land. Land conveyed to the Board of Regents in trust for the University of Alaska
28 under AS 14.40.365 shall be managed as nontaxable trust land under AS 14.40.365 -
29 14.40.367 [AS 14.40.365 - 14.40.368] and policies of the Board of Regents [OF THE
30 UNIVERSITY OF ALASKA].

31 * Sec. 5. AS 14.40.365 is repealed and reenacted to read:

1 **Sec. 14.40.365. University land grant.** (a) Except as provided in (b) of this
2 section, before July 1, 2008, the commissioner of natural resources shall convey to the
3 Board of Regents in trust for the University of Alaska, by quitclaim deed, the state
4 land identified for conveyance to the university and described in the document titled
5 "University of Alaska Land Grant List 2005," dated January 12, 2005.

6 (b) As soon as practicable after June 30, 2055, the commissioner of natural
7 resources shall convey to the Board of Regents in trust for the University of Alaska,
8 by quitclaim deed, the state land described as the "University Research Forest" and
9 identified for conveyance to the university in the document titled "University of
10 Alaska Land Grant List 2005," dated January 12, 2005.

11 (c) As soon as practicable after the receipt of patent from the United States,
12 but not before the land is otherwise required to be conveyed under this section, the
13 commissioner of natural resources shall convey to the Board of Regents in trust for the
14 University of Alaska, by quitclaim deed, federal land that has been selected for
15 conveyance to the state under the Alaska Statehood Act but is subject to a federal
16 mining claim, and that is identified in the document titled "University of Alaska Land
17 Grant List 2005," dated January 12, 2005, for conveyance to the university upon the
18 state's acquisition of patent.

19 (d) Notwithstanding AS 38.05.125(a), and except as otherwise provided in this
20 section, the transfer of ownership of land from the commissioner of natural resources
21 to the Board of Regents in trust for the University of Alaska under this section
22 includes the interest of the state in the coal, ores, minerals, fissionable materials,
23 geothermal resources, and fossils, oil, and gas that may be in or on the land.

24 (e) Land conveyed under this section to the Board of Regents in trust for the
25 University of Alaska is subject to any valid possessory interest or other valid existing
26 right, including any lease, license, contract, prospecting site, claim, sale, permit, right-
27 of-way, or easement held by another person, including a federal, state, or municipal
28 agency, on the effective date of this section.

29 (f) Before conveying land under this section, the commissioner of natural
30 resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04
31 and AS 38.05 do not apply to the commissioner's preparation for conveyance of land

1 to the Board of Regents in trust for the University of Alaska under this section. In
2 addition to access under AS 38.05.127, the commissioner may reserve in the
3 conveyance document existing trails, roads, and other access routes that provide public
4 access to adjacent land and public waterways.

5 (g) In addition to rights or an interest held by a person under (e) of this
6 section, land conveyed to the Board of Regents in trust for the University of Alaska
7 under this section

8 (1) is subject to

9 (A) sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.
10 339);

11 (B) AS 19.10.010;

12 (C) any easement, right-of-way, or other access under former
13 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

14 (D) the provisions of any memorandum of agreement entered
15 into between the University of Alaska and the commissioner of natural
16 resources governing shared benefits or costs associated with land to be
17 conveyed to the Board of Regents in trust for the University of Alaska;

18 (E) any interest transferred to the state by quitclaim deed dated
19 June 30, 1959, under authority of the Alaska Omnibus Act (P.L. 86-70, 73
20 Stat. 141); and

21 (2) excludes the mineral estate on land that is subject to a valid state
22 mining claim.

23 (h) As soon as practicable after the extinguishment, release, or expiration of a
24 valid state mining claim located on land to be conveyed under this section, but not
25 before the land is otherwise required to be conveyed under this section, the
26 commissioner of natural resources shall convey the mineral estate excluded from
27 conveyance under (g)(2) of this section.

28 (i) The responsibility for the management of land conveyed to the Board of
29 Regents in trust for the University of Alaska under this section vests with the Board of
30 Regents in trust for the University of Alaska on the date of recording of that
31 conveyance.

1 (j) The Board of Regents of the University of Alaska is entitled to receive any
2 income derived from land conveyed to the Board of Regents in trust for the University
3 of Alaska under this section accruing after the date of conveyance, including any
4 income accruing from an existing lease, license, contract, prospecting site sale, permit,
5 right-of-way, easement, or trespass claim.

6 (k) Notwithstanding any other provision of this section, within 10 years after
7 conveyance of land under this section, the Board of Regents may reconvey to the
8 Department of Natural Resources land

9 (1) containing hazardous waste that was present on the land before
10 conveyance under this section;

11 (2) on which is located a historic or archeological site that is subject to
12 management under AS 41.35; or

13 (3) that the Board of Regents and the commissioner of natural
14 resources jointly agree is in the best interests of the state and the university to
15 reconvey.

16 (l) After the effective date of this section and before the conveyance of a
17 parcel of land to the Board of Regents in trust for the University of Alaska under this
18 section, the commissioner of natural resources may not convey, without consent of the
19 university, any irrevocable interest in a parcel that is required to be conveyed to the
20 Board of Regents in trust for the University of Alaska under this section.

21 (m) The commissioner of natural resources may make minor adjustments to
22 the maps or legal descriptions of the state land identified for conveyance to the
23 university and described in the document titled "University of Alaska Land Grant List
24 2005," dated January 12, 2005, to correct omissions or errors.

25 (n) Notwithstanding (a) of this section, the following state land described in
26 the document entitled "University of Alaska Land Grant List 2005," dated January 12,
27 2005, may not be conveyed to the University of Alaska under this section:

28 (1) Parcel Number CS.DI.1001, Duke Island;

29 (2) Parcel Number CS.KI.1001, Kelp Island;

30 (3) Parcel Number JU.LM.1001, Lena Creek;

31 (4) Parcel Number KT.1004, Neets Creek;

1 (5) Parcel Number MA.KR.1001, Kodiak Rocket Range;

2 (6) Parcel Number PA.1001, Port Alexander; and

3 (7) Parcel Number ST.1002, Warm Springs Bay.

4 (o) Notwithstanding (a) of this section, each of the following parcels described
5 in the document entitled "University of Alaska Land Grant List 2005," dated
6 January 12, 2005, may not be conveyed to the University of Alaska under this section
7 until all Native allotment applications applicable to that parcel have been denied:

8 (1) Parcel Number PA.1002, Biorka Island;

9 (2) Parcel Number NS.NS.1001, Lisjanski Peninsula.

10 * Sec. 6. AS 14.40.366 is repealed and reenacted to read:

11 **Sec. 14.40.366. Management requirements for university land.** (a) Before
12 the conveyance or the disposal of an interest in the land to a third party, land conveyed
13 to the Board of Regents in trust for the University of Alaska under AS 14.40.365 shall
14 be managed in a manner that, to the extent practicable, permits reasonable activities of
15 the public that do not interfere with the use or management of the land by the
16 university.

17 (b) For land conveyed to the Board of Regents in trust for the University of
18 Alaska under AS 14.40.365, the Board of Regents shall

19 (1) seek public comment on proposals for land development,
20 exchange, or sale; and

21 (2) adopt policies that require the preparation of land development
22 plans and land disposal plans.

23 (c) The Board of Regents shall adopt policies requiring public notice before
24 approval of land development plans and land disposal plans. The policies must
25 require that the notice be provided not less than 30 days before the proposed action
26 and that the notice be

27 (1) sent to local legislators, municipalities, and legislative information
28 offices in the vicinity of the action and at other locations as the university may
29 designate;

30 (2) published in newspapers of general circulation in the vicinity of the
31 proposed action at least once each week for two consecutive weeks; and

1 (3) published on state and university public notice Internet websites.

2 (d) In this section, "development, exchange, or sale" does not include the grant
3 of an easement or right of way or the development of a campus facility.

4 * Sec. 7. AS 14.40.400(a) is amended to read:

5 (a) The Board of Regents shall establish a separate endowment trust fund in
6 which shall be held in trust in perpetuity all

7 (1) net income derived from the sale or lease of the land granted under
8 the Act of Congress approved January 21, 1929, as amended;

9 (2) net income derived from the sale, lease, or management of the land
10 [SELECTED BY AND] conveyed to the Board of Regents in trust for the
11 University of Alaska under AS 14.40.365; however, the amount deposited in the
12 endowment trust fund under this paragraph resulting from mineral lease
13 royalties and royalty sales proceeds may not be less than 25 percent of all such
14 mineral lease royalties and royalty sales proceeds received by the university; and

15 (3) monetary gifts, bequests, or endowments made to the University of
16 Alaska for the purpose of the fund.

17 * Sec. 8. AS 14.40.461 is repealed and reenacted to read:

18 **Sec. 14.40.461. University research forest.** (a) For the purpose of
19 advancing research into forest practices, ecology, wildlife management, and
20 recreation, a university research forest is established on land described as the
21 "University Research Forest" and identified for conveyance to the Board of Regents in
22 trust for the University of Alaska in the document titled "University of Alaska Land
23 Grant List 2005," dated January 12, 2005.

24 (b) Before conveyance of university research forest land to the Board of
25 Regents in trust for the University of Alaska under AS 14.40.365(b), the commissioner
26 of natural resources shall manage the university research forest to accomplish the
27 purposes of this section and in accordance with state land use plans adopted under
28 AS 38.04.065, forest management plans adopted under AS 41.17.230, and other
29 provisions of law applicable to state-owned land.

30 (c) Notwithstanding the limitations of AS 14.40.365(l), on or before the date a
31 parcel is required to be conveyed to the Board of Regents of the University of Alaska

1 under AS 14.40.365(b), the commissioner of natural resources may

2 (1) convey an irrevocable interest in land located in the research forest
3 that terminates or returns to the state on or before the date the parcel is required to be
4 conveyed under AS 14.40.365(b);

5 (2) sell timber rights and dispose of other renewable resources located
6 in the research forest.

7 (d) After conveyance of university research forest land to the Board of
8 Regents in trust for the university under AS 14.40.365(b), the Board of Regents may
9 disestablish some or all of the university research forest established by this section,
10 and dispose of, or develop, land within the former research forest, if the Board of
11 Regents first

12 (1) provides to the public and the commissioner of natural resources
13 reasonable notice and an opportunity for comment on the board's proposed decision
14 regarding disestablishment;

15 (2) considers comments received from the public and the
16 commissioner of natural resources under (1) of this subsection;

17 (3) evaluates whether the objectives of advancing research into forest
18 practices, ecology, wildlife management, and recreation can be accomplished without
19 retaining some or all of the research forest;

20 (4) determines, following notice and any public comment by local
21 timber industry representatives, that disposal of the land will not interfere with
22 commercially viable timber harvest resource development; and

23 (5) concludes that it is in the best interest of the university to
24 disestablish some or all of the research forest.

25 * Sec. 9. AS 29.65.030 is amended by adding a new subsection to read:

26 (d) For the purpose of determining the general land grant entitlement under (a)
27 of this section, the maximum total acreage of vacant, unappropriated, unreserved land
28 within the boundaries of the municipality between the date of its incorporation and
29 two years after that date shall be increased by the amount of land located within the
30 boundaries of the municipality that is transferred to the University of Alaska under
31 AS 14.40.365.

- 1 * **Sec. 10.** AS 14.40.368 is repealed.
- 2 * **Sec. 11.** This Act takes effect July 1, 2005.

Senate Resources Committee Hearing
Amendments in CSHB 130
Department of Natural Resources
April 7, 2005

The University Lands bill, (SB 96 and HB 130) was amended in House Resources. The Committee Substitute for HB 130 includes amendments to protect public access, make minor boundary adjustments, correct miscellaneous errors and omissions in the land list, address Native Allotments, protect timber harvest in the University Research Forest, ensure that potential municipalities do not receive less acreage as a result of the bill, and codify public notice requirements for the University. The CSHB 130 also eliminates seven parcels from the land list including: Neets Bay, Kodiak Launch Complex, Warm Springs Bay, Lena Creek, Port Alexander, Kelp Island and Duke Island. The amendments in the CS reduce the acreage by approximately 7000 acres. This brings the total acreage to approximately 253,000. A more detailed analysis of the CS follows.

page 5, line 27-28 - section on reserving valid existing rights, added "including a federal, state, or municipal agency" (DOT's request)

page 6, line 2-4 was added to allow DNR to reserve existing access routes, trails, roads in addition to those required under AS 38.05.127

page 7, lines 21-24, new section (m) allows DNR to make minor boundary adjustments to correct errors and omissions in the Lands List

page 7 - 8, new section (n) deletes seven parcels from the land list. These are:

- (1) Parcel Number CS.DI.1001, Duke Island;
- (2) Parcel Number CS.KI.1001, Kelp Island;
- (3) Parcel Number JU.LM.1001, Lena Creek;
- (4) Parcel Number KT.1004, Neets Creek;
- (5) Parcel Number MA.KR.1001, Kodiak Rocket Range;
- (6) Parcel Number PA.1001, Port Alexander; and
- (7) Parcel Number ST.1002, Warm Springs Bay.

page 8, lines 4-6, new section (o) prevents DNR from conveying two parcels (Biorka Island and Lisianski Peninsula) "until all Native Allotment applications ...have been denied"

Page 8, Section 6, was amended to reinstate more of what was in the 2000 Legislature's SB 7 regarding UA's process

Page 10, lines 20-22 were added as an additional requirement before land in the University Research Forest can be disposed of, specifically "that the disposal of the land will not interfere with commercially viable timber harvest and resource development".

Page 10, new section 9, adds to AS 29.65 a requirement that DNR include the acreage conveyed to UA under this bill when calculating entitlements for new municipalities. This provision prevents the acreage of their entitlement from being impacted by transfer to the University.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 130
 (H) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title: Draft University Lands Bill RDU _____
 Component _____
 Sponsor: Rules Committee
 Requester: Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Passage of this legislation would have no fiscal impact.

Prepared by: Sarah Gilbertson
 Division: Legislative Liaison
 Approved by: Acting Commissioner Wayne Regelin
 Agency: Alaska Department of Fish & Game

Phone 465-6137
 Date/Time 1/25/05 4:55 PM
 Date 1/25/2005

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 130
 (H) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title: "An Act granting certain state lands to the RDU: CIVIL
University of Alaska. Component: Natural Resources
 Sponsor: Possible Governor Component No. _____
 Requester: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	18.6					
Travel	0.1					
Contractual	2.1					
Supplies	0.4					
Equipment	0.4					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	21.6	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	21.6					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	21.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill is intended to expedite the conveyance of state land to the University of Alaska initiated under prior legislation, ch. 136, SLA 2000. The Department of Law does not anticipate a significant long-term fiscal impact from passage of this legislation; however, it is clear that court tests on the land agreement may be expected. It is estimated that approximately 100 attorney hours might be required in defending such challenges.

Prepared by: Kathryn Daughhete, Director Phone 465-5427
 Division: Administrative Services Date/Time 1/11/05 11:28 AM
 Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 1/11/2005
 Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 130
 (H) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title: Grant of Lands to the University of Alaska RDU: Resource Development
 Component: Title Acquisition and Defense
 Sponsor: Rules
 Requester: Governor Component No: 2459

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	72.0	72.0	72.0	0.0	0.0	0.0
Travel	2.5	2.5	0.0	0.0	0.0	0.0
Contractual	300.5	236.7	5.5	0.0	0.0	0.0
Supplies	5.0	5.0	5.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	380.0	316.2	82.5	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (***)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	380.0	316.2	82.5	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	380.0	316.2	82.5	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	1	1	1	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires DNR to convey title to 260,000 acres of specifically identified parcels to the University of Alaska by June 30, 2007. Conveying the title (including title search, reserving easements, reserving navigable waters, and resolving any title problems) requires staff time to prepare legal descriptions, determine condition of title and resolve problems that are discovered, prepare conveyance documents and update the state's computerized records system. Because of these requirements, and due to a shortage of existing trained staff, contractual monies have been requested to outsource the title work to private contractors. It is anticipated that one full-time staff position will be necessary.

One (1) Natural Resource Manager I for 3 years (FY06, FY07 and FY08) at a cost of \$72,000/year, to coordinate, issue title contract and oversee the work of the contractors, to serve as the point of

Prepared by: Bob Loeffler Phone: 269-8625
 Division: Mining, Land and Water Date/Time: 1/12/2005
 Approved by: Tom Irwin, commissioner Date: 1/12/2005
 Agency: Natural Resources

(Analysis cont.)

contact for the project, coordinating with University staff, and reviewing the title research. This position will also be responsible for resolving any clouds on title issues.

Other costs include occasional travel to perform title research or survey inspection work. Contractual also includes office space rental (\$6,200 per person/year), phones, photo-copying, postage, etc. Supplies include basic office supplies and computer/software purchases.

This bill is intended to expedite the conveyance of state lands, including the mineral estate, to the University of Alaska by conveying to the Board of Regents by quitclaim deed those state lands identified for conveyance to the University in a document entitled "University of Alaska Land Grant List 2005." This "Land Grant List" includes lands that make up part of the Nenana oil and gas basin.

***Based on the subsurface information currently available, the Nenana basin is thought to be gas-prone. DNR believes that the gas potential of this basin ranges from moderate to good. The basin is also in close proximity to markets in Fairbanks. Andex Resources currently has an oil and gas exploration license for part of the Nenana Basin. It is impossible without further exploration to predict the exact fiscal impacts. However, the conveyance of part of the Nenana oil and gas basin to the University of Alaska could result in a significant new source of revenue and /or energy for the University with a corresponding decrease in general and permanent fund revenues.

There is a similar but lesser impact from transferring the surface and subsurface from other lands that DNR would otherwise sell or lease. That is, the Department anticipates an unspecified decrease in future revenues from the loss of these lands.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: HB 130
 (H) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: University of Alaska
 Title: University Lands RDU: Statewide Programs & Services
 Component: Statewide Services
 Sponsor: House Rules Committee
 Requester: Governor Murkowski Component No. 730

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	500.0	250.0	250.0	250.0	250.0	250.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
TOTAL OPERATING	500.0	250.0	250.0	250.0	250.0	250.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)	500.0	250.0	250.0	250.0	250.0	250.0
TOTAL	500.0	250.0	250.0	250.0	250.0	250.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

In the short term (6 years) this bill would provide very little operating revenue, due to the fact that the funding resulting from this bill is deposited into UA's Land Grant Trust Fund (LGTF, an endowment that has a payout policy similar to the POMV principles i.e., 5% of the prior five year endowment average), however in the long term, after substantial additions to the LGTF endowment UA can see modest operating revenue i.e., in approximately 20 years UA anticipates annual investment earnings on new land sales to reach 1% of state general fund support or \$2.6M.

UA Land Management will add minimal staff to accomplish management of the new lands as this land transfer would roughly replace land inventory available for sale. Land Management operating costs are already considered in the net revenue projections.

Prepared by: Pat Pitney, Associate Vice President Phone _____
 Division: Planning and Budget Development Date/Time 2/4/05 2:18 PM
 Approved by: Pat Pitney, Associate Vice President Date 2/4/2005
 Agency: Planning and Budget Development

**Annual Land Sales Investment Endowment
(All Figures x\$1,000)**

<u>Fiscal Year</u>	<u>UA LGTF Endowment Annual Additional Principle</u>	<u>UA LGTF Endowment Cumulative Increment</u>	<u>UA Annual Operating Revenue (Based on UA LGTF endowment using POMV principles 5% of prior 5 year endowment average)</u>
FY2006	2,000.0	2,000.0	0.0
FY2007	3,000.0	5,000.0	0.0
FY2008	4,000.0	9,000.0	30.0
FY2009	5,000.0	14,000.0	100.0
FY2010	5,000.0	19,000.0	220.0
FY2011	5,000.0	24,000.0	390.0
FY2012	5,000.0	29,000.0	610.0
FY2013	5,000.0	34,000.0	850.0
FY2014	5,000.0	39,000.0	1,100.0
FY2015	5,000.0	44,000.0	1,350.0
FY2016	5,000.0	49,000.0	1,600.0
FY2017	5,000.0	54,000.0	1,850.0
FY2018	5,000.0	59,000.0	2,100.0
FY2019	5,000.0	64,000.0	2,350.0
FY2020	5,000.0	69,000.0	2,600.0

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 96
 (S) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: University of Alaska
 Title: University Lands RDU: Statewide Programs & Services
 Component: Statewide Services
 Sponsor: House Rules Committee
 Requester: Governor Murkowski Component No.: 730

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	500.0	250.0	250.0	250.0	250.0	250.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
TOTAL OPERATING	500.0	250.0	250.0	250.0	250.0	250.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)	500.0	250.0	250.0	250.0	250.0	250.0
TOTAL	500.0	250.0	250.0	250.0	250.0	250.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

In the short term (6 years) this bill would provide very little operating revenue, due to the fact that the funding resulting from this bill is deposited into UA's Land Grant Trust Fund (LGTF, an endowment that has a payout policy similar to the POMV principles i.e., 5% of the prior five year endowment average), however in the long term, after substantial additions to the LGTF endowment UA can see modest operating revenue i.e., in approximately 20 years UA anticipates annual investment earnings on new land sales to reach 1% of state general fund support or \$2.6M.

UA Land Management will add minimal staff to accomplish management of the new lands as this land transfer would roughly replace land inventory available for sale. Land Management operating costs are already considered in the net revenue projections.

Prepared by: Pat Pitney, Associate Vice President Phone: _____
 Division: Planning and Budget Development Date/Time: 2/4/05 2:18 PM
 Approved by: Pat Pitney, Associate Vice President Date: 2/4/2005
 Agency: Planning and Budget Development

Annual Land Sales Investment Endowment
(All Figures x\$1,000)

<u>Fiscal Year</u>	<u>UA LGTF Endowment Annual Additional Principle</u>	<u>UA LGTF Endowment Cumulative Increment</u>	<u>UA Annual Operating Revenue (Based on UA LGTF endowment using POMV principles 5% of prior 5 year endowment average)</u>
FY2006	2,000.0	2,000.0	0.0
FY2007	3,000.0	5,000.0	0.0
FY2008	4,000.0	9,000.0	30.0
FY2009	5,000.0	14,000.0	100.0
FY2010	5,000.0	19,000.0	220.0
FY2011	5,000.0	24,000.0	390.0
FY2012	5,000.0	29,000.0	610.0
FY2013	5,000.0	34,000.0	850.0
FY2014	5,000.0	39,000.0	1,100.0
FY2015	5,000.0	44,000.0	1,350.0
FY2016	5,000.0	49,000.0	1,600.0
FY2017	5,000.0	54,000.0	1,850.0
FY2018	5,000.0	59,000.0	2,100.0
FY2019	5,000.0	64,000.0	2,350.0
FY2020	5,000.0	69,000.0	2,600.0

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 96
(S) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title: Draft University Lands Bill RDU: _____
Sponsor: Rules Committee Component: _____
Requester: Governor Component No: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
Passage of this legislation would have no fiscal impact.

Prepared by: Sarah Gilbertson Phone 465-6137
Division: Legislative Liaison Date/Time 1/25/05 4:55 PM
Approved by: Acting Commissioner Wayne Regelin Date 1/25/2005
Agency: Alaska Department of Fish & Game

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: SB 96
 (S) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title "An Act granting certain state lands to the RDU CIVIL
University of Alas. J..." Component Natural Resources
 Sponsor Possible Governor
 Requester _____ Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	18.6					
Travel	0.1					
Contractual	2.1					
Supplies	0.4					
Equipment	0.4					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	21.6	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	21.6					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	21.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill is intended to expedite the conveyance of state land to the University of Alaska initiated under prior legislation, ch. 136, SLA 2000. The Department of Law does not anticipate a significant long-term fiscal impact from passage of this legislation; however, it is clear that court tests on the land agreement may be expected. It is estimated that approximately 100 attorney hours might be required in defending such challenges.

Prepared by: Kathryn Daughhete, Director Phone 465-5427
 Division: Administrative Services Date/Time 1/11/05 11:28 AM
 Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 1/11/2005
 Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: SB 96
 (S) Publish Date: 2/7/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title: Grant of Lands to the University of Alaska RDU: Resource Development
 Component: Title Acquisition and Defense
 Sponsor: Rules
 Requester: Governor Component No: 2459

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	72.0	72.0	72.0	0.0	0.0	0.0
Travel	2.5	2.5	0.0	0.0	0.0	0.0
Contractual	300.5	236.7	5.5	0.0	0.0	0.0
Supplies	5.0	5.0	5.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	380.0	316.2	82.5	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (**)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	380.0	316.2	82.5	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	380.0	316.2	82.5	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	1	1	1	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires DNR to convey title to 260,000 acres of specifically identified parcels to the University of Alaska by June 30, 2007. Conveying the title (including title search, reserving easements, reserving navigable waters, and resolving any title problems) requires staff time to prepare legal descriptions, determine condition of title and resolve problems that are discovered, prepare conveyance documents and update the state's computerized records system. Because of these requirements, and due to a shortage of existing trained staff, contractual monies have been requested to outsource the title work to private contractors. It is anticipated that one full-time staff position will be necessary.

One (1) Natural Resource Manager I for 3 years (FY06, FY07 and FY08) at a cost of \$72,000/year, to coordinate, issue title contract and oversee the work of the contractors, to serve as the point of

Prepared by: Bob Loeffler Phone: 269-8625
 Division: Mining, Land and Water Date/Time: 1/12/2005
 Approved by: Tom Irwin, commissioner Date: 1/12/2005
 Agency: Natural Resources

(Analysis cont.)

contact for the project, coordinating with University staff, and reviewing the title research. This position will also be responsible for resolving any clouds on title issues.

Other costs include occasional travel to perform title research or survey inspection work. Contractual also includes office space rental (\$6,200 per person/year), phones, photo-copying, postage, etc. Supplies include basic office supplies and computer/software purchases.

This bill is intended to expedite the conveyance of state lands, including the mineral estate, to the University of Alaska by conveying to the Board of Regents by quitclaim deed those state lands identified for conveyance to the University in a document entitled "University of Alaska Land Grant List 2005." This "Land Grant List" includes lands that make up part of the Nenana oil and gas basin.

***Based on the subsurface information currently available, the Nenana basin is thought to be gas-prone. DNR believes that the gas potential of this basin ranges from moderate to good. The basin is also in close proximity to markets in Fairbanks. Andex Resources currently has an oil and gas exploration license for part of the Nenana Basin. It is impossible without further exploration to predict the exact fiscal impacts. However, the conveyance of part of the Nenana oil and gas basin to the University of Alaska could result in a significant new source of revenue and /or energy for the University with a corresponding decrease in general and permanent fund revenues.

There is a similar but lesser impact from transferring the surface and subsurface from other lands that DNR would otherwise sell or lease. That is, the Department anticipates an unspecified decrease in future revenues from the loss of these lands.

University of Alaska Land Grant List 2005



Alaska Department of Natural Resources
January 12, 2005

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER

- 400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FAX: (907) 465-3886
- 550 WEST 7TH AVENUE, SUITE 1400
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8431
FAX: (907) 269-8918

January 14, 2005

Dear Interested Alaskan:

The Governor is announcing new legislation that would transfer 260,000 acres of state land managed by the Department of Natural Resources to the University of Alaska. I am pleased to provide this list of lands for this transfer. The transfer will fulfill the intent of Senate Bill 7 passed by the 2000 Alaska Legislature as Chapter 136 SLA 2000. It will do so in a manner that is quicker, less expensive, and provides more valuable lands to the university than the process envisioned by SB 7.

Background — Senate Bill 7. In 2000, the Alaska Legislature passed SB 7, which provided a 10-year process during which the University of Alaska would select up to 260,000 acres of state-owned land to be conveyed to the university for the primary purpose of generating revenue for the university. Specifically, the bill provided that:

- "most land grant colleges in the western United States have obtained a larger land grant from the federal government than the University of Alaska has received;
- an academically strong and financially secure state university system is a cornerstone to the long-term development of a stable population and to a healthy, diverse economy in the state;
- it is in the best interests of the state and the University of Alaska that the university take ownership of a significant substantial portfolio of income producing land in order to provide income for the support of public higher education in the state;"

SB 7 had a 10-year fiscal note and forecast the need for approximately \$1.7 million each year to complete the selection, decision, and transfer process.

Unfortunately, implementing the bill proved difficult, expensive, time-consuming, and subject to litigation. To date, no lands have been conveyed to the University of Alaska to implement the law. In addition, uncertainty over what state land the university may or may not select creates a disincentive for investment and development, and the 10-year conveyance process had the potential to discourage the development and use of state land.

Land List and Accompanying Legislation. Over the course of the past several years, the University of Alaska and the Department of Natural Resources (DNR) have worked to reach agreement on lands proposed for transfer to the university to fulfill the intent of SB 7. These lands include some that were not selectable under SB 7. However, the proposal includes a portfolio of lands that should produce income for the university both in the near-term and long-term, and will provide more income than was available to the university under the provisions of SB 7. The new

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans"

legislation requested by the Governor eliminates the lengthy selection process required under SB 7 and directs DNR to convey these specific lands to fulfill the 260,000-acre intent of SB 7.

This new legislation provides a single decision for determining what lands will be transferred to the University of Alaska, rather than a protracted 10-year decision process. This is a quicker and significantly less expensive process. It also eliminates the potential disincentive to development because once the legislation passes, the eventual land manager is immediately clear.

Summary of the Lands to be Transferred to the University of Alaska. The lands proposed to be conveyed to the university are summarized below:

Type of Property	No. of Parcels	Approximate Acreage
Investment Properties, Southeast Alaska	44	40,102
Investment Property, Other than Southeast	14	39,222
Nenana Basin Oil and Gas	1	90,000
Educational Properties	12	90,676
Total:	71	260,000

In developing a list of investment properties to be transferred, DNR and the University of Alaska focused primarily on lands that had been designated settlement, general use, or general public recreation in DNR Area Plans. The list does not include any lands designated for timber harvest in Southeast Alaska because conveying these to the university would decrease DNR's allowable cut there. Nor does it include lands tentatively scheduled for sale by DNR within the next five years, as conveying these would leave DNR unable to meet near-term land sale goals. The list does not include lands on which municipal selection applications have been filed. The list does not include any producing oil and gas or mineral properties, nor legislatively designated State Game Refuges, Critical Habitat Areas, Parks, or Public Use Areas.

The 44 parcels in southeast are expected to have the greatest near-term income potential. Because of the limited state land in southeast, these tracts are comparatively small and are distributed throughout southeast Alaska.

The remaining investment properties, distributed throughout the state, include some lands suited for commercial or industrial development, but the majority is suited for residential or recreational development.

The Nenana Basin Oil and Gas property is a single 90,000-acre tract within the Nenana Basin. It is located west of the Nenana River generally across the river from the City of Nenana. DNR and the University believe the tract has significant potential for gas development, and the area is part of the Oil and Gas License owned by Andex Corporation. The tract would be transferred to the University of Alaska subject to the Andex license.


The 12 educational properties are intended to strengthen the University of Alaska's education and research programs. Most are located in the Fairbanks area. The largest is a 51,820-acre tract southwest of Fairbanks within the Tanana Valley State Forest. This area, which includes the Bonanza Creek Experimental Forest, would become the University Research Forest. It will be one of the largest university-related forests in the country and will be an important asset to the university for forestry and related research. For at least the next 50 years, DNR would continue to manage the

public uses in this area, such as recreation, and would continue to use the area for commercial timber sales, consistent with the needs of the University Research Forest.

Land Transfer Process. Under the proposed legislation, DNR will convey the lands to the University of Alaska within three years of the bill's passage. During those three years, DNR will complete the required title search, and will reserve appropriate public access easements, navigable waters, etc. Actual authority for management will change on the date the deeds are recorded.

Conveying these lands will accomplish the goals of SB 7 in a manner that is faster and less expensive than the 10-year process previously envisioned. I am pleased to recommend this portfolio of lands for transfer to the University of Alaska. I believe that these lands will provide the university with significant value and future revenue to help fund public education. The transfer helps fulfill the promise of a land grant University.

Sincerely,



for Tom Irwin
Commissioner

**Land List
Maps**

University of Alaska
Land Grant List 2005
Summary

Total Acreage: 260,000

Type	Acres
Educational Properties	90,676
Nenana Basin Oil and Gas	90,000
Southeast Alaska Investment Properties	40,102
Other Investment Properties (excluding SE)	39,222
Total	260,000

	Percent
Educational Properties	34.9%
Nenana Basin Oil and Gas	34.6%
Southeast Alaska Investment Properties	15.4%
Other Investment Properties (excluding SE)	15.1%
Total	100.0%

Region	Acres
Southeast	40,114
Southcentral	17,110
Northern Interior	202,776
Total	260,000

	Percent
Southeast	15.4%
Southcentral	6.6%
Northern Interior	78.0%
Total	100.0%

University of Alaska Land Grant List 2005

Parcel #	Name	Approx Area in Acres
Non-producing Oil and Gas Resources		
	Nenana Gas Basin Tracts - Mineral *	90,000
	Nenana Gas Basin Tracts - Land **	90,000
	Oil and Gas Resources, Subtotal	90,000
Investment Properties		
Northern/ Interior Region		
DH IS 1001	Dalton Highway MP 48 to 54	1,360
DH SR 1001	Dalton Highway MP 345 to 347	880
MA HR 1001	Haul Road Nodes-Coldfoot	1,700
M1 JC 1001	Jarvis Creek (Mineral)	16,000
FA JC 1001	Jennie M Creek C	5
N1 LS 1001	Lake Snohomish	740
NZ FA 1003	Noyes Slough (See Fairbanks Area Parcels map)	7
N5 RS 1001	Summit Lake (Parks Highway)	960
N1 WT 1001	West Twin Lake	1,560
N5 WL 1001	Wien Lake	1,780
	Northern Interior Region Subtotal	24,992
Southcentral Region		
SU DC 1001	Deception Creek	280
SU FP 1001	Frying Pan Lake	450
MA MC 1001	McCarthy-Nizina	12,500
SU WC 1001	Willow Creek Road	1,000
	Southcentral Region Subtotal	14,230
	Investment Properties Total	39,222

* The mapped extent of the parcel exceeds this amount, but will be reconfigured when the Remote Staking for Teklanika II has been completed to equal approximately 90,000 acres

** The University will provide, at no charge to the state, reasonable access to the state land and resources west and north of the Nenana parcel

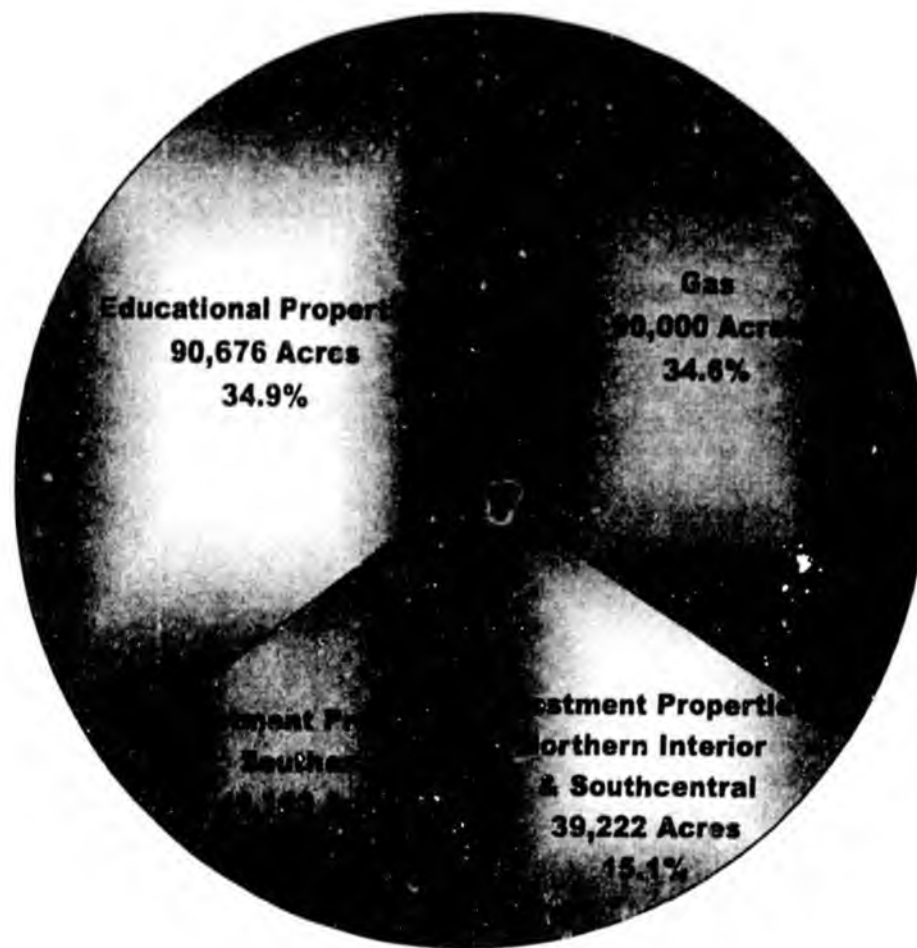
University of Alaska Land Grant List 2005

Parcel #	Name	Approx Area in Acres
Southeast Alaska		
SD 1001	Beecher Pass	1,193
PA 1002	Biorka Island	438
KT 1002	Cleveland Peninsula	~0,055
PW CC 1001	Coffman Cove	1,984
CS DI 1001	Duke Island	1,440
CS EW 1001	Earl West Cove	3,564
PW ED 1001	Edna Bay	250
PW EC 1001	El Capitan North	1,847
PW ES 1005	El Capitan South	865
NS EX 1002	Excursion Inlet	477
SD 1001	Favor Peak	1,290
HA CH 1001	Haines - Chilkoot	60
CR 1001	Harris Road Junction	320
PW HO 1001	Hollis	622
PW HK 1001	Hook Arm	1,280
MF 1002	Idaho Inlet	539
JU NL 1001	Ivanhoe	120
CS KI 1001	Kelp Island	535
CS LE 1001	Leask Cove	460
JU LM 1001	Lena Creek	610
NS NS 1001	Lisianski Peninsula	1,443
JU 1002	Lynn Canal	1,358
NS MI 1001	Middle Island	665
PA 1002	Mite Cove	320
PW MS 1001	Moira Sound/Nowiskay Cove	160
CS MB 1001	Moser Bay	906
PW NA 1001	Naukati Sound	937
KT 1004	Neets Creek	1,500
CS OV 1001	Olive Cove	450
ST 1002	Pelican	851
PA 1001	Port Alexander	267
PA 1001	Port Conclusion (See Port Alexander map)	10
PW PD 1001	Port Delores	1,100
SD 1001	Read Island	706
CS RB 1001	Rowan Bay	665
SD 1001	Sumdum	5
ST 1003	Tenakee Springs	346
SD 1001	Thoms Place	2,360
PW TH 1001	Thorne Bay	2,557
CS TL 1001	Three Lake Road	640
CS WA 1001	Ward Cove	3

University of Alaska Land Grant List 2005

Parcel #	Name	Approx Area in Acres
ST 1002	Warm Springs Bay	267
SD 1001	Whitney Island	316
JU 1001	William Henry Bay	321
	Southeast Region Subtotal	40,102
Educational Properties		
JU AU 1002	Auke Weir	6
LG.PC.01	Carbou-Poker Creeks Drainage	24,250
MA XS 1001	Delta Ag & Forestry Exp Station	363
N2 FA 1004	Fairbanks Parking Garage (includes Court House conveyance)	2
NZ FA 1004	Key Bank Site (See Fairbanks Area Parcels map)	1
MA KR 1001	Kodiak Rocket Range	2,880
MA PF 1002	Poker Flat (Special Use Area)	6,680
MA PF 1001	Poker Flat Lease	533
MA SF 1001	Silver Fox Mine	120
ST 1001	Sitka Campus	6
TV RF 1001	Tok Research Forest	4,015
TV TV 1001	University Research Forest	51,820
	Educational Properties Subtotal	90,676
TOTAL		260,000

Resource Distribution of Parcels

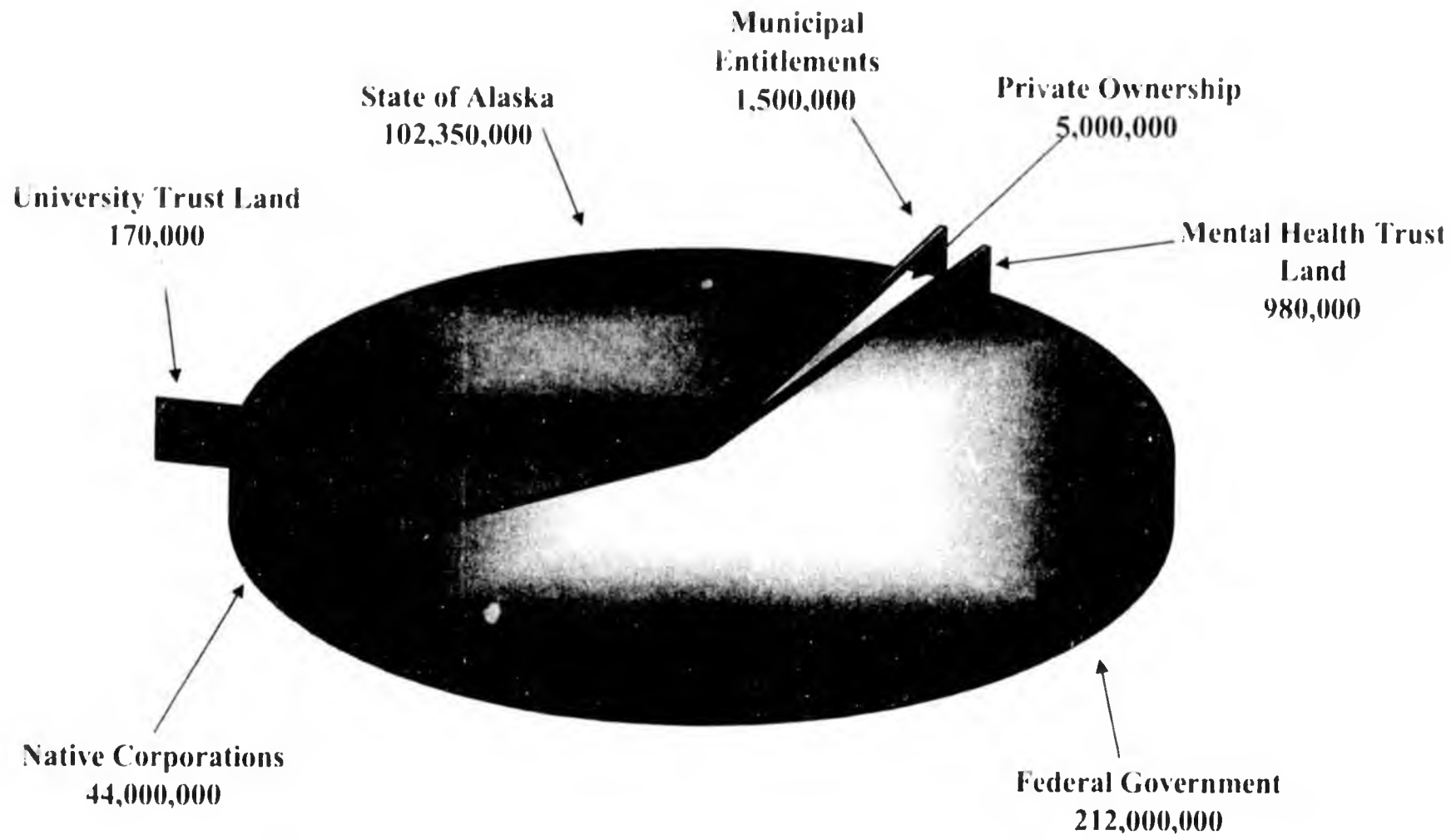


Region Distribution of Parcels



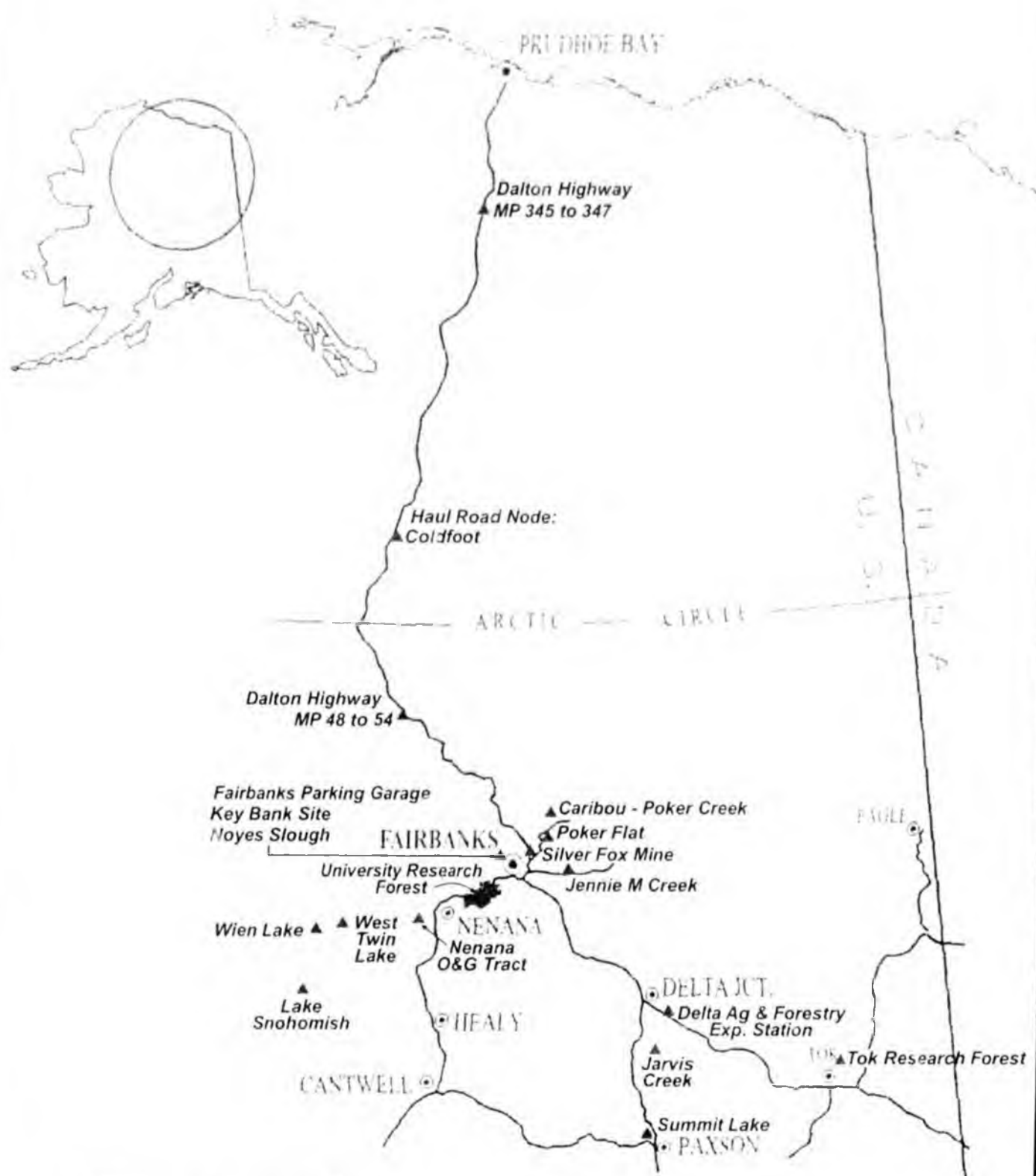
ALASKA LAND OWNERSHIP

(IN ACRES)

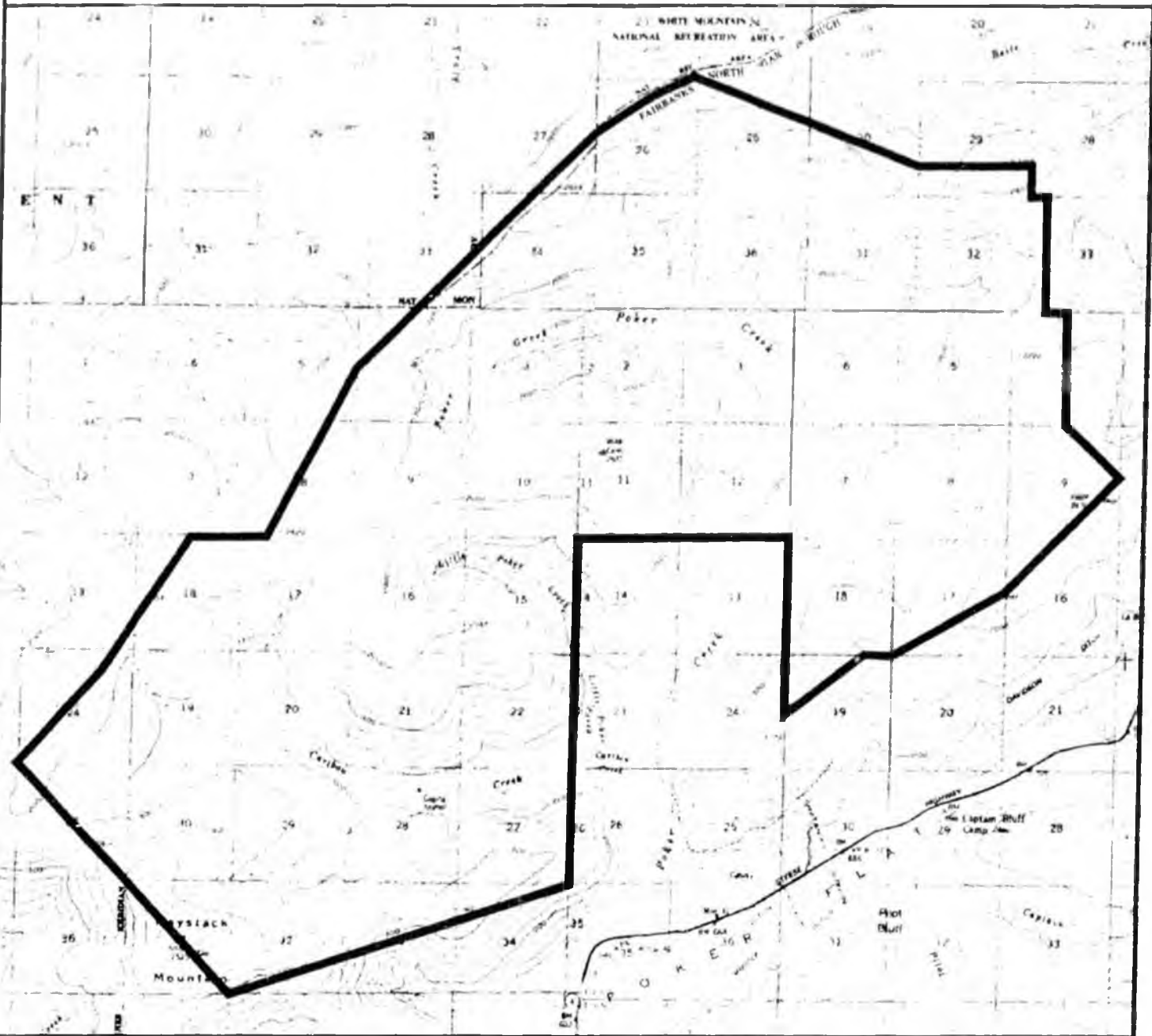


Northern - Interior
Maps

NORTHERN - INTERIOR REGION



Caribou-Poker Creeks Watershed



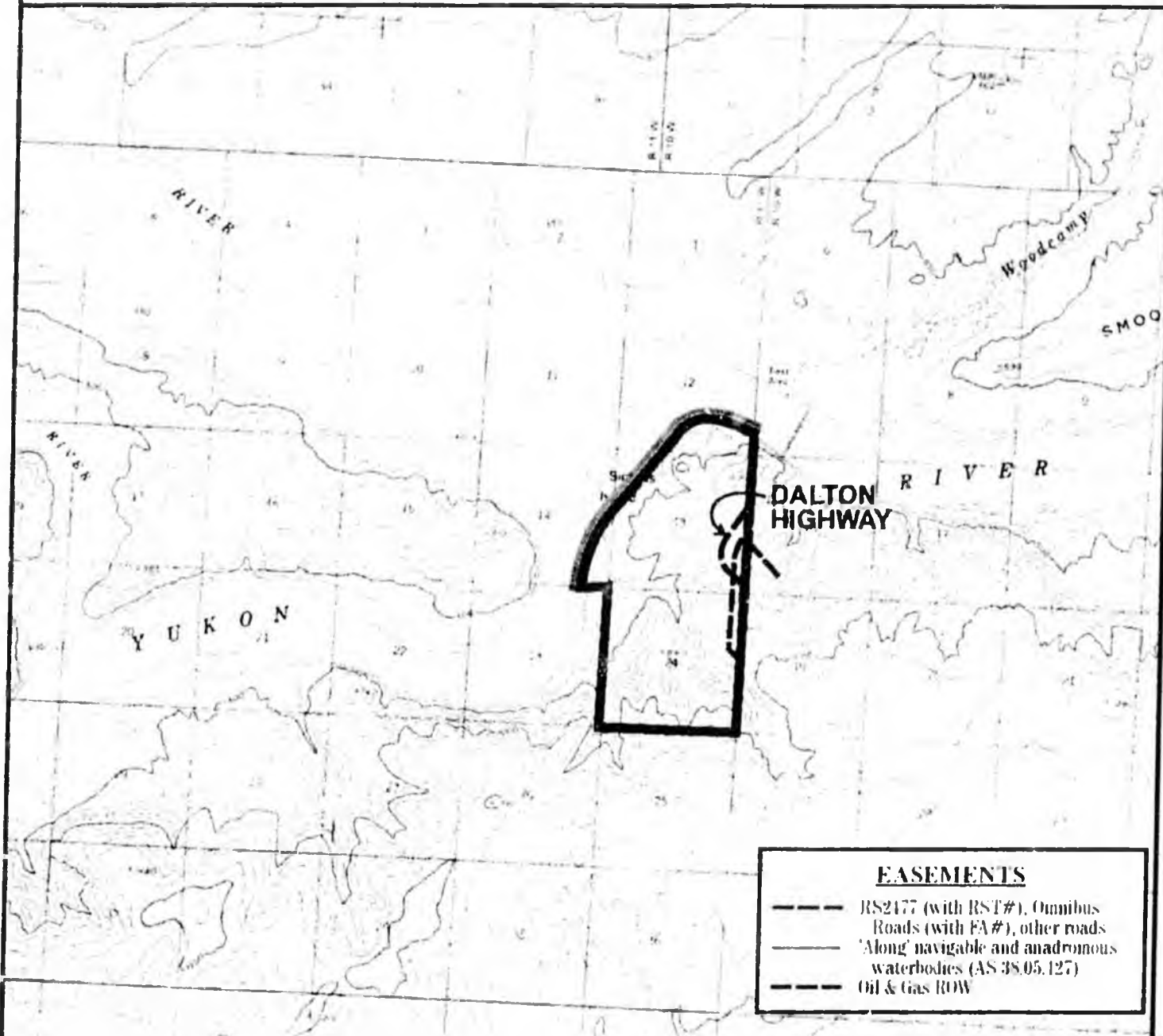
Prepared by: DNR
 Source USGS Livengood A1, A-2
 Date: 12/2004

one mile

Meridian	Township	Range
F	04N	1E-2E

Dalton Highway MP 48 to 54

DH.YR.1001



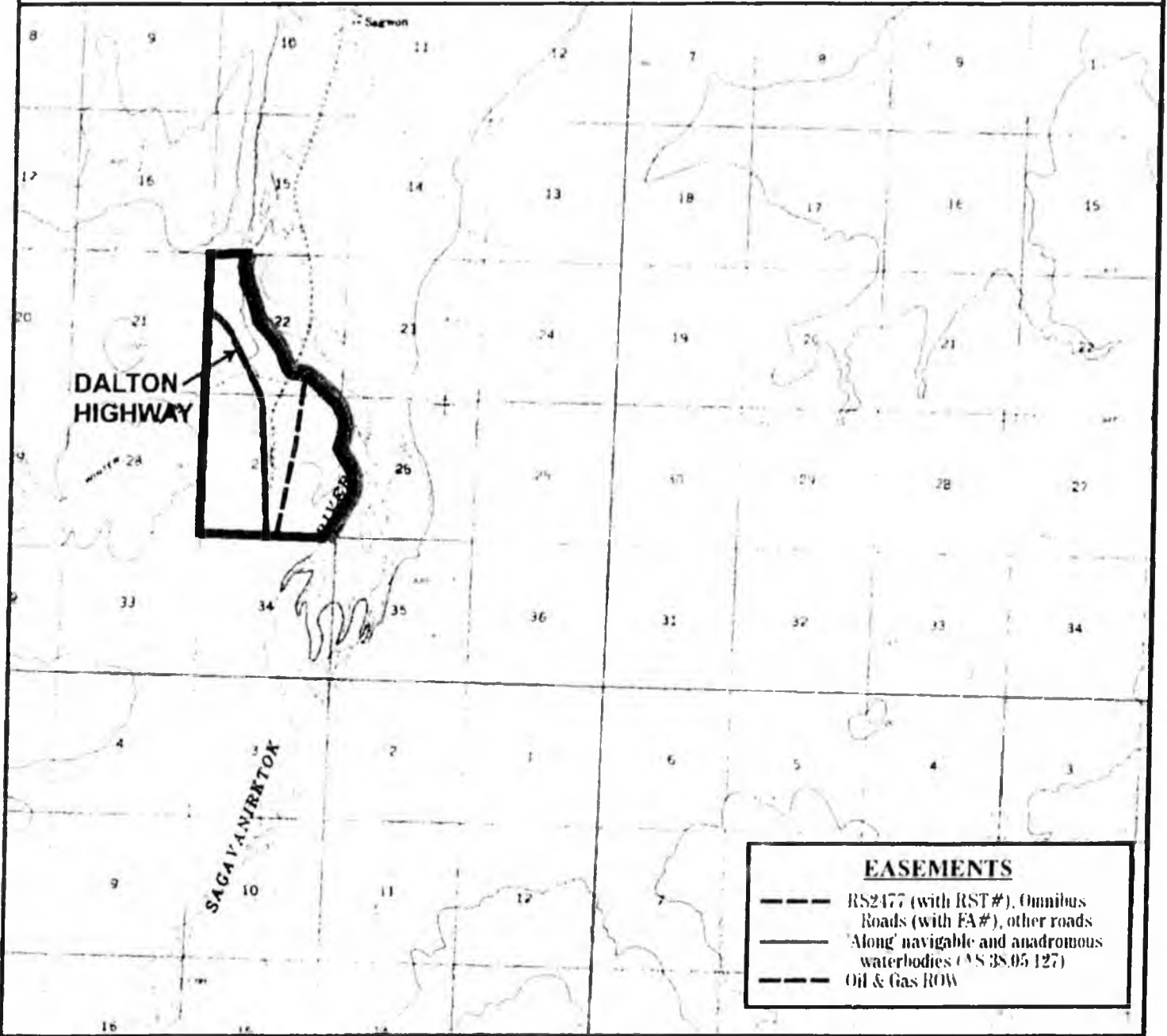
Prepared by: DNR
Source USGS Livengood D-6
Date: 12 2004

one mile

Meridian	Township	Range
FM	12N	10-11W

Dalton Highway MP 345 to 347

DH.SR.1001



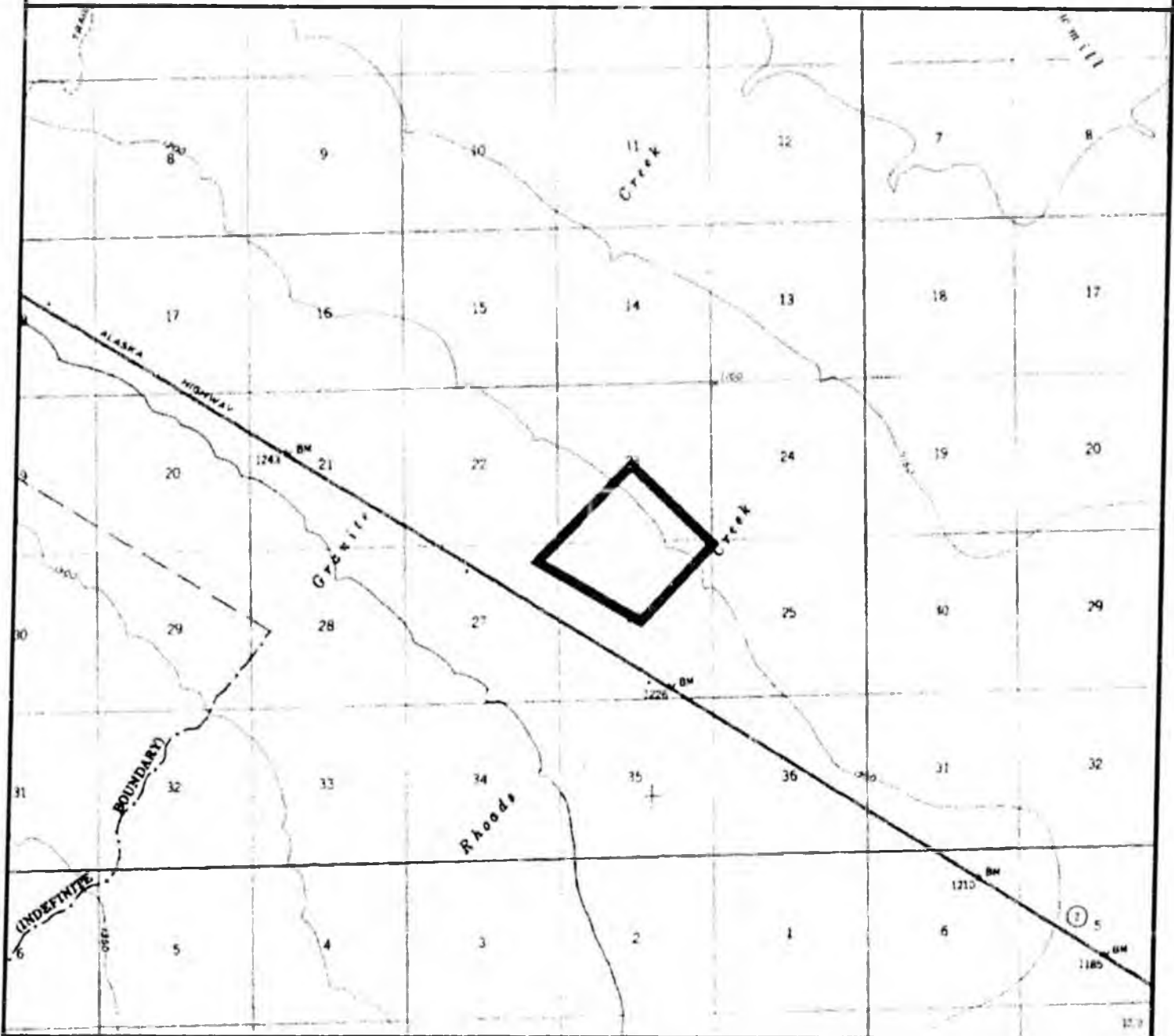
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Source USGS Sagavanirktok B-3
Date: 12 2004

one mile

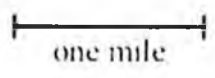
Meridian	Township	Range
UM	1S	14E

Delta Ag & Forestry Exp. Station

MA.XS.1001



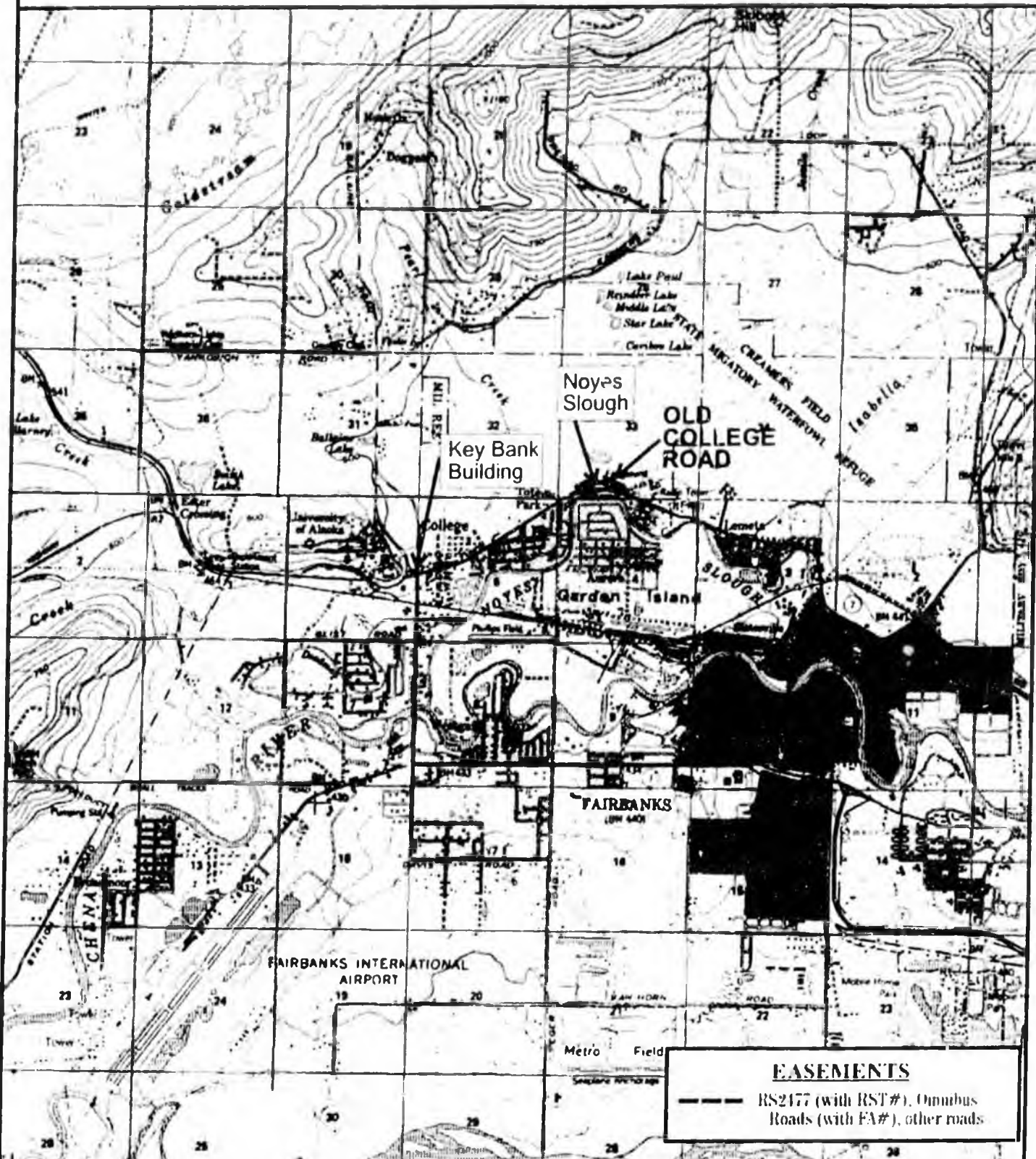
Prepared by: DNR
Source USGS Mt. Hayes D-3
Date: 12/2004



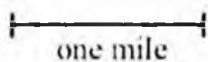
Meridian	Township	Range
FM	11S	12E

Fairbanks Area Parcels

N2.FA.1003
N2.FA.1004



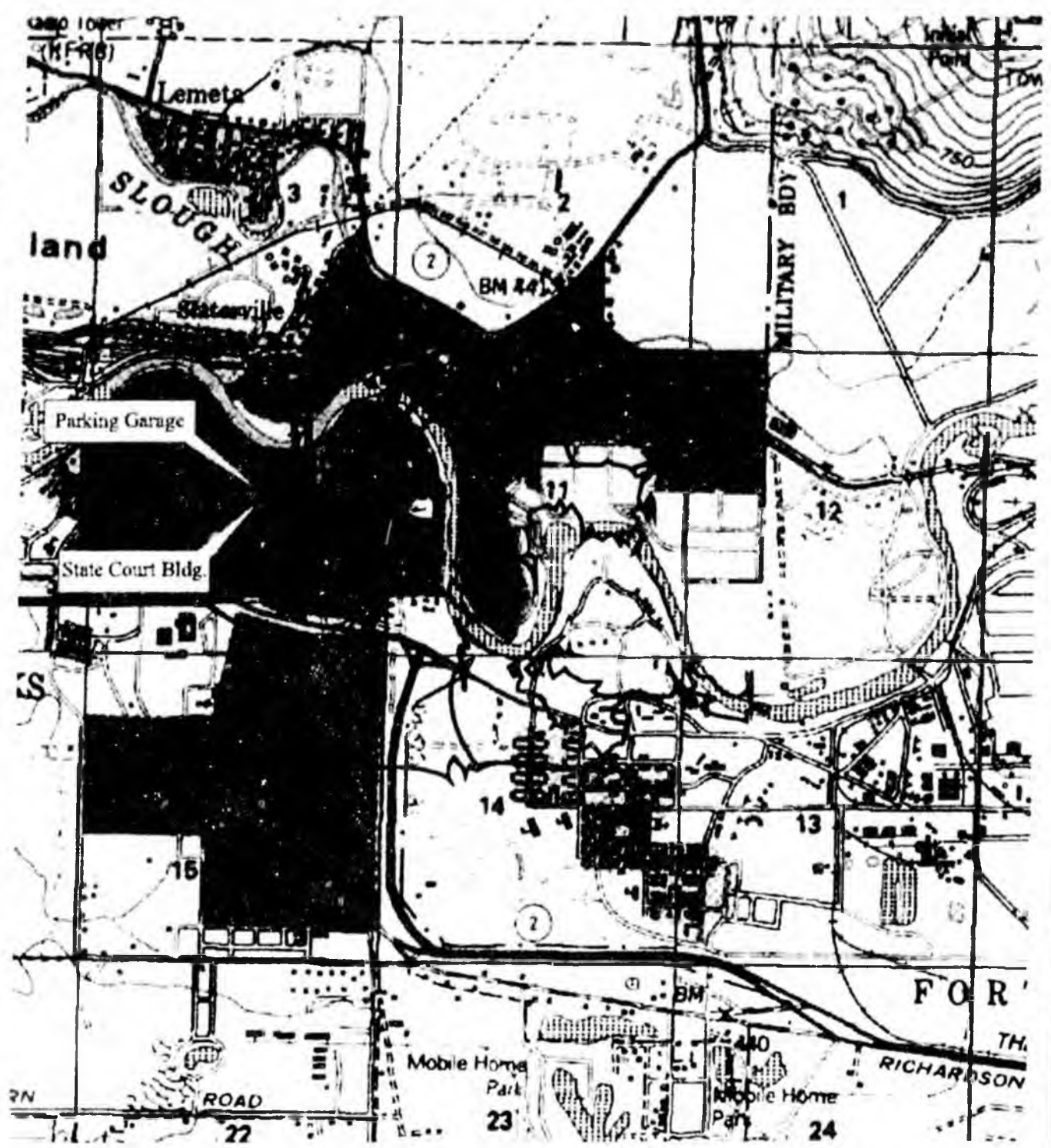
Prepared by: DNR
 Source USGS Fairbanks D2
 Date: 12/2004



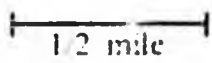
Meridian	Township	Range
FM	1N-1S	1W

Fairbanks Downtown Parcels

N2.FA.1001 Parking Garage
 N2.FA.1002 Old State Court Building



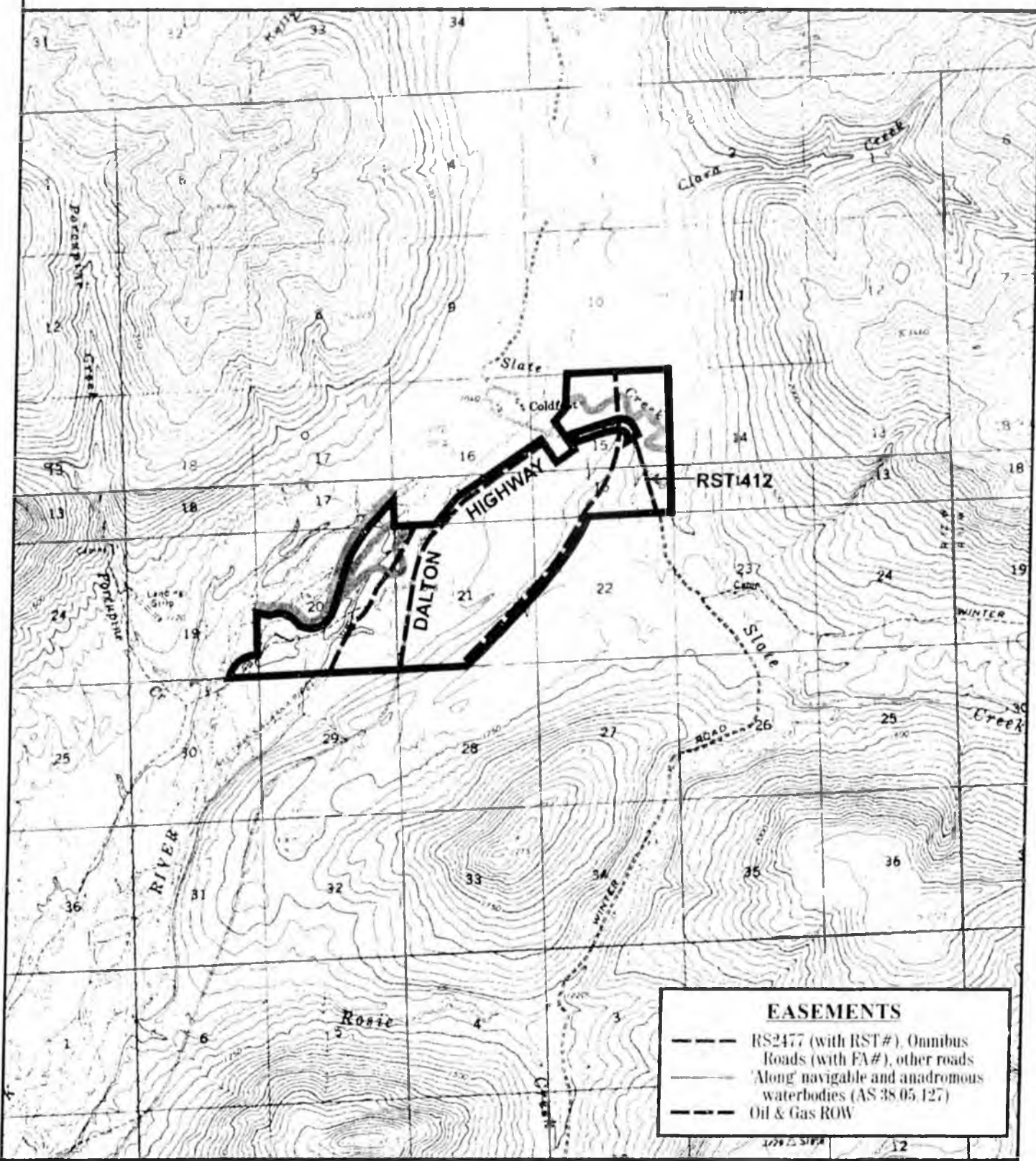
Prepared by: DNR
 Source USGS Fairbanks D-2
 Date: 12/2004



Meridian	Township	Range
F	1S	1W

Haul Road Nodes - Coldfoot

MA.HR.1001

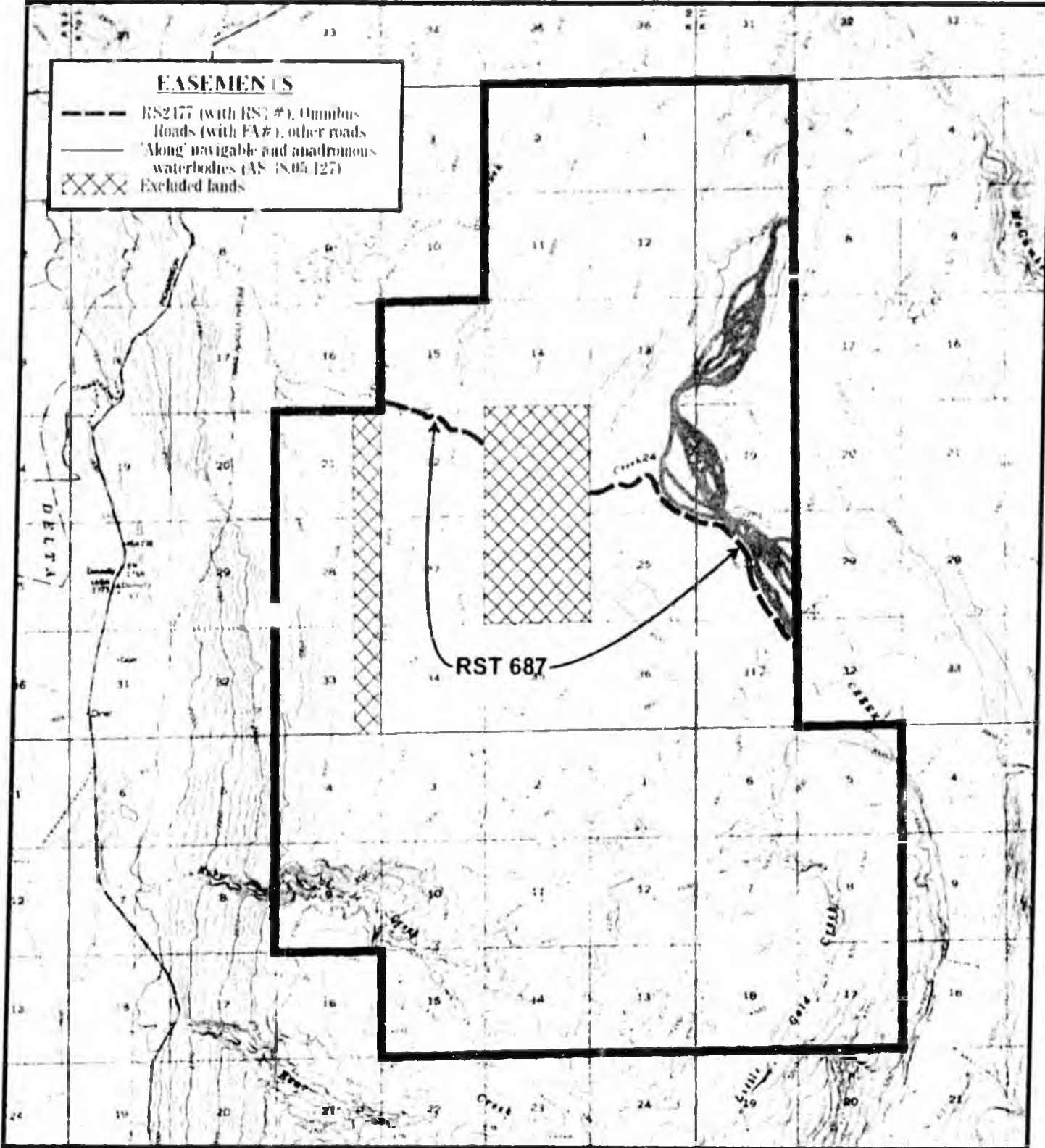


Prepared by: DNR
 Source USGS Wiseman A-1, B-1
 Date: 12/2004

one mile

Meridian	Township	Range
FM	28N	12W

Jarvis Creek Coal Field



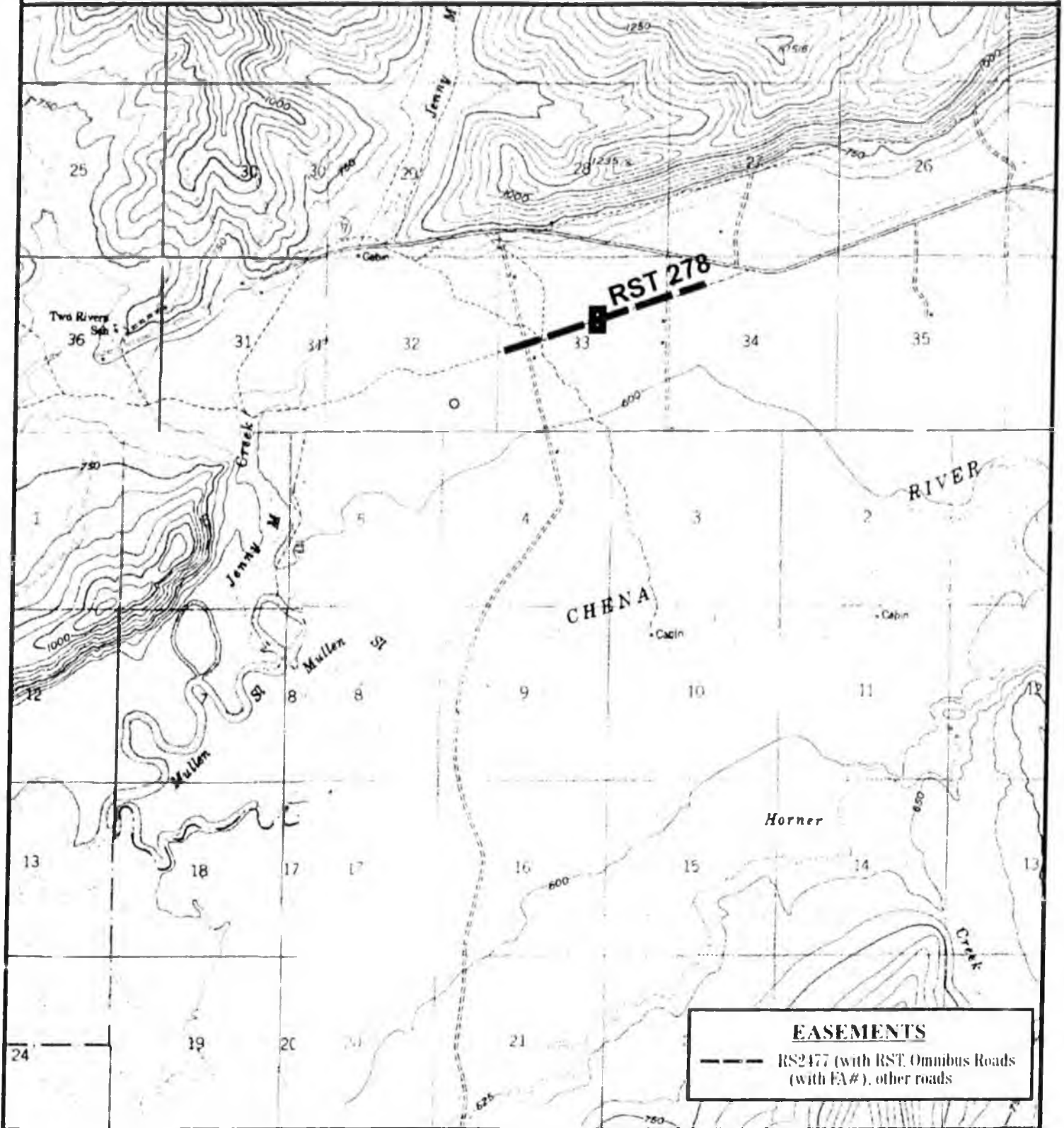
Prepared by: DNR
 Source USGS, Mt. Hayes C-4
 Date: 12/2004

one mile

Meridian	Township	Range
FM	14-15S	10-11E

Jennie M. Creek C

FA.JC.1001



Prepared by: DNR
Source USGS, Big Delta D-6, Fairbanks D-1
Date: 12/2004

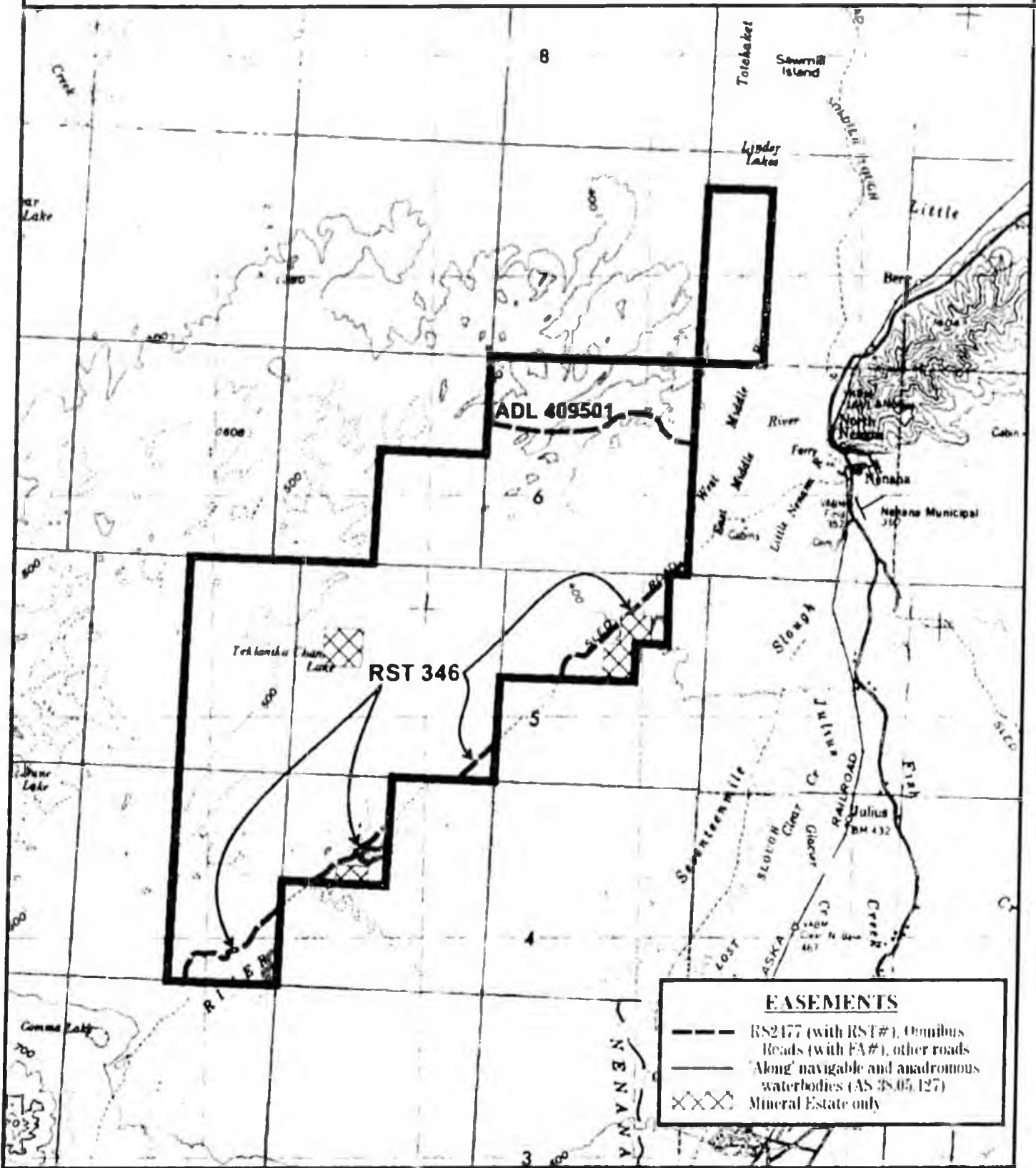
one mile

Meridian
FM

Township
1N

Range
4E

Nenana Oil & Gas Tract



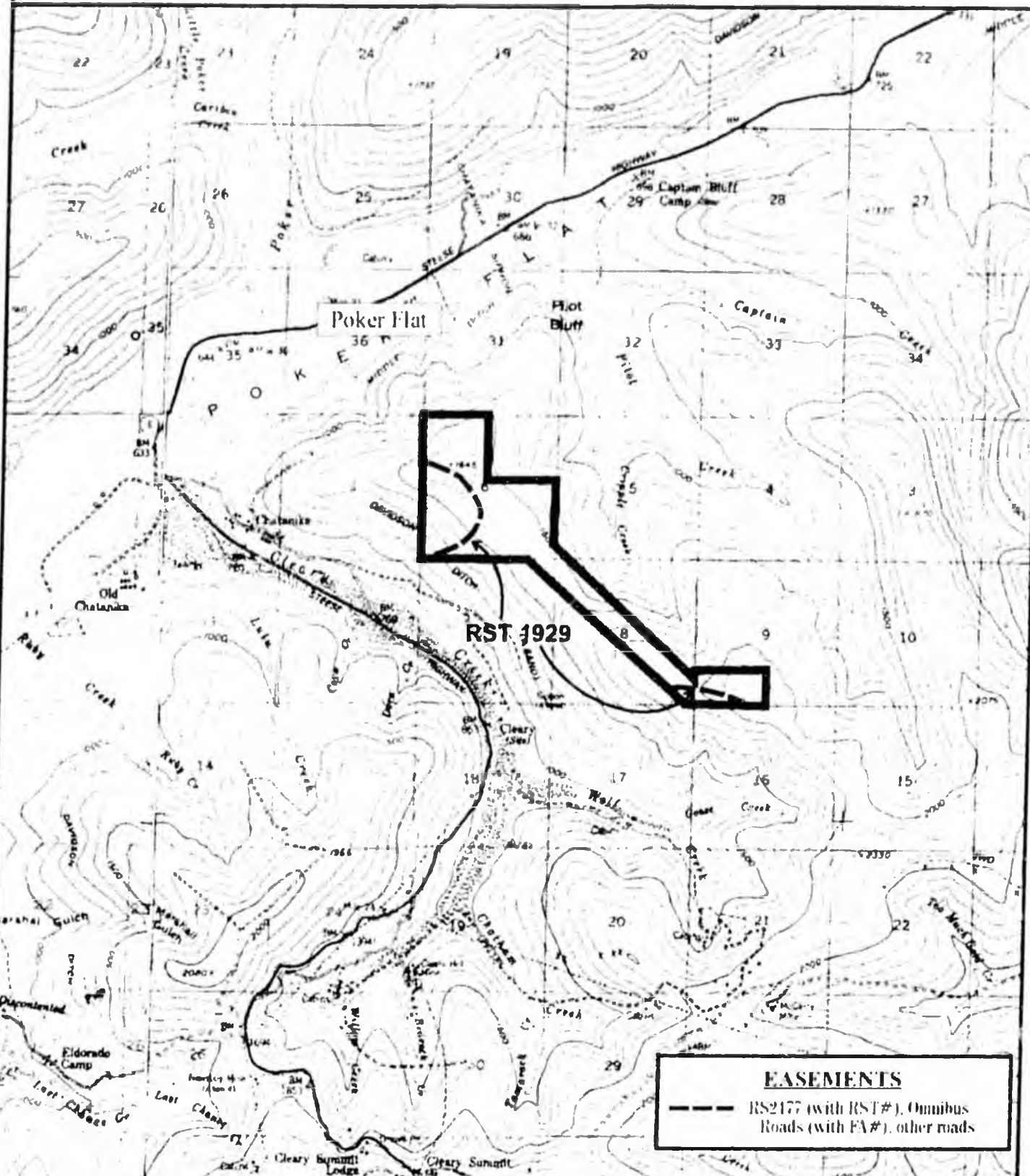
Prepared by: DNR
 Source USGS, Fairbanks B-5 B-6, C-5, C-6
 Date: 12/2004

Meridian Township Range
 FM 3, 4, 5, 6S 8, 9, 10, 11E

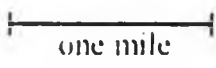
6 miles

Poker Flat Lease

MA.PF.1001



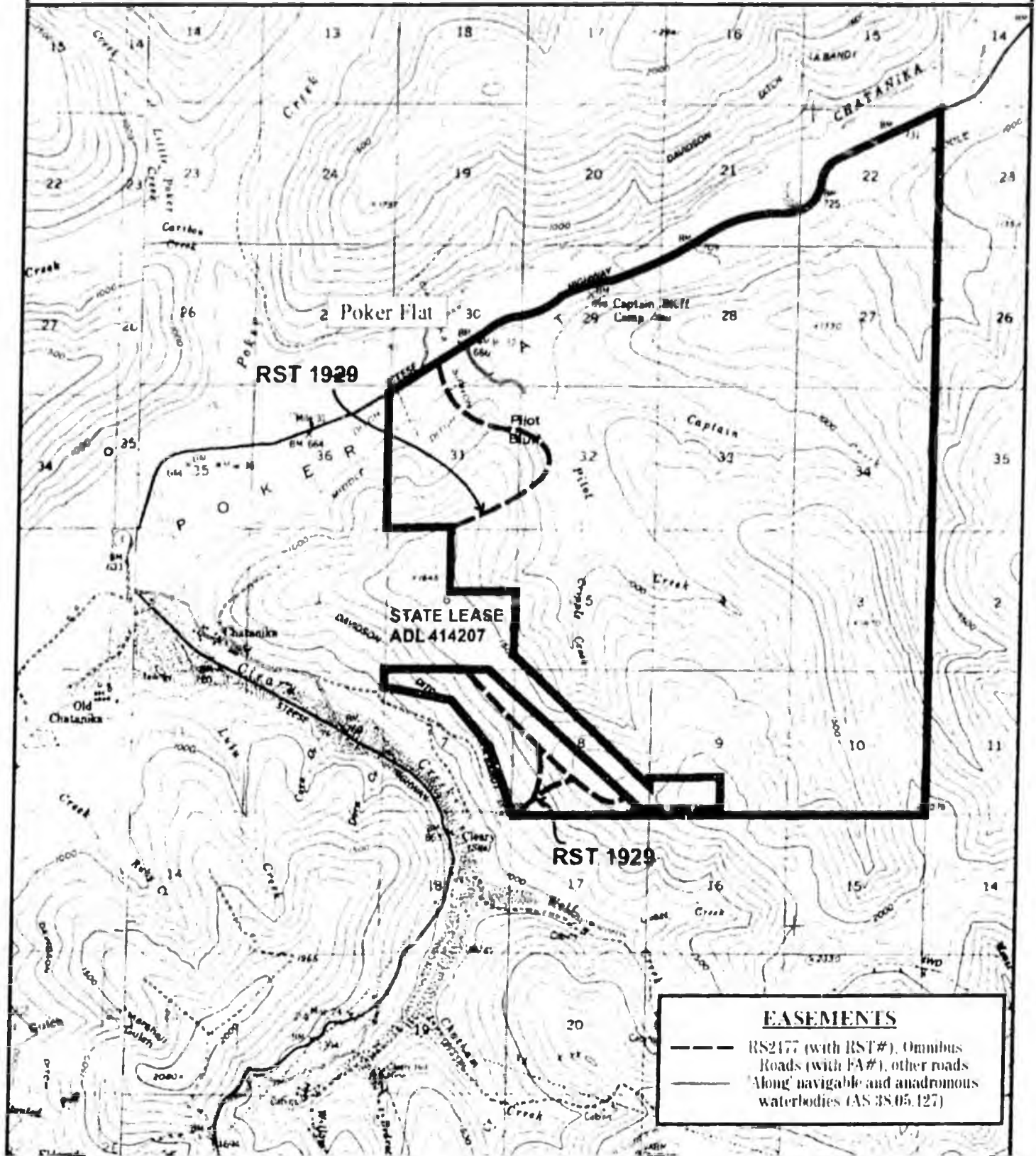
Prepared by: DNR
Source USGS, Livengood A-1
Date: 12/2004



Meridian	Township	Range
FM	3N	2E

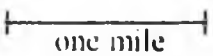
Poker Flat (SUA)

MA.PF.1002



EASEMENTS
 - - - RS2177 (with RST#), Omnibus Roads (with FA#), other roads
 — Along navigable and anadromous waterbodies (AS 38.05.127)

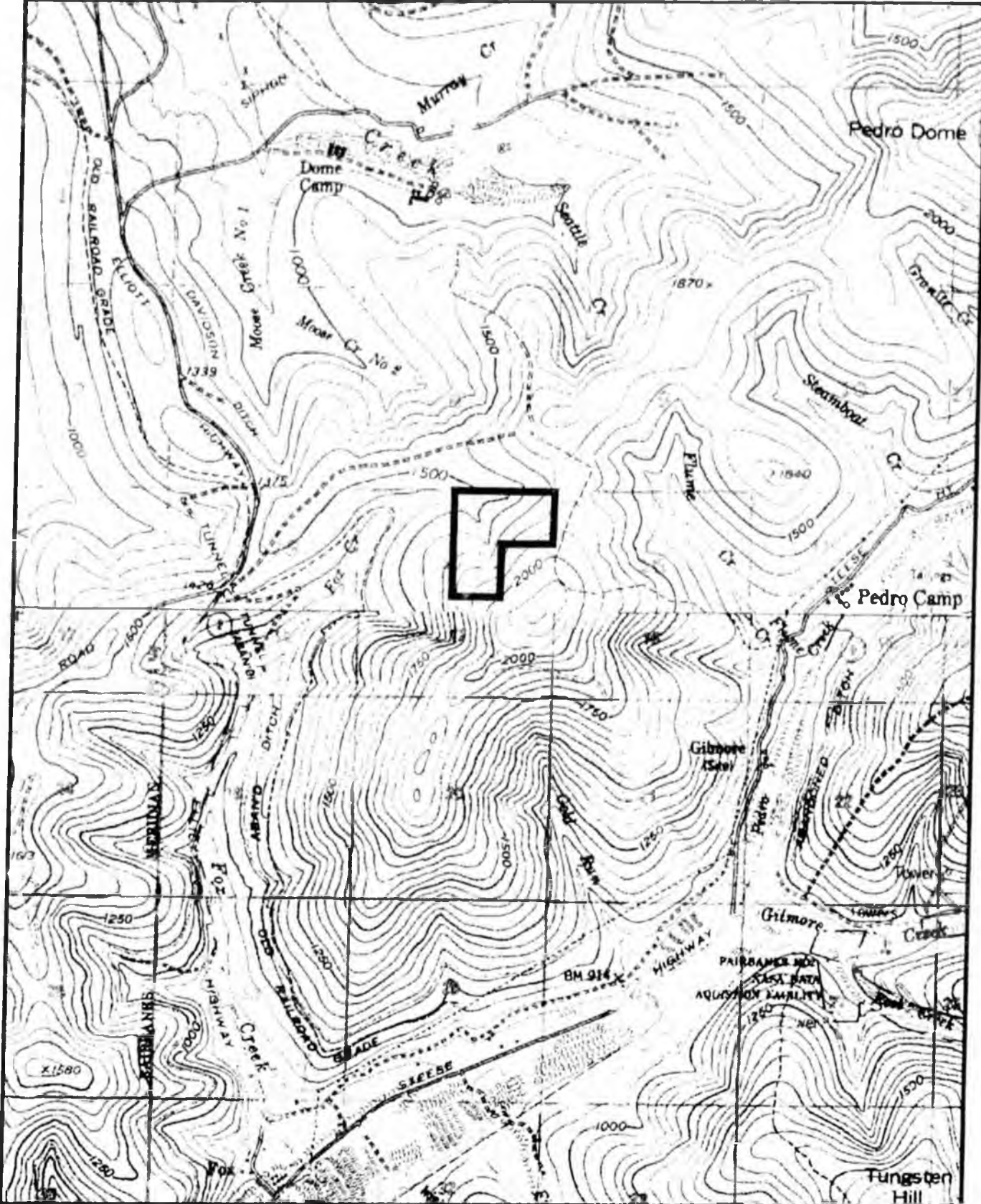
Prepared by: DNR
 Source USGS, Livengood A-1
 Date: 12/2004



Meridian	Township	Range
FM	3-4N	2E

Silver Fox Mine

MA.SF.1001



Prepared by: DNR/rhc
 Source USGS, Livengood A-2
 Date: 12/2004



Meridian FM Township 2N Range RIE

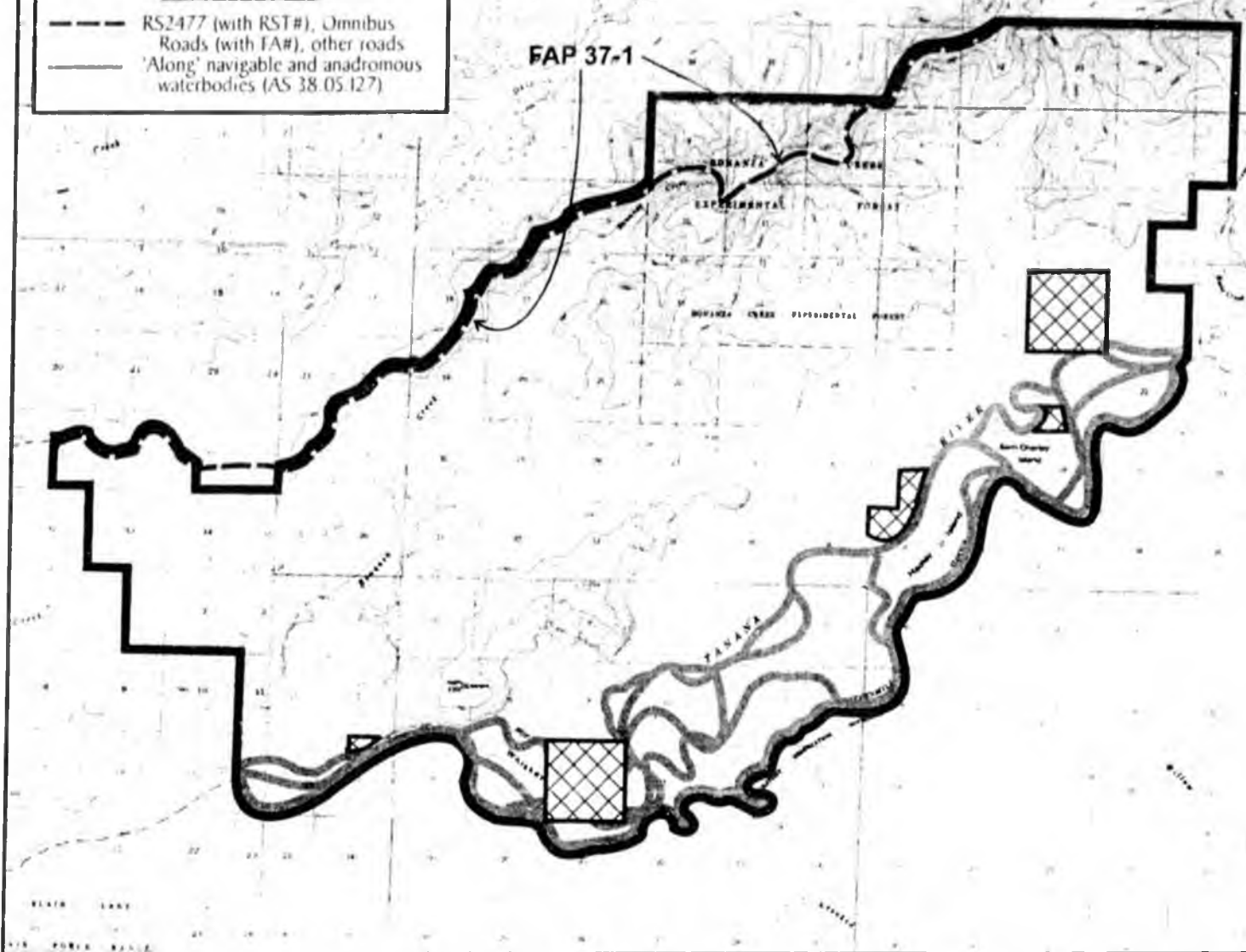
University Research Forest

NS.EX.1002

EASEMENTS

- RS2477 (with RST#), Omnibus Roads (with FA#), other roads
- 'Along' navigable and anadromous waterbodies (AS 38.05.127)

FAP 37-1



Prepared by: DNR; rhe
Source: USGS Fairbanks C-3, D-3, D-4
Date: 12/2004

—|—|—
one mile



Excluded Lands

Meridian	Township	Range
FM	1-3S	3W-5W